



# MINUTES

## REGULAR MEETING OF THE HEMET CITY COUNCIL

May 27, 2014

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**5:00 p.m.**  
**City of Hemet Council Chambers**  
**450 E. Latham Avenue**

**www.cityofhemet.org**  
*Please silence all cell phones*

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### Call to Order

Mayor Smith called the meeting to order at 5:00 p.m.

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### Roll Call

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

ABSENT: None

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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 5:01 p.m.

1. Conference with Labor Negotiators  
Pursuant to Government Code section 54957.6  
Agency designated representatives: City Manager Hill  
Employee organization:  
*Hemet Fire Fighters Association*  
*Hemet Non-Sworn Police Employees Association*  
*Service Employees International Union (SEIU) General Employees*
2. 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 reconvened at 5:12 p.m.

**Eric Vail, City Attorney**, the City Council received status updates on the two Closed Session items. There was no additional reportable action.

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## Work Study

*Discussion regarding this item, with possible direction to staff*

### 3. Presentation and Discussion regarding the Preliminary FY 2014-15 Budget and Capital Improvement Plan – City Manager Hill

**Wally Hill, City Manager**, gave a powerpoint presentation of the Preliminary Budget and Capital Improvement Plan (CIP) this evening. Continued discussion will be conducted on June 10<sup>th</sup> with recommendation to adopt the final Budget and CIP on June 24<sup>th</sup>. Additional meetings to review the Budget can be scheduled if necessary. The Budget includes 40+ separate accounting Funds. Revenues and funds balances from most Funds are restricted in use. This presentation will focus on the General Fund. A pie chart was displayed showing the projected General Fund Expenditure percentage by Fund. A pie chart was displayed showing the projected General Fund Revenues by type. A new feature in the proposed Budget is each department's mission, goals, objectives, & performance indicators reflecting strategic management and accountability. Another new feature is a 5-year Capital Improvement Plan. The proposed Budget includes a 4% decrease in the City's General Fund. The amended FY 13-14 General Fund Budget was \$41.2 million. The proposed FY 14-15 General Fund Budget is \$39.5 million. Hemet still has a structural deficit. As of June 1, 2014 the City's General Fund reserves are \$15.23 million. Staff is recommending that \$1.39 million be used to balance the FY 14-15 Budget. \$0.55 million will be used for the Refuse transfer & costs. Staff is recommending the use of \$1 million for one-time capital projects. \$0.77 million for a possible one-time fire transition and \$0.18 million for possible one-time fire legal costs. The estimated General Fund Reserve will be \$11.37 million as of June 30, 2015 which will exceed the City Council's minimum 20% requirement. The adopted budget for FY 13/14 had a structural deficit of \$5.5 million. A status quo budget for FY 14/15 would still have structural deficit of \$5.5 million. The recommended budget for FY 14/15 has a \$1.39 structural deficit that still needs to be dealt with. CalPERS requirements as a percentage of salaries have risen about 65% since FY 10/11. In FY 2010/11 PERS safety rate was 29% and non-safety rate was 16%. In FY 2014/15 PERS safety rate is 47% and non-safety rate is 27%. Workers Comp rates are up 7.22%, Retiree Medical costs are up 10.1% while the General Fund revenue increase is only 4.6%. Pay raises approved in FY 13/14 have exasperated the problem. The Departments have diligently looked for reductions in operating expenses. The following reductions are being recommended: special events funding reduced from \$97,000 to \$50,000 and recommending the elimination of the City produced events; State and Federal lobbyist contracts eliminated; no funding for operation of the Simpson Center; no dues for National League of Cities or U.S. Conference of Mayors; no funding for California Highway Patrol on Florida Avenue; no additional funding for vehicle/equipment replacements; reduced costs for internal services such as IT, City Attorney, equipment maintenance; and facility maintenance; and Friends of the Library will be picking up all Library Office supplies. It is also proposed that 13.5 full-time equivalent positions in 9 Departments be eliminated reducing the City's workforce to 281.5 full-time equivalent positions, including the Assistant City Manager position. Proposed Fee Increases in FY15 will allow for better cost recovery: increase in building permits/inspections \$119,000; increase in planning fees \$107,000; increase in code enforcement fees/fines \$126,000; and Paramedic fees \$170,000. For a total proposed increase in fees of \$522,000. Approval of the new fee study will come before the City Council in July for consideration. It is also expected that FY 14/15 will return a higher investment in

earnings of \$100,000, as well as, a greater cost recovery for School Resource Officers of \$135,000. Even with \$1.4 million dollars in cuts proposed to the General Fund, we are pleased to say that many services levels will be maintained. The current Library operating hours will remain the same. Park maintenance levels will be maintained. Service levels in Code Enforcement and R.O.C.S. will be maintained. Funding for Downtown Specific Plan will be carried over. Police patrols and full-time investigators will remain intact. Funding from the General Fund is proposed for the following Capital Projects: \$250,000 for demolition of the potato shed, to reduce liability, expenses and make site marketable; \$85,000 for wearable cameras for police officers, to improve evidence for prosecutions, review claims of misconduct, and for training; \$67,500 for devices to change traffic signals for Police to improve response times, an additional \$182,000 from Development Impact Fees for 11 more intersections & Fire vehicles; \$120,000 for replacement of video security system digital recorders; \$275,000 for virtual desktop infrastructure to reduce hardware & maintenance costs & allow more mobile access; and \$202,500 for replacing old networks in six buildings for better connectivity and enabling voice-over-internet. The City of Hemet has reduced staffing by 31% since staffing level of 406 full-time equivalent positions in FY 06-07. The FY 14/15 budget proposes 281.5 full-time equivalent positions. Fund balance history: FY 06-07 actuals \$5,500,000; FY 07-08 actuals \$2,500,000; FY 08-09 actuals \$2,400,000; FY 09-10 actuals \$200,000; FY 10-11 actuals \$1,700,000; FY 11-12 actuals \$19,500,000 (\$6.7 unassigned, \$3.1 operating contingency, \$4.4 economic stabilization, and \$5.2 future PERS – Refuse); FY 12-13 actuals \$20,300,000 (\$8.1 unassigned, \$3.2 operating contingency, \$4.7 economic stabilization, and \$4.3 Future PERS – Refuse); FY 13-14 estimated \$15,200,000 (\$11.5 unassigned and \$15.2 Future PERS – Refuse) and FY 14-15 projections \$11,400,000 (\$8.2 unassigned and \$3.2 Future PERS – Refuse). Hemet's General Fund Revenues plunged deeper in the recession than other Cities that declared bankruptcy. Hemet percentage change in General Fund reserves from FY 07 to FY 10 was 29.1 percent. Detroit's reduction for the same period was 20.1%. San Bernardino's reduction for the same period was 11.1%. Stockton's reduction for the same period was 4.7%. The following steps will be considered to reduce further deficit: search for efficiencies through possible competitions and consolidations; consider privatizing City's water/sewer system; discuss strategies for reducing retiree medical costs with labor organizations; sell surplus City property; consider other fee increases for better cost recovery; develop economic development and branding/marketing strategies; and form Blue Ribbon Committee to study City services and finances.

**Jorge Biagioni**, gave the City Council a powerpoint presentation regarding the City's 5-Year Capital Improvement Plan (CIP). Currently the City does not have a CIP. The 2002 Master Facilities Plan (MFP), and the 2030 General Plan identified the need to have a CIP. The MFP listed projects for \$239 million to reach City's build-out status. There are a number of reasons to have a CIP. Capital assets are very expensive and their decisions extend for years. The CIP allows variable spending through the years. It sets a time to implement projects based on priorities which can change. The CIP helps identify funding sources. A graph of the CIP Projects for FY 14/15 by Department was displayed. A graph of the CIP Funding for FY 14/15 by Department was displayed. Some future CIP Projects are: Stetson Avenue realignment; Lyon Avenue extension and bridge; Esplanade Avenue widening; Menlo Avenue widening; Hemet Street bridge; New City Hall; and Civic Center.

**Council Member Wright**, there is Brown Field Funding available that could pay for a portion of the demolition and site clean-up for the potato shed.

**Mayor Smith**, confirmed that a Phase II has already been conducted on the site.

**Eric Vail, City Attorney,** yes, the City has conducted both a Phase I and II twice including borings. There were no toxic substances or oil in the soil. After the lease was up, the County cleaned-up. Borings and trenchings can miss things, however the property was clean enough to purchase the property and clean enough to allow lessee to leave with minimum mitigation.

**Council Member Youssef,** the CIP was spurred by Ron Bradley. The document itself is a list of priorities that the City Council and staff would like to see completed. Some projects are scheduled to be completed in the next two fiscal years. Council Member Youssef asked if the projects come back for City Council approval after the adoption of the CIP, priorities might change.

**Mr. Hill,** the CIP is a 5-year plan. The first year is included in the FY 14-15 proposed budget. If the City Council adopts the proposed budget the first year projects idea and funding will be approved. Contracts for the actual projects will come before the City Council for consideration.

**Council Member Youssef,** asked if the CIP will come back to the City Council periodically to review or update the projects and priorities.

**Mr. Hill,** the CIP will come back annually to add the fifth year. The City Council can change amend the document at that time.

**Council Member Youssef,** asked if the City using the maximum amount possible of CDBG funds to achieve these goals.

**Mr. Hill,** we certainly use as much as possible to support Public Safety projects and Administration.

**Carla Callahan, CDBG Coordinator,** the City can use CDBG funds for CIP. The 5-year Consolidated Plan must be amended to allow that. The next 5-year plan is for the period of 2015 to 2020. We will begin the process to prepare the next 5-year plan in July and it will begin with the FY 15/16 budget.

**Mr. Vail,** the CIP has to go to the Planning Commission for review and must come back every year as a one year prioritization. The Planning Commission must review it every 3 years to confirm that it meets the General Plan requirements.

The City Council and staff discussed the projects, their funding and the rating.

**Kristen Jensen, Public Works Director,** talked about the City's effort in moving toward solar structures.

**The City Council gave direction to staff to include solar in the 5-Year CIP.**

**Council Member Wright,** requested an estimated timeline on preliminary steps to confirm that we are moving forward. Free energy audit are available.

**Council Member Youssef,** asked Chief Brown about the proposed technology upgrades and the pocket cameras.

**Chief Brown,** Police Departments have been forced to separate their systems. That upgrade makes is it feasible for us to webstream live video to the command center thus getting information to our officers faster. The cameras can be purchased and implemented this fiscal year. The HPOA is ready to come to the table, implement and write a policy.

**Mayor Smith,** asked why the pocket cameras over dash cameras.

**Chief Brown,** limitation with dash cam is it only sees what the car sees. Most of what we do is outside of the car.

**Mayor Pro Tem Milne,** expressed concern with the cameras.

**Chief Brown,** the Association has asked for a meeting to work on the implementation and policy. The use of cameras will continue to professionalize them in their field. We don't want to hinder their performance, the policy will be complete prior to implementing the program.

**Council Member Youssef**, expressed concern with the cost to demolish the potato shed. Council Member Youssef asked if this is being recommended this fiscal year due to safety concerns or marketability.

**Mr. Hill**, the property would be more marketable. There are safety and liability concerns, as well as, ongoing maintenance costs.

The City Council discussed the purchase and possible disposition of the potato shed.

**Council Member Krupa**, asked if staff has contacted movie producers offering the building as a prop for destruction.

**Mr. Hill**, Mr. Jansons is making calls to get the information out there.

**Mayor Smith**, it appears that we are all happy to see the completion of the CIP. Mayor Smith asked the Council Members what else they liked about the proposed budget understanding that there are a number of cuts.

**Council Member Krupa**, we recognized in writing that we have a lot of challenges ahead of us. This is a legitimate first step to work on it. I like the format of the budget. It is obvious that we are not out of the woods yet. I like the emphasis on economic development, given our recent success at ICSC. We have to tell a better story. Telling potential business to look at a Derrigo Study isn't enough. I don't like any of the proposed cuts to the Library. Council Member Krupa recommended that staff continue to find grant opportunities. The State of California pays more money than any other state and gets back less. The City needs to consider hiring a grant writing person. Council Member Krupa noted that three new businesses are opening in the next three months and asked if that is being considered in the sales tax revenue projections. I appreciate the Finance Director's conservative projections but am also very concerned with the recommendation to lay off employees.

**Council Member Youssef**, the City Manager's recommendation brings the City from a \$5.5 to a \$1.4 million structural deficit with limited reductions to the Police Department. In terms of the City's obligation policing is this Council's top priority. I am impressed by Chief Brown's out of the box thinking by contracting with CHP. We have no choice but to approve the City Manager's recommendations. At some point, we have to make an investment to market and brand the City. That is what the reserve funds should be used to make that investment instead of day to day operations. I am glad that we are inventorying and looking into the feasibility of selling City owned property.

**Council Member Wright**, the budget format is much easier to read. The revenue projects seem to be conservative I am optimistic that sales tax will increase more. ICSC was very encouraging. Things are getting better. I want to take a proactive approach. We need to have an economic development plan but I am concerned that we can't do that with only one person. We do a tremendous job with the staff we have, but could do more with more. I agree that we need to correct the structural deficit without using one time fixes. I have a number of questions and look forward to an in-depth discussion.

**Mayor Pro Tem Milne**, I like the conservative estimates. I appreciate Wally eliminating the ACM. We need to take a broader look at the way we do business. We need to increase technology that will help staff working smarter not harder. Continue with the customer service approach. Mayor Pro Tem Milne is very pleased that the Friends of the Library stepped up to help the Library.

**Mayor Smith**, loves the idea of the Blue Ribbon Committee and can't wait to get their feedback and input. Police is the priority we need to add positions and reduce crime. We need to get a handle on the fixed costs to be structurally balanced. I love the idea of Managed Competition we really need to consider that. Branding seems to be on all of our

minds we need to get our message out.

The City Council recessed at 6:41 p.m. to the Regular Session.

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## **REGULAR SESSION**

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

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### **Call to Order**

Mayor Smith called the meeting to order at 7:00 p.m.

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### **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

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### **Invocation**

Invocation was given by Narsis Williams, Hemet-San Jacinto Interfaith Council

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### **Pledge of Allegiance**

Pledge of Allegiance was led by Council Member Youssef

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## **City Attorney Closed Session Report**

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

*Hemet Fire Fighters Association*

*Hemet Non-Sworn Police Employees Association*

*Service Employees International Union (SEIU) General Employees*

The City Attorney reported that the City Council received an update on the status of negotiation with the bargaining units listed. There was no additional reportable action.

5. 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 Attorney reported that the City Council received an update on the status of the litigation. There was no additional reportable action.

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## **City Council Business Consent Calendar**

6. **Receive and File** – Warrant Register
  - a. Warrant registers dated May 1, 2014 in the amount of \$1,047,032.18 and May 6, 2014 in the amount of \$2,841,424.12. Payroll for the period of April 14, 2014 to April 27, 2014 was \$591,647.44 and April 28, 2014 to May 11, 2014 was \$605,648.50.
  
7. **Receive and File** – Investment Portfolio as of March 2014
  
8. **Recommendation by Community Development** - Zoning Ordinance Amendment No. 14-001 (Updates to the Agriculture Zone, Open Space zone and Animal Keeping provisions)
  - a. Adopt an ordinance amending portions of the Hemet Municipal Code Chapter 90 (Zoning) to update Article VII (Agriculture Zones), Article XXXIII (Open Space Zone), and Article II, Section 90-77 (Animal Regulations and Keeping Requirements) to achieve compliance with the Hemet General Plan as part of the City's General Plan Consistency zoning program. **Ordinance No. 1884**
  
9. **Recommendation by Community Development** - Zoning Ordinance Amendment (ZOA) No. 14-003 (Temporary Sign Regulations)
  - a. Adopt an ordinance amending Article XXXVI (Signs Generally) of Chapter 90 (Zoning) of the Hemet Municipal Code. **Ordinance No. 1885**
  
10. **Recommendation by City Manager** - Amendment to the Contract between the Board of Administration California Public Employees Retirement System and the City Council of the City of Hemet for Cost Sharing
  - a. Adopt an ordinance to allow cost sharing of the Employer Contribution to CalPERS with the "classic" CalPERS members of the Hemet Police Officer's Association (HPOA) and the Hemet Police Management Association (HPMA). **Ordinance No. 1886**
  
11. **Recommendation by Community Development** - Municipal Code Amendment No. 14-001: Chapter 58 (TUMF Ordinance)
  - a. Adopt an ordinance amending Sections 58-70.2 and 58-70.3 of Division 2 "Western Riverside County Transportation Uniform Mitigation Fee Program" of Chapter 58 of the Hemet Municipal Code to include a new exemption for newly construction specially adapted homes for severely disabled veterans. **Ordinance No. 1887**
  
12. **Recommendation by Fire Department** – Local Hazard Mitigation Plan
  - a. Adopt a resolution to adopt the Local Hazard Mitigation Plan (LHMP) annex as pre-approved by County of Riverside Office of Emergency Services, State of California Office of Emergency Services, and FEMA. **Resolution No. 4571**

13. **Recommendation by Fire Department** – Proclaiming Termination of a Local Emergency
- a. Adopt a resolution proclaiming termination of a local emergency.  
**Resolution No. 4572**

**Mayor Pro Tem Milne moved and Council Member Wright seconded a motion to approve the Consent Calendar as presented. Motion carried 5-0.**

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## **Approval of Minutes**

14. **May 13, 2014**

**Council Member Youssef moved and Council Member Krupa seconded a motion to approve the minutes as presented. Motion carried 5-0.**

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## **Discussion/Action Item**

15. **Municipal Code Section 46-10** – City Attorney Vail
- a. In light of *People v. Nguyen* (2014) 222 Cal.App.4<sup>th</sup> 1168, Adopt an urgency Ordinance and repeal Hemet Municipal Code section 46-10.  
**Ordinance No. 1888**

**Eric Vail, City Attorney**, recommended that the City Council adopt the urgency ordinance to repeal Section 46-10 of the Hemet Municipal Code.

**Council Member Krupa 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.

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## **Communications from the Public**

There were no communications from the public presented at this time.

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## **City Council Reports**

16. CITY COUNCIL REPORTS AND COMMENTS

- A. Council Member Krupa
  1. Traffic and Parking Commission
  2. Riverside Conservation Authority (RCA)
  3. Ramona Bowl Association

Master's of Harmony, June 15th

Over 80 attended the auditions for the Summer Youth Program

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

RTA's Budget is in public comment until June 26th

6. Watermaster Board

**Council Member Krupa**, the phosphate levels in both Lake Elsinore and Canyon Lake have been greatly reduced. It was originally believed that the phosphates were coming from the runoff from Hemet, San Jacinto and Moreno Valley. New studies have shown that the run off from Hemet, San Jacinto and Moreno Valley drains to Mystic Lake.

B. Council Member Wright

1. Park Commission
2. Planning Commission
3. Indian Gaming Distribution Fund
4. Riverside County Habitat Conservation Agency (RCHCA)
5. Ramona Bowl Association

**Council Member Wright**, 3 days and 18 appointments at ICSC. I had nothing to compare it to however Linda said it was better than the previous year. If half of the things happen we will be doing really well. John and Laurie did a tremendous job. Most of the meetings they praised John and his staff for the information that they were provided. Besides the meetings we had walk-ins. We had a prime spot and of all agencies sharing the booth we were the busiest. Look for bigger and better things ahead.

**Council Member Wright**, attended the Memorial Day Service at the Ramona Bowl. Unfortunately the attendance was low.

**Council Member Wright**, the Mini Film Festival weekend will be May 30<sup>th</sup> and May 31<sup>st</sup> at the Hemet Historic Theater. The cost is \$20 per day or \$40 for both days. Stephen Salvage would like to bring a full film festival next year.

C. Council Member Youssef

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

D. Mayor Pro Tem Milne

1. Library Board
2. League of California Cities
3. Riverside County Habitat Conservation Agency (RCHCA)

RCHCA's Budget went out and is very conservative and streamlined. RCHCA is close to delisting the Kangaroo Rat.

4. Riverside Transit Agency (RTA)
5. Riverside Conservation Authority (RCA)
6. Disaster Planning Commission

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
6. Hemet Community Activities

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

G. City Manager Hill

1. Manager's Reports
2. Designation of Voting Delegate and Alternate for the League of California Cities Annual Conference, September 3 – 5, 2014 Los Angeles
3. City Council Meeting Schedule for July and August, 2014

The City Council will continue with the scheduled meetings in July and August.

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## **Future Agenda Items**

City's Investment Policy

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## **Adjournment**

Adjourned at 7:19 p.m. to Tuesday, June 10, 2014 at 7:00 p.m.