



MINUTES

SPECIAL MEETING OF THE HEMET CITY COUNCIL

June 16, 2014

5:00 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 5:00 p.m.

Roll Call

ROLL CALL: Council Members Krupa, Wright and Mayor Smith

ABSENT: Council Member Youssef and Mayor Pro Tem Milne

Council Member Krupa moved and Council Member Wright seconded a motion to excuse Council Member Youssef and Mayor Pro Tem Milne. Motion carried 3-0.

OTHERS PRESENT: City Manager Hill and City Clerk McComas

Invocation was given by Mayor Smith

Pledge of Allegiance was led by Mayor Smith

The City Council conducted Closed Session at this time.

Discussion/Action Items

1. Ad Hoc Committee Recommendation to fund Community Events in the amount of \$25,000 for fiscal year 2014-2015 – Community Investment Director Jansons
 - a. Approve the recommendation of the City Council Ad-Hoc Committee to fund Community Events in the amount of \$25,000 for fiscal year 2014-2015

John Jansons, Community Investment Director, this is the third year the City Council has requested applications and conducted a screening process to fund Community Events. The City received 20 applications seeking support totaling \$85,879.00. The Council Ad-Hoc Committee of Council Members Krupa and Wright met to review the application and formulate the recommendation. The events support tourism as well as the Communities Health, Heritage and Harmony.

Council Member Krupa, it is being recommended to reduce the funding from \$97,000 to 50,000 which we agree with, given the circumstances. There were a great number of organizations that applied for the funding. We looked for events that will promote the City, Businesses in the city and contribute to the economy. The following events are being recommended for in-kind services only: Hemet Valley Art Association's Evening of Art; Hemet Library Foundation's Victorian Tea & Fashion Show; Soroptomist's Girl's Conference; HFM Productions Hometown Christmas; and Hemet-San Jacinto Chamber of Commerce's Downtown Harvestfest. These services can be provided without using cash and incurring additional deficit. The others recommended events are for financial support: Valley-Wide's Oldlympics;

Ramona Bowl's Ramona Pageant; Soboba's 18th Annual Pow-Wow; Habitat for Humanity's Hemet DVL Marathon; Valley Queens' Miss Hemet Pageant; and United Way's Hemet Tinsel Triathlon. \$2,800 has been reserved for City of Hemet Special Events.

The City Council discussed the cost for in-kind services.

Mr. Jansons, the requested amounts have ranged between \$70,000 to \$90,000 each year. This year the recommendation is to advance less than \$50,000. Last year \$25,000 was recommended for outside events and \$25,000 was held back for City events. The City Council still needs to decide whether or not to continue City sponsored events such as the Veteran's Day Memorial Event or the Christmas Parade.

Council Member Krupa, San Jacinto's City sponsored events are organized by Party Planners. The cost for the City sponsored events last year was \$4,417 for Veteran's Day and \$5,427 for the Christmas parade. Police and Public Works are still involved regardless of who plans the event.

Council Member Wright, this is not an easy task, we would like to fund all of the requests. A majority of the requests were not funded at the amount of the request and less funding was recommended than in prior years. We plan on doing everything we can to make sure that the two City sponsored events continue.

Mayor Smith, concurs that we want these events in Hemet. Mayor Smith asked if there is an analysis done on the return versus the funding amount. It is recommended that one-third of the Special Events funding be given to one event.

Council Member Krupa, we have asked for a sales tax indicator but have been told that is not available. The area hotels and RV parks poll their customers and the results are these businesses do very well during the period of Ramona.

Mayor Smith, agrees that it is hard to determine the return on investment. Ramona and Hemet Tinsel Triathlon can give us real numbers of attendance. It would be nice if we could give more for these events. I would like to see a methodology to qualify some of these events might merit additional money.

The City Council gave direction to staff to bring this back on June 24, 2014 for consideration by the entire City Council.

2. Fiscal Year 2014-15 Budget Review – City Manager Hill

Discussion regarding this item, with possible direction to staff

Wally Hill, City Manager, distributed spreadsheets with changes to the preliminary budget. Mr. Hill explained the changes in detail. Mr. Hill also explained the transfer from the Refuse Reserves to the General Fund. The preliminary budget adjustments reflect City Council direction from the June 10, 2014 budget discussions.

The City Council discussed the contract with Valley-Wide. Based on the services that they provide to a large number of residents the City Council would like to keep the facility open if Valley-Wide can reduce their costs.

The City Council discussed the contract with the CHP. The contract was meant to be a temporary solution to the need for additional presence on Florida Avenue that has gained a lot of attention. This agreement also freed up the officers to handle calls. The City Council's priority as well as the community's is public safety.

Chief Brown, concurs that the contract with the CHP and the presence on Florida Avenue is effective. If there is anything in the Police Department budget that can be placed on the table this is it. There is a concern that the CHP might not be able to continue this contract.

The City Council discussed funding for Federal lobbyists. The lobbyists are more effective when accompanied by Council Members. The City did not have a lobbyist for many years and the current lobbyists have only been under contract for a period of a year.

Council Member Wright, suggested that the City Council continue to build relationships with the legislatures. The legislatures would prefer to meet with City Officials than lobbyists. A legislative agenda needs to be developed by the City Council for the lobbyist to pursue.

The City Council agrees with the recommendation to eliminate funding for the Federal lobbyist.

The City Council agrees with the recommendation to eliminate funding for the Conference of Mayors.

Mayor Smith, Gonzalves and Son offered to reduce their fees by \$12,600 per year. Mayor Smith asked the City Council if that reduction is enough to consider retaining for them for another year.

The City Council discussed funding for the State Lobbyist. Gonzalves and Son was originally hired to assist the City with their pursuit of the Courthouse. Information is provided to the City Council from Gonzalves and Son. That same information is also provided by the League of California Cities. Gonzalves and Son is highly respected. Concern was expressed that the lobbyist are not doing any more for the City than Council Members can do. There is value in having a lobbyist but maybe the City is not in the position to capitalize on it at this time. Mayor Smith expressed concern that the League represents both Southern California and Northern California cities with different agendas and they have to defend them both. The League in my opinion is not effective as a lobbyist group. Council Member Wright again encouraged Council Members to continue to meet with the delegates locally and bring them to the table. Allowing the representatives to use City offices has been positive and made them more available to us.

The City Council agrees with the recommendation to eliminate funding for the State lobbyist.

The City Council discussed the recommendation to not fund Equipment Replacement for the fiscal year. The current balance is adequate to replace equipment if needed.

The City Council discussed the Clean City Youth Program. The recommendation is to abolish the program and eliminate the 8 minimum wage part-time positions. This program was approved many years ago. The school aged part-time employees work on Saturdays during the school year and full time in the summer. Originally the program included 16 positions then was reduced to 8 positions. The employees are limited to 900 hours per year. All 8 positions are currently filled. The elimination of this program will allow the Public Works Department to keep some other critical positions.

Council Member Wright, recommended that staff look into the Youth Ecology Program and noted that grant funding is available.

The start-up costs to reinstate the program are minimal if funding is available at a later date. The City Council discussed in detail the 13.5 full time equivalent positions being recommended for elimination.

Council Member Krupa, asked for the number of filled positions that are being recommended for elimination.

Mr. Hill, there are 15 full or part-time filled positions that includes the 8 youth program employees.

Kay Masonbrink, Hemet Adult Literacy Advocates, there are currently 70 adult learners in the program, with a waiting list of people. This is a diverse group ranging in age from 18 to

70, all with different ethnic backgrounds and abilities some physically or mentally challenged. When you make decisions about the library, it affects these learners. The reduction in hours has affected our program too. The Library is a building for the community.

JoAnn Kuehl, Hemet Adult Literacy Advocates, currently I am tutoring a 50 year old lady that is learning to read to pass her test to become a US citizen. She is raising her 12 year old grandson and was successful in getting him into the Western Science Center. I am also tutoring a 45 year old man that started at a 1st grade reading level and now is at a 4th grade level. Because of this success he has a job and has maintained it for 4 years.

Mary Ann Behling, Hemet, spoke in support of the Library. As a frequent customer I see numerous parents there helping their children. I spend quality time with my grandchildren watching puppet shows. We check out books, DVD's and audio books. We currently do not have cable or internet. I use the computers and internet to apply for jobs and keep in touch with my son in the military. My kids use the internet for their homework assignments. The Library is a hub for our community to learn.

Morgan Newlin, I have been an Inspector for the City of Hemet for almost a decade. My position is one of the filled positions that is being recommended for elimination. Mr. Newlin is hoping that the City Council will respect the collective bargaining process and reject the budget recommendation to lay off active employees. Last meeting the City Council approved the Ramona Creek Project. Horizon Solar will be expanding their business and bringing 150 new jobs to Hemet. Mr. Newlin asked if businesses will want to relocate or start up in Hemet when the cost for services increases. Mr. Newlin's billable hourly rate is \$46.00 for 2013. The contract rate for the same service will cost the business owner and developer \$90.00 per hour. Mr. Newlin's salary is currently offset by CDBG, Measure A Gas Tax and deposit accounts from development. Mr. Newlin recommended that the City Council consider delaying the decision to lay off any employees until the FY 2013/14 Financial Audit is complete.

Tim Burke, SEIU, asked the City Council to respect the collective bargaining process and reject the recommendation to lay off 4 SEIU represented employees. The information distributed at the last meeting came from the City's independent audit and was compared to the surrounding cities. The City has deposited one-time money into the City's reserves annually for the last three year. The City is currently asking employees for concessions. Mr. Burke recommended that the City Council wait until the FY 2013/14 CAFR is complete to understand the true financial status of the City. Mr. Burke asked about the City's philosophy to compensate employees to compete in the marketplace for qualified personnel to provide municipal services. Mr. Burke questioned the City Council decision to approve a Resolution for 7 employees. The majority of the SEIU membership is paid for by enterprise funds and only impact the General Fund by 7%. The employees care about this city and the citizens. Please consider the impact your decision will on these employees and the services that they provide.

The City Council recessed briefly at 7:09 pm.

Reconvened at 7:19 p.m.

Council Member Youssef arrived at 7:19 p.m.

Chief Brown, received an answer from the CHP area Chief. A policy set by the State's Office of Governmental Affairs only allows the CHP to enter into mutual aid agreements for a 12 month period. Based on that policy I do not believe that the CHP will renew our agreement. The current agreement expires on August 31, 2014. We will continue to look for ways to work cooperatively with the CHP.

Council Member Youssef, that's not the answer we wanted, but does make our decision easier. Council Member Youssef encouraged Chief Brown to continue to explore other ways to work with the CHP in the future.

The City Council accepted the City Manager's recommendation to allow the contract with the CHP to expire.

The City Council proceeded to discuss the 13.5 FTE's recommended for elimination.

Council Member Krupa, asked each Department Director how they will get by in light of the layoffs.

Deanna Elliano, Community Development Director, as all departments operation expenses were cut until those reductions were no longer sufficient. The Community Development Department includes three divisions. In the Building Division, the recommendation is to eliminate a Plans Examiner. In Code Enforcement, a vacant part-time Code Officer was not funded. In Planning, the two Contract Planners hours have been reduced unless we get large development projects that fund additional. The filled position is the Plans Examiner. The current workload will be divided up. Larger projects will be done by contract examiners. The Building Inspectors and Counter Technician will be cross trained to do the over the counter plan checks. The Building Official, Jeff Thomas, will devote more of his time for plan checks.

Council Member Wright, the Goals and Objectives for the Community Development Department include an increase in customer satisfaction. Council Member Wright asked how that can be obtained with a reduction in staff.

Ms. Elliano, the City Manager has indicated that the performance measurements can be adjusted as needed.

Council Member Wright, expressed concern with reductions to divisions that are vital in pursuing economic development. Goal setting and objectives are great but might not be realistic.

The City Council discussed the fact that this is still not a structurally balanced budget. Any recommended reductions that we do not approve will increase the deficit or might have to come from another Department such as PD. If there is a spike in development, the City can contract for the specific services that will be paid for by the development. Many area cities contract for services, they can raise or lower their contracts based on their needs or finances. The City is still recovering from a huge economic decline. Labor costs are the largest part of the City's budget. Additional funding options were discussed.

Kathye Caines, Acting Senior Librarian, we recommended abolishing 2 part-time vacant positions and 1 temporary On-Call position. The remaining Library staff offered to furlough 2 hours per week to save all others positions. The Library currently has 3 Library Asst II positions, 2 full-time and 1 part-time. The original cuts were no sufficient and an additional Part-time Library Asst. II is recommended for reduction. Ms. Caines explained the duties of the Library Asst. II's. The Library employees have a can do attitude. The Librarians and I will help on the desk and step in during employee vacations and illnesses. The reference and children's desk will be moved to a central location.

The City Council discussed the recommendations for reduction in Library personnel. The Library at one time was open 6 days a week and had 26 employees. Currently the library is open 4 days a week and has 8 employees. Volunteers and technology are heavily relied on. The Library averages 1,500 to 1,600 visitors per day. 6,000 customers per month use the wireless or wired computers. It was noted that solar would help solve some of the problems the library faces.

Mayor Smith, the City of Hemet is not the only city struggling with Library services. Mayor Smith recommended that the City Manager explore options for Library operations. The City of Upland recently contracted with LSSI, they were able to increase their operating hours and reduced their costs.

Jorge Biagioni, Engineering Director, the Engineering Department is losing 1 of our 2 Public Works Inspectors. One of the PW Inspector's is scheduled to retire in November, the original recommendation was to not fill that position for a 7 month savings however that was not sufficient. Employees will be cross trained to meet the demand. The Senior Inspector will do plan checks. Contract Inspectors will be hired during upswings. PW Inspectors inspect City projects and private development.

Mayor Smith, the theme seems to be cross training. This is the same thing that private sector businesses have been doing for the last three years. Employees need to be versatile, drop their titles and do the work. In the private sector we continue to see an increase in customer service even with a decrease in staff. These are tough economic times and we are not out of the woods yet.

The City Council discussed the 5-year CIP. Some of the projects included funding sources. Some are to be phased and some are slated for the future and funding sources will need to be identified at a later date. The City Council discussed the recommendation to demolish the Potato Shed. Council Member Wright explained that Brown Field Funding might be available to assist with the cost. The CIP includes a list of projects that are included in the 2014/15 budget. The CIP will be reviewed annually and an additional year will be added to keep this as a 5-year plan. Council Member Wright suggested that shelf ready projects being developed and ready for funding opportunities.

Kristen Jensen, Public Works Director, the Clean City Youth program gave us the extra hands at a reduced costs on the weekends. We will need to re-evaluate the costs for the in-kind services, the previous rates were based on using minimum wage students. Weekend events might require the use of overtime or the departments might be more selective on in-kind services performed on weekends. Reductions are recommended in the PW Administration operating budget. Currently there are 5 mechanics and one supervisor that work two shifts five days a week. It was originally recommended to eliminate one mechanic which would have reduced the operation to a single shift four days per week. Public Works Administration and the Water Department are funding IT support for upcoming technical projects.

The City Council discussed the recommended reductions in Public Works. It was confirmed that the one day a week park closure will continue. The City Council confirmed that there are back up plans for vehicle maintenance including fire equipment. The City Council asked if vendors were in place for contract maintenance services if necessary.

Ms. Jensen, not at this time, the City does have vendors that we use when necessary.

Scott Bailey, Fire Captain, explained that there are reserve engines available. The Department's fleet is standardized so parts are in stock. Mr. Bailey spoke highly of the service provided by the City's Equipment Maintenance Division.

Ms. Jensen, it is recommended that one Facilities Maintenance Aide position be eliminated from the Facilities Maintenance Budget. Previously we did not fill the Facilities Supervisor. It was recommended that the Supervisor position be filled this fiscal year. The Division will return to core functions. Special projects and special events are supported by this team of workers the amount of staff and time allotted will have to be prioritized. The previous reductions were absorbed and minimal impacts were felt. This year will be different, the service level provided to the departments will be impacted.

Council Member Wright reminded staff about funding opportunities such as Brown Field and Solar. Also the additional water funds that are available, the money will be committed by December 2014 applications should be submitted quickly.

John Jansons, Community Investment Director, my position includes the work that was previously performed by an Economic Development Director, a Housing Manager and duties that were previous done by the Assistant City Manager. Edna LeBron performs the duties that were previously done by a department of three. Carla Callahan gives beyond 100% in her role as CDBG Coordinator. Laurie Knotek, Special Events Coordinator is one of the positions that is recommended for elimination. Ms. Knotek does City Marketing, Promotional Activities and provides direct support to the Economic Development Program. This will be difficult transition to lose a valuable team member and scale back the Community Investment Department. The new program of work will provide a more focused effort on Economic Development activities.

Council Member Krupa, appreciates the attitude of the departments regarding the cuts and the willingness to persevere. Council Member expressed concern with the ability to focus on Economic Development without additional staff.

Mr. Jansons, the effort will have to be more precise and targeted. There will be scenarios where a team will be necessary and we will turn to other department to assist. The recommendation is to transfer the functions and employees of the Housing and CDBG Divisions to the Administrative Services Department. One gray area still remains with the dissolution of the Redevelopment Agency which is partly served by the City's contract with RSG. We came up with a creative solution with the development of the Community Investment Department. I started my career in Economic Development and will shift my focus and effort in that direction.

Council Member Wright, expressed concern with the reduction of staff for economic development with what seems to be greater economic options coming to the City. The City needs to be able and ready to pursue the economic opportunities. We need to concentrate on bringing jobs and economic drivers to the City. Council Member Wright expressed apprehensive in cutting the Special Events Coordinator position and asked that it be placed on a list of pending items to be re-evaluated.

The City Council confirmed that John Jansons will refocus on Economic Development. The City Council discussed the positions that have been discussed. It is understood that any recommendations that are not accepted will add to the structural deficit of the budget.

Tom Kanarr, Interim Finance Director, the recommended position is an Accounting Technician III. The tasks assigned to that position is Business Licensing functions. There are employees in the department that have done that job and others will be cross-trained to absorb the duties.

The City Council continued their discussion regarding the recommended budget. The City Council recommended that the Potato Shed be included in the discussion of the disposition of the city owned property. If a budget is not approved by June 30, 2014 no money can be spent after July 1, 2014. The budget can be amended at any time after its adoption.

Council Member Wright, asked if the consideration to eliminate the 13.5 FTE's can be continued until the FY 13/14 CAFR is complete.

Mr. Kanarr, the CAFR will not be completed until December 2014. Finance will have a good estimate by the end of August.

Council Member Youssef, no one wants to make these cuts. If we don't accept the recommendations, layoffs will be seen in Fire and Police. My perspective has changed in the last 6 years, you cannot delay the inevitable.

The City Council accepted the City Manager's recommendation to eliminate the 13.5 FTE positions.

Closed Session

Notice of Opportunity for Public Comment

There were no public comments presented at time.

The City Council recessed to Closed Session at 5:02 p.m.

3. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: City Manager Hill
Employee organization:
Hemet Fire Fighters Association
Service Employees International Union (SEIU) General Employees
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Reconvened at 5:37 p.m.

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
Service Employees International Union (SEIU) General Employees

Wally Hill, City Manager, reported that there was no reportable action.

The City Council conducted Item No. 1 at this time.

Communications from the Public

There were no communications from the public at this time.

Future Agenda Items

CalPERS for Lateral Officers

Adjournment

Adjourned at 9:02 p.m. to Tuesday, June 24, 2014 at 7:00 p.m.