



# MINUTES

## REGULAR MEETING OF THE HEMET CITY COUNCIL

July 8, 2014

---

6:00 p.m.

City of Hemet Council Chambers  
450 E. Latham Avenue

[www.cityofhemet.org](http://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, Wright and Youssef, Mayor Pro Tem Milne and Mayor Smith

ABSENT: None

---

### Work Study

*Discussion regarding these items, with possible direction to staff*

1. Disposition Options for City-Owned Real Property – Community Investment Director Jansons

**John Jansons, Community Investment Director**, discussed disposition options for City-owned real property. This is to determine if the City has any real property that can be sold or if it is being held for a specific future purpose. Many City-owned properties were deemed not feasible for sale or development because they serve as: landscape medians; urban and wild land parks, or conservation areas; city-use buildings (city hall, police station, fire stations, the Library, city corporate yard, etc.); public parking lots supporting employee or customer parking; well sites, storm water detention/retention basins; and roads and public rights of way. If property is identified as disposable a process will have to be determined. Mr. Jansons explained the options for disposition based on Sections 37350, 37351 and 37420 through 37430 of the Government Code. Mr. Jansons explained some things that should be considered in selling real property such as zoning, appraisals and valuations and environmental site assessments. The City Council will need to determine the process to be used for disposition. Mr. Jansons explained the options that could be considered. Staff has prepared an inventory of City-owned property. Based on a review of the inventory by the City Manager and the Executive Management Team the following properties could be considered for disposition:

Vacant lot in Sierra Dawn North (669 Mariposa)

“Sisk” Building

302 E. Florida Avenue (NE corner of Carmalita)

555 St. John Place

327 S. Taylor

NW Corner of Sanderson and Stetson

Domenigoni Parkway – North Side 20 acres

The following properties, while feasible for sale and development, staff is not recommending them for consideration at this time, pending completion of the Downtown Specific Plan:

- The "Potato Shed" 250 E. Meier St.
- L.P. Denny Building 401 N. Juanita St.
- The Devonshire Site
- Corner of E. Devonshire and N. Buena Vista
- 143 Juanita
- "Gore-point" at Florida and Acacia
- Source or Headwaters of Salt Creek
- NW Corner of Domenigoni and Searl Parkway
- Conservation Lot at Warren and Devonshire

The City Council was hoping for a list that included the value of the city-owned properties.

**Eric Vail, City Attorney**, suggested that the City Council look at the properties that are to be disposed of as a package and determine if one process will work for all of the properties. The properties presented are not considered surplus, they all have a reserve public purpose. There is no requirement to offer these properties to other public agencies for first right of refusal.

The City Council and staff discussed the NSP ties with 327 S. Taylor Street. The City Council and staff also discussed the current agreement with Model Master's for use of the property located on the north side of Domenigoni Parkway.

The City Council discussed the City's obligation to clean up the properties. The property value will be affected by the City's efforts. There will be a cost to the taxpayers to clean up the properties, however the property value will be less if the City does not clean them up.

**Council Member Youssef**, asked if it would be prudent at this point to hire a consultant that knows the business. Based on staff's recommendation there are only two properties of any value. Council Member Youssef would like to have some way to make sure the property is used for the highest and best use according the City Council.

The City Council discussed ways the property can be used to attract desirable businesses.

**Mr. Jansons**, asked if the City Council is suggesting that market analysis be done.

**Tab Johnson, Rich Development**, expressed interest in the Stetson Crossing property. Rich Development is an active developer in the immediate area. We have knowledge of and an interest in that property. We are actively marketing the property to the South. We would develop a project that the City would be proud of. Mr. Johnson recommended that the City Council take a hard look at these properties and their real value. We have interest from great tenants.

The City Council and staff discussed development and marketing options to retain control of what is built on city-owned property. The City does not have the same latitude as the former RDA. The City Council discussed which properties would produce the highest and best use. The City Council also discussed the properties that would be part of the upcoming Downtown Specific Plan.

**The City Council identified specific properties to be discussed at a subsequent meeting to determine highest and best use.**

The City Council recessed at 6:55 p.m. to the Regular Session.

---

## **Closed Session**

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

**Continued to the end of the Regular Session**

---

## **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 7:02 p.m.

---

### **Roll Call**

PRESENT: Council Members Krupa, Wright and Youssef, Mayor Pro Tem  
Milne and Mayor Smith  
ABSENT: None

---

### **Invocation**

Invocation was given by Gary Fowler, Hemet-San Jacinto Interfaith Council

---

### **Pledge of Allegiance**

Pledge of Allegiance was led by Gary Fowler, Hemet-San Jacinto Interfaith Council

---

## **City Attorney Closed Session Report**

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

## Presentation

3. McSweeney Recycled Water Retrofit – Kevin Pearson, Eastern Municipal Water District **Kevin Pearson, Public Affairs Officer**, introduced John Wuerth, EMWD’s Recycled Water Program Analyst. Development of the McSweeney Farms Conversion/Retrofit Project began in 2007. The project was conditioned for recycled water use in streetscape and the community park. At the time of development, EMWD’s Recycled Water system was not stabilized so potable water is currently being used. EMWD has since expanded its Recycled Water infrastructure with the conversion of the Fruitvale Tank, Construction of the Gibbel Tank and the Simpson Park booster station. Metropolitan Water District On-site Retrofit Pilot Program offers water at \$195.00 per acre foot (AF) for five years of usage. The program opens on July 1, 2014. Funding is available on a first come first serve basis. Construction must begin within 3 months of Notice of Approval and the systems must be online within 6 months of the Notice of Approval. Mr. Pearson went over the anticipated conversion costs and the anticipated costs savings. The City of Hemet will see immediate cost-savings. McSweeney Farms will see long-term cost savings. An agreement between the HOA/Raintree Investments and EMWD will allow their customers to convert to Recycled Water without significant up-front costs. The customer will pay the potable water rate until the balance is paid in full. The customer will receive a low interest rate loan. The conversion will provide immediate and significant long-term savings. The anticipate return on their investment will be within 10 years. This program should encourage the conversion to Recycled Water. Grants must be submitted quickly. This project is being fast-tracked by EMWD with a very tight timetable. The on-site work includes the installation of pumps in streetscape system, conversion of meter boxes and sprinkler heads and the addition of Recycled Water signage. EMWD needs to replace 23-feet of Recycled Water pipeline in State Street, south of Domenigoni Parkway to connect to the system. The project has received support from Raintree Investments, the HOA, Dean Wetter and Kris Jensen.

The City Council and Mr. Pearson discussed the loan and qualification details. Mr. Pearson noted that staff is still working on the details with EMWD’s Finance Department.

**John Wuerth, EMWD**, the loans were available as of July 1, 2014. There is a two page grant application available online. The process takes approximately 2 to 3 weeks from submission to Notice of Approval. The agreement will be between the customer and the third party vendor.

The City Council and Mr. Pearson discussed the parameters of the loan and the anticipated interest rate. The City Council thanked Mr. Pearson for the presentation. Any incentive to encourage the use of recycled water and help save potable water is appreciated.

---

## City Council Business Consent Calendar

5. **Receive and File** – Warrant Register
  - a. Warrant register dated June 26, 2014 in the amount of \$1,822,527.23. Payroll for the period of June 9, 2014 to June 22, 2014 was \$589,142.50.

6. **Recommendation by City Manager** – Contract with Valley-Wide Recreation & Park District to Operate the Simpson Center
  - a. Approve the contract with Valley-Wide Recreation & District to Operate the Simpson Center from July 1, 2014 through June 30, 2017 for \$157,000 per year.
7. **Recommendation by Public Works** - Ordinance Repealing and Restating Chapter 62 of the Hemet Municipal Code pertaining to Solid Waste Management
  - a. Adopt an ordinance repealing and restating Chapter 62 of the Hemet Municipal Code [Solid Waste Management]. **Ordinance No. 1890**
8. **Recommendation by Police Department** – Agreement for School Resources Officers (SRO) for 2014-2015 with Hemet Unified School District (HUSD)
  - a. Approve the 2014-2015 SRO Program with the HUSD in the annual amount of \$513,736.92.
9. **Recommendation by Finance** - Initiate Proceedings Existing Streetlight Maintenance District for Fiscal Year 2014-2015
  - a. Adopt a resolution initiating proceedings and ordering the Report of the Engineer in connection with the annual levy of assessments for the existing citywide streetlight maintenance districts and the levy and collection of assessments within such districts for the fiscal year 2014-2015, and designate PSOMAS as the Engineer for the purpose of these proceedings. **Resolution No. 4582**
10. **Recommendation by Finance** – Existing Streetlight Maintenance Districts for Fiscal Year 2014-2015
  - a. Adopt a resolution of intention to order the annual levy of assessments for the existing citywide streetlight maintenance district and to levy and collect assessments within such districts for Fiscal Year 2014-2015, preliminarily approving the engineer’s report and appointing July 22, 2014 for hearing protests. **Resolution No. 4583**
11. **Recommendation by Finance** - Initiate Proceedings Existing Landscape Maintenance District for Fiscal Year 2014-2015
  - a. Adopt a resolution initiating proceedings and ordering the Report of the Engineer in connection with the annual levy of assessments for the existing citywide landscape maintenance districts and the levy and collection of assessments within such districts for the fiscal year 2014-2015, and designate PSOMAS as the Engineer for the purpose of these proceedings. **Resolution No. 4584**
12. **Recommendation by Finance** – Existing Landscape Maintenance Districts for Fiscal Year 2014-2015
  - a. Adopt a resolution of intention to order the annual levy of assessments for the existing citywide landscape maintenance district and to levy and collect assessments within such districts for Fiscal Year 2014-2015, preliminarily approving the engineer’s report and appointing July 22, 2014 for hearing protests. **Resolution No. 4585**

13. **Recommendation by Finance** – Special Tax in Community Facilities District No. 2005-1 (Public Safety Services) for FY 2014-2015
  - a. Acting in its capacity as the legislative body of Community Facilities District (CFD) No. 2005-1 (Public Safety Services) adopt a resolution authorizing the levy of a special tax for this district for fiscal year 2014-2015.  
**Resolution No. 4586**
14. **Recommendation by Finance** - Special Tax in Community Facilities District No. 1999-1 (Heartland Project) for FY 2014-2015
  - a. Acting in its capacity as the legislative body of Community Facilities District (CFD) No. 1999-1 (Heartland Project) adopt a resolution authorizing the levy of a special tax for this district for fiscal year 2014-2015.  
**Resolution No. 4587**
15. **Recommendation by Engineering** – Riverside County Flood Control and Water Conservation District’s Cooperative Agreement Hemet MDP, Line C, State 4 – Whittier Avenue Project No. 4-0-00212
  - a. Accept the Cooperative Agreement with Riverside County Flood Control and Water Conservation District; and
  - b. Authorize the Mayor, City Manager and City Attorney to execute the Cooperative Agreement for the subject project.

Item No. 6 was removed from the Consent Calendar. **Mayor Pro Tem Milne moved and Council Member Youssef seconded a motion to approve the remaining Consent Calendar items as presented. Motion carried 5-0.**

Item No. 6

**Wally Hill, City Manager**, Valley-Wide is requesting a minor change to Exhibit A. It is being requested that the reference to hours of operation be eliminated to allow Valley-Wide flexibility in determining the hours that fit their programs.

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

---

## Approval of Minutes

16. June 10, 2014

**Council Member Wright**, requested that her comments on Page 3 be corrected to reflect that Council Member Wright feels that the City does not get the bang for its buck and that Turch & Associate is the not the right lobbyist.

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

---

## Discussion/Action Item

17. **Request to Initiate Proposed Annexation: A request by property owners for the City of Hemet to initiate an application to the Riverside County Local Agency Formation Commission (LAFCO) to annex 940.63 acres of property located within the city's Sphere of Influence in unincorporated Riverside County, general situated south of Stetson Avenue, north of Dominigoni Parkway, and west of the City limits to California Avenue.** – Community Development Director Elliano
- a. Direct staff to initiate the annexation application process for 940.63 acres of property located southwest of the city limits in the adopted City of Hemet Sphere of Influence area on which pre-zoning has been established, provided that a minimum of 50% of the estimated costs are deposited by the landowners; and
  - b. Direct staff and the City Attorney to develop funding participation or reimbursement agreements, as applicable, with project area property owners; and
  - c. Reallocate up to \$55,000 from the FY 13-14 Planning Division Professional Services Expenditures account for the "up front" cost of annexation expenses to be partially reimbursed through the funding participation plan; and
  - d. Authorize staff to solicit proposals from qualified consultants for the required technical studies; and authorize the City Manager to negotiate and execute the contracts on the City's behalf.

**Deanna Elliano, Community Development Director**, the City has received a request to initiate a Proposed Annexation of property located in southwest Hemet. The proposed area is 940.63 acres generally located south of Stetson Avenue, north of Domenigoni Parkway, west of the City limits to California Avenue. The proposed area is within the City's Sphere of Influence. The proposed area was pre-zoned by the City Council on January 28, 2014. That action established zoning consistent with General Plan and takes effect only upon future annexation of property into the City. A locational map, an aerial photo map and pre-zoning map of the proposed area were displayed. There are 11 property owners, five of which are governmental agencies. The 740.65 acres of developable land has seven property owners. The property breakdown is: Pacifica First – 14.81 acres; City of Hemet – 20.88 acres; Chen – 37.13 acres; Dilworth – 125.19 acres; Ho/Chow – 153.73 acres; MWD – 166.55 (developable) acres; and Benchmark Pacific – 222.22 acres. A map of the proposed property by owner was displayed. Rick Robotta of Benchmark Pacific requested in a letter dated June 12, 2014 that: the City take the lead in the annexation process in partnership with the landowners and prepare the application materials, manage the project, contract with the required technical consultants, and provide the General Plan EIR; and the City assist in providing a portion of the "up front" funding contingent upon some form of property owner participation agreement to ensure reimbursement. The scope of work for Application Materials that must be prepared for LAFCO that will require a considerable amount of staff time include: Fiscal Impact Report; Plan for Services, coordination with agencies; boundary maps and legal descriptions; infrastructure maps and service review; water supply letter; statement of project benefits; coordination with the County of Riverside; coordination with LAFCO and property owners; application preparation; and project management. The preliminary costs estimates are: City costs and fee - \$15,950; professional services to prepare technical studies and documents - \$75,000; and LAFCO and agency fees - \$19,345. For a total estimated cost of \$110,295.

Each owner of developable land will contribute a percentage based upon his percentage of developable land ownership. At least 50% of the cost is expected to be provided by two property owners at the start of this effort. The City would advance the remaining 50% by carry-over and reallocation of funds from the FY13-14 in the Planning Division's budget. The city would be reimbursed through funding participation agreements with the remaining property owners at the time of sale or entitlement. The annexation proposal is a key component of the City's economic development strategy and implements the vision in the General Plan to increase employment opportunities, encourage light industrial and commercial growth, and expand residential options in the project area while enabling the continue westward growth to the City.

**Mayor Pro Tem Milne**, appreciated Benchmark Pacific's help with the costs. Mayor Pro Tem Milne asked what form of enticement the City has to encourage the other land owners to pay their share.

**Ms. Elliano**, the City will reach out to the property owners to see if they are willing to participate. The city should not pay for this effort if property owners are not willing, other options can be explored with the City Attorney, such as pendency's on the property.

The City Council and staff discussed the proposed area. The surrounding property and the proposed annexation boundaries were discussed.

**Rick Robotta, Benchmark Pacific**, staff has done a wonderful job working with us on the proposed Rancho Diamonte Project. Mr. Robotta spoke in support of the proposed efforts and recommended that the City Council direct staff to proceed. We are committed to paying our fair share which is 30% of the total costs.

The City Council and staff discussed the other property owner's position on the annexation. Unofficially MWD is not opposed and will pay their fair share. All other property owners are in favor. The City Council and staff also discussed this proposed annexation and the upcoming Highway 79 realignment.

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

18. **Amended City of Hemet Investment Policy** – Treasurer Oltman and Finance Director Kanarr

- a. Adopt a resolution establishing an investment policy and rescinding Resolution No. 4499. **Resolution No. 4588**

**Tom Kanarr, Interim Finance Director**, before the City Council is a recommendation to approve of the City's Investment Policy. The City's Investment Policy will come before the City Council annually from this point forward. Mr. Kanarr explained the two important changes in the proposed policy: 1) it would allow investments for maturities of up to 10 years for the General Fund spendable and unrestricted reserves that are designated at the 20% set aside. For FY 2014-15 the maximum amount could be invested in this manner is \$7.9 million. 2) it would require a minimum investment in checking accounts, LAIF, and/or money markets of \$20,000,000. This is approximately 25% (three months) of annual expenditure in all funds and would ensure that the City had immediate access to funds if its cash flow was disrupted by a natural disaster or un-natural State action.

**Judy Oltman, City Treasurer**, explained the current and proposed investment options.

**Mr. Kanarr**, higher yielding investments have been included in the assumptions for the 2014-15 FY budget. An adjustment will be necessary if this policy is not approved. The last time the City Council re-evaluated investments was in May 2012.

The City Council and staff discussed the laws that dictate the City's ability to invest in higher risk investments as well as the amount of investment that is FDIC insured.

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

**The City Council gave direction to staff to workstudy Investment Options at a subsequent meeting.**

19. **Federal Lobbying Services for FY15** – City Manager Hill

- a. Provide direction to staff on the selection of a firm to provide federal lobbying services for FY 15.

**Wally Hill, City Manager,** the City Council restored funding for the Federal lobbyist. There was a lack of consensus on the firm. The staff report includes a copy of the Professional Consulting Agreement with David Turch and Associates. Also included is a list of registered lobbyist.

**Council Member Wright,** recommend that this decision be deferred until after a City Council Strategic Planning Session is scheduled and specific direction can be provided to the lobbyist.

The City Council and staff discussed the status of the current contract with Turch and Associates.

Council Member Youssef and Mayor Smith recommend that the City continue its agreement with David Turch and Associates. The agreement has not even been in place for one year. A decision to use a different firm can be considered at the end of the 2014-15 FY.

**Council Member Wright moved and Council Member Krupa seconded the motion to defer the item. Motion failed 2-3. Council Member Youssef, Mayor Pro Tem Milne and Mayor Smith voted No.**

The City Council discussed the terms of the current agreement. The current contract expires on August 1, 2014. The current contract will automatically renew on a month to month at the end of the first year.

**Council Member Youssef moved and Mayor Smith seconded a motion to continue the Professional Consulting Agreement with David Turch and Associates. Motion carried 3-2. Council Members Krupa and Wright voted No.**

---

## Communications from the Public

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

---

## City Council Reports

20. CITY COUNCIL REPORTS AND COMMENTS

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

"Little Mermaid's last performance spectacular.

The Concerts under the Stars begin Thursday, July 10<sup>th</sup> the "Paperback Writer". Gates open at 7:00 p.m., concerts start at 8:00 p.m.

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

**Council Member Krupa**, recommended that Behrooz Mortazavi give the City Council an update on the Watermaster given the changes in the last year.

**Council Member Krupa**, attended the Police Chief's Luncheon where Officer Christian Coley was recognized.

**Council Member Krupa**, shared a Mustang Convertible donated by Gosch Ford with Council Member Wright in San Jacinto's 4<sup>th</sup> of July parade.

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

**Mayor Pro Tem Milne**, participated in the 4<sup>th</sup> of July Parade and noted that the Council Members need more candy to distribute.

**Mayor Pro Tem Milne**, attended the RACES National Field Day event and was very impressed by their mobile unit and the City's participation.

- 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

**Mayor Smith**, participated in San Jacinto's 4<sup>th</sup> of July Parade. Mayor Smith requested that the City Council re-visit the City's policy regarding the distribution of candy at parades.

- F. Ad-Hoc Committee Reports
  - 1. Crime Stoppers Plus Ad-Hoc Committee

2. West Hemet MSHCP Ad-Hoc Committee
- Mayor Pro Tem Milne**, requested that a workstudy session be agendized to consider being a "Mitigation Bank".
3. Regent Development Agreement Ad-Hoc Committee
- G. City Manager Hill
1. Manager's Reports
- 

## **Continued 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 8:23 p.m.

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

Reconvened at 8:45 p.m.

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

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

**The City Council did not discuss the Hemet Mid-Managers Association. The City Council gave direction to the Labor Negotiator regarding the other listed bargaining groups. There was no additional reportable action.**

---

## **Future Agenda Items**

Strategic Planning Session  
Energy Efficiency Possibilities

---

## **Adjournment**

Adjourned at 8:48 p.m. to Tuesday, July 22, 2014 at 7:00 p.m.