



MINUTES

SPECIAL MEETING OF THE HEMET CITY COUNCIL

January 17, 2015

8:00 a.m.

**Hemet Public Library, 2nd Floor
300 E. Latham Avenue, Hemet CA 92543**

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Please silence all cell phones

Call to Order

The meeting was called to order by Mayor Krupa at 8:01 a.m.

PRESENT: Mayor Krupa, Mayor Pro Tem Wright, Council Member Milne
ABSENT: Council Members Raver and Youssef

1. Overview of agenda and recap of July 26, 2014 strategic planning session

City Manager Hill. described the three discussion items on the agenda and reviewed the direction given at the prior strategic planning session on July 26, 2014. Mr. Hill reviewed the contents of the handouts provided to the Council for the session.

2. Discussion of City's financial situation, five year financial forecast, and deficit reduction strategies

Deputy City Manager/Administrative Services Director Hurst, provided a presentation on the City's financial position from FY10 through FY14 and changes in the General Fund fund balance during that period. Ms. Hurst then presented a five year financial forecast covering the period of FY15 through FY20. Based on the revenue and expenditure assumptions in the forecast, the City is expected to have a General Fund deficit of \$2,343,164 in FY15, with a structural deficit (excluding one-time revenues and expenditures) of \$2,138,260 that year. For the years FY16 through FY20, the structural deficit is expected to grow from \$2,140,847 in FY16 to \$2,749,143 in FY20.

The Council reviewed the seven deficit reduction strategies that the Council approved on July 26, 2014 and City Manager Hill provides updates on the status of each. He indicated that all the strategies together would likely not be enough to eliminate the current structural deficit and that a tax increase would likely be needed in the future. The Council reaffirmed that the identified strategies were still appropriate ones to pursue. Those strategies are:

- a) Sell city-owned properties that are no longer needed
- b) Research the feasibility of privatizing/franchising the City's water/sewer systems
- c) Develop marketing and economic development strategies
- d) Form a Blue Ribbon Committee to study city services and finances and advise the City Manager
- e) Conduct managed competition but with Council approval of the functions to be competed
- f) Consider consolidations of functions with other local governments
- g) Engage labor organizations in ways to reduce retiree medical costs

City Manager Hill, described the recommendations of the Blue Ribbon Committee on City Services and Finances, particularly noting some that were related to deficit reduction strategies. After discussion, the Council approved two additional deficit reduction strategies that were recommended by the Blue Ribbon Committee:

- h) Place a greater emphasis on securing grants, preferring those in which grant writers work on a commission basis
- i) Make another attempt to induce current recipients of the Aetna retiree medical managed care benefits option to either cash out or leave that plan for more economical ones

There was a consensus of the Council members that no City services should be degraded in FY16, nor should any service enhancements be recommended, except for the Police Department initiatives described below. Council members reserved judgment on potential Fire/EMS service enhancements, pending the completion of a study also described below. The Council members understood that General Fund reserves would need to be drawn down to sustain this level of spending.

3. Discussion of desired police and fire/EMS service levels and alternative organizational and funding options

Police Chief Brown, made a presentation on the first year implementation strategies for the Police Departments long-term strategic plan. For each item, he indicated which items are currently budgeted and which require additional funding. The items requiring additional funding included:

- * Add Media and intelligence Analyst position to better utilize the media, social media and available data in the crime-fighting effort (\$113,743)
- * Develop and implement enhanced recruitment program to more effectively attract experienced officers (\$30,000)
- * Increase Community Service Officer staffing from 3 to 7 in order to reduce the amount of time sworn officers spend on non-emergency calls (\$267,272)
- * Expand city-wide Automatic License Plate Reader System (ALPR) with one stationary location to improve crime prevention and apprehensions (\$30,000)

The total additional funding for these items is \$441,015.

Police Chief Brown, also presented an analysis of the full staffing needed for essential police functions not being performed at optimum levels. He indicated that 25 additional positions would be needed to reach those optimum levels, at an additional cost of \$3,000,000 per year. After discussion, the Council directed staff to include \$441,015 in funding in the proposed FY16 budget for the first year Police Department strategic plan implementation initiatives.

Interim Fire Chief Brown, provided an overview of current Fire/EMS operations and outlined service delivery performance areas that need further study. Those included a study of service demand projections; future delivery system options; an exploration of alternate funding sources for the new ALS/paramedic program; technology enhancements; and community-based paramedicine programs and non-traditional approaches to treating and transporting non-emergency patients. After discussion, the Council supported hiring a consultant to conduct a Standards of Coverage/Deployment Study, which is expected to cost \$20,000 to \$25,000. Council is aware that this study is not currently budgeted. Council deferred any discussions of fire/EMS service enhancements in FY16 until the study results are available.

4. Discussion of economic development planning & marketing strategies

Community Development Director Jansons, provided an overview of the current economic development program, and the tools used in that program. Mr. Jansons described the types of businesses that are currently targeted. He identified various partnerships and collaborations that Hemet currently participates in, as well as other opportunities for partnerships and collaborations. He described the assessment the Economic Prosperity Advisory Committee made of our strengths, weaknesses, opportunities, and threats, and how that compared to the Council's assessment in July, 2014.

After discussion, the Council agreed to fund tourism program advisory services through June, 2015, which is expected to cost \$9,000. They emphasized promoting Hemet over the next year as the Home of the New Ramona, while also promoting other tourism opportunities in Hemet. They also agreed that funding for a branding effort should be included in the proposed FY16 budget for Council consideration. They urged that the City's web site be enhanced to help promote the City and be more useful for residents and visitors.

Adjournment:

Adjourned at 11:45 a.m. to January 27, 2015 at 7:00 p.m.
