



MINUTES

REGULAR MEETING OF THE HEMET CITY COUNCIL

APRIL 28, 2015

6:30 p.m.
City of Hemet Council Chambers
450 E. Latham Avenue

www.cityofhemet.org
Please silence all cell phones

Call to Order

Mayor Krupa called the meeting to order at 6:30 p.m.

Roll Call

PRESENT: Council Member Raver, Mayor Pro Tem Wright and Mayor Krupa

ABSENT: Council Members Milne and Youssef

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

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 6:31 p.m.

Council Member Milne arrived at 6:31 p.m.

1. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: Interim City Manager Thornhill
Employee organization:
Hemet Fire Fighters Association (HFFA)
Hemet Mid-Managers Association (HMMA)
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REGULAR SESSION

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

Call to Order

Mayor Krupa called the meeting to order at 7:01 p.m.

Roll Call

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

ABSENT: Council Member Youssef

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

OTHERS PRESENT: Interim City Manager Thornhill, City Attorney Vail and City Clerk McComas

Invocation

Invocation was given by Rob Lindquist, Hemet-San Jacinto Interfaith Council

Pledge of Allegiance

Pledge of Allegiance was led by Mayor Pro Tem Wright

City Attorney Closed Session Report

2. Conference with Labor Negotiators

Pursuant to Government Code section 54957.6

Agency designated representatives: Interim City Manager Thornhill

Employee organization:

Hemet Fire Fighters Association (HFFA)

Hemet Mid-Managers Association (HMMA)

The City Council met with the City's Labor Negotiator and gave direction. There was no additional reportable action.

Presentations

3. Proclamation proclaiming May 2015 as Mental Health Month

Mayor Krupa, read and presented the proclamation to Gloria Williams of Riverside County Mental Health.

Gloria Williams, a proclamation is a document of great importance presented to us today because this is an important subject. The data collected says that 1 in 4 Americans deal with mental illness. Mental illness affects all of us as a society and has been around for a long time. Mental illness still has a negative stigma. Today with modern medicine most people can go forth and live a satisfying life. Ms. Williams thanked the City Council for their recognition that mental health is of great importance.

4. Proclamation recognizing the 100th Anniversary of the Kiwanis Club of Hemet

Mayor Krupa, read and presented the proclamation to Jennifer Jensen, Kiwanis Club of Hemet.

Jennifer Jensen, Kiwanis has two clubs in Hemet that are the glue to Kiwanis International. The Kiwanis Clubs try to make this community better. We hope to keep it going and make it bigger.

5. Proclamation proclaiming April 2015 as Sexual Assault Awareness Month & April 29, 2015 as Denim Day

Mayor Krupa, read and presented the proclamation to Gayle Hepner, CASA.

Gayle Hepner, CASA, thanked the City Council for their continued support. City vehicles sport the teal ribbons and staff will participate in National Denim Day.

City Council Business Consent Calendar

6. **Approval of Minutes** – April 14, 2015
7. **Receive and File** – Warrant Registers
 - a. Warrant registers dated April 6, 2015 in the amount of \$1,800,861.10 and April 16, 2015 in the amount of \$1,339,509.38. Payroll for the period of March 30, 2015 to April 12, 2015 was \$573,863.14.
8. **Receive and File** – Hemet Planning Commission Resolution No. 15-007
 - a. Receive and file the Hemet Planning Commission Resolution No. 15-007 whereby the Planning Commission finds that the City Council's approved process to dispose of real property and the eventual sale of property conforms to the City's General Plan.
9. **Recommendation by City Clerk** – Destruction of Certain Records
 - a. Adopt a resolution authorizing the destruction of certain records.
Resolution No. 4619
10. **Recommendation by Community Development** – First Amendment to the Agreement for Consultant Services Agreement 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, and increase the existing contract amount for time and materials not to exceed \$24,000 to be funded by existing developer deposits and special project funds in the current Planning Division Budget for FY 14-15.
11. **Recommendation by Community Development** – First Amendment to the Agreement for Consultant Services Agreement 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, and increase the existing contract amount for time and materials not to exceed \$20,000 to be funded by existing developer deposits and special project funds in the current Planning Division Budget for FY 14-15.

12. **Recommendation by Finance** – Request to Increase Appropriation for City Manager Severance and Final Payment Costs
 - a. Authorize the Deputy City Manager/Administrative Service to record a supplemental appropriation from available fund balance in the amount of \$290,000 in the General Fund (Fund 100) – City Manager Department for payment of severance and final payment costs.

13. **Recommendation by Finance** – Award of a Three-Year Contract with Eadie and Payne, LLP for Citywide Audit Services
 - a. Authorize the Interim City Manager to enter into a three (3) year contract, with the option to renew for two (2) additional one-year periods, with Eadie and Payne, LLP for citywide audit services.

14. **Recommendation by Fire** – HSGP Grant Application – Authorized Agent
 - a. Adopt a resolution authorizing the Fire Chief to execute for and on behalf of the City of Hemet, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining federal assistance provided by the federal Department of Homeland Security and subgranted through the State of California. **Resolution No. 4620**

Item No. 12 was removed from the Consent Calendar. **Mayor Pro Tem Wright moved and Council Member Milne seconded a motion to approve the remaining Consent Calendar items as presented. Motion carried 4-0.**

Item No. 12

Council Member Raver moved and Mayor Pro Tem Wright seconded a motion to approve this item as presented. Motion carried 3-1. Council Member Milne voted No.

Communications from the Public

Debra Schamber, Hemet, expressed concern with the lack of lighting at Mary Henley Park and the mischief in the parking lot after 10:00 p.m. The neighbors have formed a neighborhood watch and are suggesting that the parking lot be closed at 10:00 p.m. and that more lighting be installed. Ms. Schamber also requested that the City consider speed bumps on Cypress Street.

Miguel Shannon, Hemet, as a lifetime resident Mr. Shannon expressed concerns with the changes and the condition of the parks. Mr. Shannon recommended more park clean-up efforts and community watch programs.

William Smith, Hemet, reminded the City Council that May 9th is the USPS Annual Food Drive. Volunteers are still needed for both Friday and Saturday. We are hoping to collect more than last year's 22,000 lbs.

Jim Pangrazzi, San Jacinto, requested that the City Council members worry about the issues in Hemet and not participate in or support San Jacinto's measure.

Discussion/Action Item

15. **Continued Discussion of options for analyzing Water/Sewer System Operations** – Interim City Manager Thornhill, City Attorney Vail and Public Works Director Jensen
- a. Consider undertaking an efficiency study of the water/sewer system operation and calculation of City internal service charges.
 - b. Consider award of contract for to assist in water/sewer system concession agreement request for proposal, evaluation, and negotiations.
 - c. Consider possible revision of water/sewer rate study based on outcome of efficiency study and/or Governor’s water conservation order, and impact of Capistrano Court decision on rates.

Discussion regarding this item, with possible direction to staff

Gary Thornhill, Interim City Manager, a couple of things have happened since this item was last addressed, which are out of the City’s control. One of the items is the Governor’s mandate that has been imposed on local agencies. Eric Vail will address the legal implications of the recent San Juan Capistrano court case. Staff met to discuss this precious resource that we are lucky to have. With certain improvements we have the ability to improve the long term viability and sustainability of the basin and the City’s access to it.

Eric Vail, City Attorney, the final rules for the Governor’s conservation order are supposed to be out on Friday, May 1st. The San Juan Capistrano court of appeals case that deals with how water agencies pass on capital improvement costs and what tiered water rates must do to be legal under Proposition 218. These are competing legal problems. The Governor’s order encourages tiered water rates, fees, and surcharges to drive conservation up. The San Juan Capistrano decision gives us very limited tiered rate structures that must reflect that actual cost of service for each tier. The court decision cast doubt on the viability of fees and penalties for higher water usage. A rate increase is still necessary. Bartel Wells is looking at the current rate structure. The proposed rates will change based on these issues and the directive from the City Manager to look at the sustainability of the water utility for the long term. The consultant has been asked to include the cost for capital improvement projects that are necessary for the viability of the water utility. Staff will bring back the recommended rate increases that will include a tiered rate structure and a phased approach.

Council Member Milne, asked why the City is accepting the Governor’s mandate, there are a number of cities in Orange County that are fighting back.

Mr. Vail, Hemet was assigned a 35% decrease immediately, based on staff’s effort that was reduced to 32%. That is still high and staff is working with Bartel Wells on this issue. Even without that order, the City is on its own basin and should not be included. However, by minding our own store we will probably meet the requirements.

Mayor Krupa, there are challenges in Sacramento because the formula used did not take into consideration ongoing conservation efforts.

Kris Jensen, Public Works Director, the three hottest months were used in the formula along with a per capita ration of 2.5 per household, the standard should be 3.5 per household. The comment letters do state that there are a number of elements missing from the formula. The rates presented to you previously did not include some projects. Bartel Wells is retooling the rates to include personnel, programs, and projects necessary to ensure effective long term operations and promote long term sustainability of the Hemet South Basin. Projects added into the study are a recharge pipeline and recycled water south on State Street to the golf

course. Also included in the rate study will be additional personnel for the technical aspects of the water operation. Monthly instead of bi-monthly billing will be considered and reviewed. It is recommended that the City Council authorize staff to move forward with rate increases that support long term basin sustainability and operating viability for the utility. Upon completing a review of the rate structure for consistency with the recent court decisions, and prior to the Proposition 218 notice, staff will bring the rate study back to the City Council. We do think there is value in conducting an efficiency study. Operationally the current staff is certified and cross trained to meet the needs. We do struggle with time and personnel to write grants and get projects shelf ready to take advantage of grant opportunities. We need the engineering help and the hydrologist with the technical expertise. We hope that an efficiency study will reinforce the areas where we are efficient and gives us tools and a foundation to move forward with.

Mr. Thornhill, the efficiency study is necessary to have a defensible long term strategy for Proposition 218. This is not intended to criticize the current operation. It is to secure the City's decision for a future rate increase.

Ms. Jensen, the study will also provide us with the necessary information to incorporate into our future rates. An RFQ for an efficiency study will run in tandem with the Prop 218 notices for the first phase of the rate increase.

Mayor Pro Tem Wright, no one wants to raise rates, but the City has not raised the water rates since 2008. It is imperative that we start the process.

Mr. Thornhill, discussed the previous recommendation to consider an operating/concessionaire arrangement. The City currently receives a lot of money in the General Fund from the water department. That could not be recovered by the sale or the lease of this asset. I believe that any arrangement would still have to comply with Prop 218. If the City does its due diligence to ensure long term sustainability, fully aware that we can't control the weather, the allocation of water, the EPA and the government, we can put in place the best improvements possible to ensure we have a long term asset for the City. Mr. Thornhill does not feel that this is in the best interest of the city. Mr. Thornhill does recommend that the City Council authorize staff to move forward with the rate increase. Staff will come back with a recommendation and assurances from the City Attorney that the structure is legally defensible. Mr. Thornhill also recommended that the City Council also consider undertaking an efficiency study.

The City Council and staff discussed the efficiency study and the fact that some of the technical expertise might be obtained through professional contracts instead of additional personnel.

Council Member Raver, expressed concern with the long term availability of water.

The City Council and staff discussed defensible tiered rates. The goal is to design a tier structure that keeps the City within the conservation zone. The consultant is reworking the rates. The City's financial software does not support an allocation rate that would be adjusted by the # of persons living in the household.

Ms. Jensen, staff is looking into the possibility of software that might be compatible. The Finance Department has included new financial software in the City's Capital Improvement Plan.

The City Council and staff discussed the proposed projects. The City Council and staff discussed the water study that was previously presented.

Mr. Thornhill, after a review of the San Juan Capistrano court case, staff will come back with recalculated defensible recommendations.

Council Member Milne moved and Mayor Pro Tem Wright seconded a motion to approve Item No. 15.a. Motion carried 4-0.

Mayor Pro Tem Wright moved and Council Member Milne seconded a motion to deny Item No. 15.b. Motion carried 4-0.

Council Member Milne moved and Mayor Pro Tem Wright seconded a motion to approve Item No. 15.c. Motion carried 4-0.

City Council Reports

16. CITY COUNCIL REPORTS AND COMMENTS

A. Council Member Milne

1. Riverside County Habitat Conservation Agency (RCHCA)
2. Riverside Conservation Authority (RCA)
3. Disaster Planning Commission

Council Member Milne attended the badge pinning of Fire Chief Scott Brown. Welcome Fire Chief Brown, the City is lucky to have you.

B. Council Member Raver

1. Planning Commission
2. Traffic and Parking Commission
3. Riverside Transit Agency (RTA)
4. Riverside County Transportation Commission (RCTC)
5. Watermaster Board

C. Council Member Youssef

D. Mayor Pro Tem Wright

1. Park Commission

The Commission planted 4 trees at Gibbel Park in honor of Arbor Day.

2. Riverside County Habitat Conservation Agency (RCHCA)
3. Ramona Bowl Association

Mayor Pro Tem Wright attended the first performance of the new "Ramona" and will be attending again. Mayor Pro Tem Wright encouraged residents to attend, same story with some excellent changes.

4. League of California Cities
5. Western Riverside Council of Governments (WRCOG)

Mayor Pro Tem Wright also attended Fire Chief Brown's badge pinning ceremony.

E. Mayor Krupa

1. Riverside Conservation Authority (RCA)
2. Ramona Bowl Association
3. Riverside Transit Agency (RTA)

RTA is in their budget process for FY 15/16. Issue facing RTA is 13C Federal guidelines that eliminate grant funding to states with reduced retirement benefits for union employees. Lawsuits were filed in the lower court and funding was received last year. The issue is back again after the higher court reversed the decision and the President supports DOL's decision to hold back millions from the California.

4. Watermaster Board

5. Library Board
6. League of California Cities

Mayor Krupa attended the League of California Cities Mayor's luncheon. The increase cost for public safety to contract cities was the topic of discussion.

7. Riverside County Transportation Commission (RCTC)

RCTC is in their budget process.

8. Western Riverside Council of Governments (WRCOG)

F. Ad-Hoc Committee Reports

1. West Hemet MSHCP Ad-Hoc Committee
2. Regent Development Agreement Ad-Hoc Committee
3. Diamond Valley Lake Recreation Ad-Hoc Committee
4. Public Safety Ballot Measure Ad-Hoc Committee

G. Interim City Manager Thornhill

1. Manager's Reports

Gary Thornhill, Interim City Manager, we are way behind in the Capital Improvement Plan (CIP) process. Staff will be agendizing a special meeting next week to discuss the FY 15/16 CIP projects. After the budget process, staff will recommend prioritization of the future fiscal year projects.

Mr. Thornhill, announced that he will be taking time off the end of May to attend his daughter's wedding.

Future Agenda Items

Citizens Visionary Workshop for Parks

Mayor Krupa, announced that the City received three awards at CALED's 35th Annual Training Conference: Award of Merit for "Hemet Business Recruitment and Expansion Program"; Award of Merit for "Visit San Jacinto Valley Tourism Program; and Award of Merit for "Forest River RV, Hemet, CA" Everyone deserves kudos for this the employees here are the best.

Adjournment

Adjourned at 8:40 p.m. to Tuesday, May 12, 2015 at 7:00 p.m.