



MINUTES

REGULAR MEETING OF THE HEMET CITY COUNCIL

May 12, 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 at this time.

The City Council recessed to Closed Session at 6:31 p.m.

Council Member Youssef arrived at 6:32 p.m.

Council Member Milne arrived at 6:36 p.m.

1. Conference with Labor Negotiators

Pursuant to Government Code section 54957.6

Agency designated representatives: Interim City Manager Thornhill

Employee organization:

Hemet Mid-Managers Association (HMMA)

2. Conference with Legal Counsel - Anticipated Litigation

One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)

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, Raver and Youssef, Mayor Pro Tem Wright and Mayor Krupa

ABSENT: None

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

Invocation

Invocation was given by Krystyne Gray, Hemet-San Jacinto Interfaith Council

Pledge of Allegiance

Pledge of Allegiance was led by Council Member Milne

City Attorney Closed Session Report

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

The City Council received a briefing from the City's Negotiator and gave direction. There was no additional reportable action.

4. Conference with Legal Counsel - Anticipated Litigation
One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)

The City Council received a briefing from the City Attorney and gave direction. There was no additional reportable action.

City Council Business Consent Calendar

5. **Approval of Minutes** – April 28, 2015
6. **Approval of Minutes** – May 4, 2015

7. **Receive and File** – Investment Portfolio as of March 2015
8. **Receive and File** – Warrant Register
 - a. Warrant register dated April 30, 2015 in the amount of \$2,452,269.24. Payroll for the period of April 13, 2015 to April 26, 2015 was \$627,797.20.
9. **Recommendation by Interim City Manager** – First Amendment to Employment Agreement for the Position of Fire Chief
 - a. Approve the First Amendment to Employment Agreement for the Position of Fire Chief.
10. **Recommendation by Fire** – California Fire Assistance Agreement (CFAA) Rates
 - a. Adopt a resolution identifying the terms and conditions for Hemet Fire Department response away from their official duty station and assigned to Emergency Incident under the California Office of Emergency Services (Cal OES) California Fire Assistance Agreement reimbursement methodology for 2015.
Resolution No. 4621
11. **Recommendation by Finance** – Subordination Request relating to Proposed Refunding Bond Issue for Mid-County Redevelopment Project Area of the Successor Agency to the Redevelopment Agency for the County of Riverside
 - a. Adopt a resolution and authorize the Interim City Manager to sign the acknowledgement form approving the subordination request relating to the proposed refunding bond issue for the Mid-County Redevelopment Project Area of the Successor Agency to the Redevelopment Agency for the County of Riverside (County Successor Agency).
Resolution No. 4622
12. **Recommendation by Public Works** – Award of Multiple Bids for Roofing Repair at Various City Facilities
 - a. Award of bid in the amount of \$15,920 to Tecta America So. Cal, Inc. of Santa Ana, California to perform reroof work at 4110 W. Devonshire Avenue (Fire Station No. 3); and
 - b. Award of bid in the amount of \$139,714 to Huffman Roof of Riverside, California for the replacement/repair of the roofs at 315, 319 and 395 E. Latham Avenue (former Literacy buildings); and
 - c. Award of bid in the amount of \$67,375 to Rite Way Roof Corp of Fontana, California for the replacement/repair of the roof at 401 N. Juanita Street (L.P. Denney/PAL); and
 - d. Authorize the Interim City Manager to execute separate Public Works Contracts for each of the bid awards amounts, respectively.
13. **Recommendation by Engineering** – Award of Bid for Gilbert Street – ADA Ramps Project, City Project No. 5591
 - a. Award the contract to the lowest, responsive bidder, Carvajal Trucking & Tractor, Inc. for the “Gilbert Street – ADA Ramps Project, CIP 5591” in the amount of \$138,828, and reject all other bids; and

- b. Authorize the Interim City Manager to enter into a Public Works Contract for the improvements; and
 - c. Authorize the Deputy City Manager/Administrative Services to record a supplemental appropriation in the amount of \$15,828 for the unbudgeted portion of the project; and
 - d. Establish budget in the amount of \$66,500 in Fund No. 223-5591-5500 for the SB 821 cost of construction, budget in the amount of \$56,500 in Fund No. 240-3993-5500 being the FY 14-15 CDBG allocation for the cost of construction and the amount of \$10,000 in Fund No. 240-3993-various accounts, being the CDBG FY 14-15 allocation for staff time and construction engineering has been established by City Council approval of the FY 14-15 CDBG. In addition, establish budget in the amount of \$15,828 in Fund No. 329-5591-5500 for the remainder of constructions costs.
14. **Recommendation by Public Works** – Facility Acquisition Agreement with Eastern Municipal Water District for the Purchase of Hemet Booster Facility
- a. Approve the Facility Acquisition/Interagency Agreement with Eastern Municipal Water District (EMWD) for the purchase and transfer of water booster equipment to the City; and
 - b. Authorize the Interim City Manager to execute the Facility Acquisition Agreement and Bill of Sale Documents; and
 - c. Authorize the Deputy City Manager/Administrative Services to prepare a payment in the amount of \$1.00 to Eastern Municipal Water District for the purchase of the booster facility.

Eric Vail, City Attorney, for the record the First Amendment for consideration in Item No. 9 should have an effective date of May 12, 2015.

Item No. 12 was removed from the Consent Calendar. **Council Member Youssef moved and Council Member Milne seconded a motion to approve the remaining Consent Calendar items as presented. Motion carried 5-0.**

Item No. 12

Mayor Pro Tem Wright, expressed concern that staff would recommend repairing the roof on a building that is in the CIP to be demolished.

Kris Jensen, Public Works Director, the building in the CIP for demolition is the Potato Shed on Meier Street.

Mayor Krupa, expressed concern that there were no bids from local contractors.

Ms. Jensen, explained the bid process. As of April 1, 2015 contractors have to be registered with the Department of Industrial Relations and a number of contractors are not registered yet, that and the size of the job might be why no local contractors submitted bids. The exhibit does show all of the bids that were received.

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

Communications from the Public

Charles Gunn, Hemet, thanked the City for jumping on the water problem. Mr. Gunn expressed concern about a neighbor not complying with the water conservation efforts because they have a well. Mr. Gunn also expressed continued concern with the speed of the traffic on Whittier Avenue between Palm and Lyon.

Jon Tatum, Hemet News, complimented the Police Department. As a lifetime resident, Mr. Tatum is concerned with the changes. There is street racing on Fruitvale Street at night. Mr. Tatum expressed concern with the activities and condition of the park on Fruitvale and Buena Vista.

Mr. Tatum was referred to Chief Brown and Public Works Director Jensen.

Lauri Morris, Hemet News and Damsel in Defense, expressed concern with the 2013 crime statistics. The residents of Hemet would like a little more a resolution. Ms. Morris suggested that the City Council work with new businesses to create a homeless rehabilitation program and an AB109 work program.

Jim Pangrazzi, San Jacinto, expressed concern with sex offenders residing near schools. Mr. Pangrazzi requested explanation on how the recent court decision will affect that City's ability to restrict residency. Mr. Pangrazzi also expressed concern about the 2013 crime statistics compared to San Jacinto's.

Eric Vail, City Attorney, we are still looking at the court decision and will need to assess how that will be applied.

Marie McDonald, Hemet, previously the City Council heard a report from staff regarding the vacant buildings on Florida Avenue. It was great to hear that the City Council and staff are concerned with the main downtown street. It is apparent that work has been done but there are still many unattractive buildings on Florida Avenue. Ms. McDonald asked the City Council if a follow up report can be given or if further action can be taken.

Mayor Krupa, a follow-up report will be coming back to the City Council.

Council Member Raver, asked Chief Brown about the data discrepancies between the local and federal data.

Chief Brown, UCR data and statistics are pretty accurate but are 2 years behind. The 2013 crime stats are accurate for Hemet, I don't know how San Jacinto submits their crime reports.

Work Study

15. **Discussion of Fiscal Year 2015-16 Proposed Budget** – Deputy City Manager/Administrative Services Hurst

Discussion regarding this item, with possible direction to staff

Gary Thornhill, Interim City Manager, I thought it was important to get the CIP to you before the budget recommendations so you know the full fiscal impact of your decisions. The news is distressing but you are in good company. Santa Barbara, San Jose, San Francisco City/County along with numerous other California cities are upside down in their budgets this year. This community has been through some tough economic times. Issues that the cities have to deal with have pushed the City's budget deep into its reserves. Property values have seen significant increases but not enough to increase the allocation to the City. Retail sales tax is up 11%. The biggest issue is dealing with the PERS and retiree medical costs. Long term is not that bad, something needs to be done in the interim to deal with the City's revenue

shortfall. Ms. Hurst will give you an overview and the budget will come back for continued discussion on June 9th.

Jessica Hurst, Deputy City Manager/Administrative Services, gave the City Council an overview of the FY 2015/2016 proposed budget. Ms. Hurst explained some accounting changes in this budget from past years. The General Fund overhead is no longer being charged out to General Fund Departments. Mutual Aid overtime was separated out and given its own expenditure budget as well as a revenue budget so reimbursements can be tracked. Development deposits are now being budgeted as an expenditure and a revenue. Water for the Park Department was not previously tracked as an expenditure, it is now with corresponding transfers to better show the costs. The Paramedic Division was split out from the Fire Department to show the actual impact to the general fund. The City Attorney was also split out for better tracking of costs. The deficit to the general fund prior to any capital improvement projects is \$4,725,937 reducing the City's reserves to 24.31%. The estimated expenditures for FY 15/16 are \$39,436,037 and estimated revenues are \$34,710,100. Salary and benefits had an overall increase of \$1,951,915 with the following major factors: PERS \$471,600; Retiree Medical \$454,200; Workers Compensation \$200,175; and additional recommended positions \$765,130. The following additional positions are being recommended for FY 15/16: Assistant City Manager; 4 Community Services Officers; Media and Intelligence Analyst; Part-time Library Assistant I; and Housing Specialist. Maintenance and Operations had an overall decrease in the amount of \$604,235. The major factors are: Parks water \$210,000 increase; Mutual Aid overtime \$300,000 increase; and various decreases for one-time projects and carryover appropriations. Internal Service Funds had an overall decrease in the amount of \$2,114,000. The major factors are: GF Overhead \$3,090,600 decrease; Equipment Replacement \$323,100 increase; City Attorney \$129,900 increase; and IT/Telephone \$511,800 increase. General Fund Revenue overall increase is \$1,029,415. The major categories are: Sales Tax 11.3% increase; Property Tax 4.1% increase; and Development Fees 3.7% increase. The GF revenue reductions were primarily the residual from former RDA tax increment; Paramedic Fee; and other revenues which were a place holder for the increase to revenue based on the fee study. That revenue will be captured in their appropriate departments for FY 15/16. The Water Department revenue increased assuming a water rate increase. The City Council reviewed the Capital Improvement Projects proposed for FY 15/16. The projected cost to the General Fund is \$1,033,800. The majority of the projects are funded through special revenue funds, grants, impact fees, etc. The addition of these proposed projects will increase the GF deficit to \$5,759,737. Inclusion of these projects will reduce the City's GF reserve balance to \$8,552,166. The updated proposed budget will come back for discussion on June 9th and adoption will be recommended on June 23rd. If the budget is not adopted by the end of the June, a continuing appropriation resolution will be required to allow the City to continue operations for 60 days.

The City Council and staff discussed the recommendation to add the position of Assistant City Manager. Council Member Milne expressed opposition.

The City Council and staff discussed in detail the proposed budget and actual OT expenditures for both Fire and Police.

Police Chief Brown, the OT is on track to be within department's budget for FY 14/15. Reduction in overtime has not been included in the budget with the addition of the CSO's the intent is to increase the free patrol time and we expect the end of shift overtime to decrease. This is a crossover year and OT will still be high, however the hiring efforts will decrease OT in FY 16/17. The new hires will be training with another officer for a good portion of FY 15/16

and OT will still be required to meet minimum staffing. In FY 14/15 salary savings were realized, however that will not be the case in FY 15/16. 60% of the Departments OT is extended shifts, major events at the shift changes and minimum staffing level. The other 40% is special activities, events and SRO's, etc. A reduction in OT is anticipated in FY 16/17 with new hires working at full level. The department doesn't have the luxury of an overlap shift; the budget is based on our best estimate.

Fire Chief Brown, a large percentage of the department's overtime is fully reimbursable. I inherited a large overtime budget without detailed tracking. We are working with Finance to clearly track all reimbursable incident related OT. The department previously had 9 vacancies, now that number is 7 this greatly impacted the department's OT budget. We are slowly hiring and filling the vacant positions that are greatly needed to meet minimum staffing levels. Steps have been taken to reduce discretionary OT. The need to reduce OT is clear. We are currently working on a volunteer program that will be a similar model to the Police Departments.

The City Council and staff discussed the tracking and timing of mutual aid reimbursements and cost recovery payments. Chief Brown explained the validation process the Department is going through to increase the State's reimbursable administrative fee to 25% up from the current 10%. Every possible cost recovery option for the Paramedic program will be considered. Concern was expressed for the continued cost to provide public assistance at for profit facilities. The Fire Department is actively working on an alternate 911 system that will reduce the number of responses for lift assists. The SAFER Grant and its use if awarded and accepted, the Paramedic program start-up and on-going costs and the impacts of the pending Fire Study on the budget were all briefly discussed.

Council Member Milne, requested a detailed breakdown of Fire Department overtime.

The City Council and staff discussed the estimated balance. The actuals for the current fiscal year will not be included in the final budget because the City's FY books do not close officially until the CAFR is issued the end of December.

Council Member Raver, expressed concern with the difference in line items between the FY 14/15 budget and the proposed FY 15/16 budget.

Ms. Hurst, explained that some allocations were moved to make the budget more understandable. Ms. Hurst will look at the previous budget and get explanations to Council Member Raver prior to the next budget hearing.

Mayor Pro Tem Wright, expressed frustration with the City Council's requirement to approve the budget based on estimates. Until recently the deficit was only \$2.7 million.

Council Member Raver proposed a future agenda item. Mayor Krupa asked that Council Member Raver's recommendation be discussed under "Future Agenda Items".

The City Council complimented Ms. Hurst on the budget stating that the format is more understandable.

The City Council and staff briefly discussed the CIP. The City Council requested that staff see what General Fund items can be moved to a future FY, funded by another source or reduced for FY 15/16.

Mr. Thornhill, thanked Jessica Hurst, Lorena Rocha and the Department Heads.

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 toured CR&R's Aneorbic Compressor.

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
2. Riverside County Habitat Conservation Agency (RCHCA)
3. Ramona Bowl Association
4. League of California Cities

State's revised budget will be announced May 14, 2015 and it is expected that it will include updated revenue projections and an update to the RDA dissolution.

5. Western Riverside Council of Governments (WRCOG)

The 2015 Inland Empire Forecast is increasing prosperity. Unemployment rates were down in 2014. Inland Empire rated 2nd to LA for growth in California.

SCAQMD's Lawn Mower Exchange is May 30th in Riverside.

Mayor Pro Tem Wright Attended SCAG's Annual Conference. SCAG is in the 2nd round of preparing their 2016 to 2040 Regional Transportation and Sustainable Community Strategy for the six county region. This is the long term vision, investment and framework for regional transportation and land use opportunities and challenges within the region.

E. Mayor Krupa

1. Riverside Conservation Authority (RCA)
2. Ramona Bowl Association

Good season for Ramona, May 23rd is the wrap up meeting.

3. Riverside Transit Agency (RTA)
4. Watermaster Board
5. Library Board
6. League of California Cities

Mayor Krupa attended the League's Regional meeting last night. One of the bills that will need support is for local control of Ontario Airport.

7. Riverside County Transportation Commission (RCTC)
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 Thornill

1. Manager's Reports
2. Update on Graffiti concerns from April 14, 2015

Gary Thornhill, City Manager, the graffiti that was previously reported is in the City but on private property. So far, the City has not been able to get permission from the property owner and there have been prior concerns with this property. The City Attorney has drafted a letter giving the property owner to the end of the month to respond.

3. Meeting schedule for July and August 2015

Gary Thornhill, City Manager, in order to schedule public hearings and agenda items, staff is seeking the City Council's desire for the July and August 2015 meeting schedule.

The City Council cancelled the Regular Meeting on July 14, 2015.

Gary Thornhill, City Manager, announced that staff and two City Council Members will be attending ICSC showcasing the City and making contact with potential retailers.

Future Agenda Items

Ad-Hoc Committee regarding City Revenues.

Adjournment

Adjourned at 8:50 p.m. to Tuesday, May 26, 2015 at 7:00 p.m.