



AGENDA

REGULAR MEETING OF THE HEMET CITY COUNCIL

July 28, 2015

6:00 p.m.

City of Hemet Council Chambers
450 E. Latham Avenue

www.cityofhemet.org

Please silence all cell phones

**Notice: Members of the Public attending shall comply with the Council's adopted Rules of Decorum in Resolution No. 4545. A copy of the Rules of Decorum are available from the City Clerk.*

Call to Order

Roll Call

ROLL CALL: Council Members Milne, Raver and Youssef, Mayor Pro Tem Wright and Mayor Krupa

Closed Session

Notice of Opportunity for Public Comment

Members of the Public may comment upon any identified item on the closed session agenda. Since the Council's deliberation on these items is confidential the City Council and City Staff will not be able to answer or address questions relating to the items other than procedural questions. At the conclusion of the closed session, the City Attorney will report any actions taken by the City Council which the Ralph M. Brown Act required to be publicly reported.

1. Public Employee Appointment/Recruitment
Pursuant to Government Code section 54957
Title: *City Manager*
2. Conference with Legal Counsel - Anticipated Litigation
Three (3) matters of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)
3. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: *Interim City Manager*
Employee organizations:
Service Employees International Union (SEIU) General Employees
Hemet Non-Sworn Police Employees Association
Hemet Fire Fighters Association
Hemet Police Officers Association
Hemet Police Management Association
Hemet Mid-Managers Association
Unrepresented employees:
Confidential Personnel
At-Will Employees

4. Conference with Real Property Negotiators
Pursuant to Government Code section 54956.8
Property: *APN's: 456-050-013 and 456-050-022, northwest corner of Sanderson and Stetson Avenues*
APN: 456-140-032, 20 acres north of Domenigoni Parkway near Simpson Road
APN: 442-313-046, 669 Mariposa
APN: 443-140-013, 410 E. Devonshire
APN: 443-233-010, 302 E. Florida
APN: 443-245-001, 555 St. John
Agency negotiator: City Manager
Under negotiation: Acquisition, Price and Terms

5. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of case: *Norman, et. al. v. Charles Webb, III, et. Al.*
RSC Case No. MCC1301868

REGULAR SESSION

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

Call to Order

Roll Call

ROLL CALL: Council Members Milne, Raver and Youssef, Mayor Pro Tem Wright and Mayor Krupa

Invocation

Pledge of Allegiance

City Attorney Closed Session Report

6. Public Employee Appointment/Recruitment
Pursuant to Government Code section 54957
Title: *City Manager*
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Three (3) matters of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)

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APN: 443-233-010, 302 E. Florida
APN: 443-245-001, 555 St. John
Agency negotiator: City Manager
Under negotiation: Acquisition, Price and Terms

10. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of case: *Norman, et. al. v. Charles Webb, III, et. Al.*
RSC Case No. MCC1301868

Presentation

11. Certificate of Appreciation for Valley Beautiful
 12. Certificate of Appreciation for Katherine Botts
 13. Presentation by Dan Goodrich to Hemet Police Department's K-9 Fund
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City Council Business

Notice to the Public

The Consent Calendar contains items which are typically routine in nature and will be enacted by one motion by the Council unless an item is removed for discussion by a member of the public, staff, or Council. If you wish to discuss a Consent Calendar item please come to the microphone and state the number of the item you wish to discuss. Then wait near the lecture. When the Mayor calls your turn give your last name, and address, then begin speaking. You will have three minutes at that time to address the Council.

Consent Calendar

14. **Approval of Minutes** – June 23, 2015
15. **Receive and File** – Warrant Registers
 - a. Warrant registers dated June 25, 2015 in the amount of \$1,493,207.76 and June 30, 2015 in the amount of \$3,104,357.64. Payroll for the period of June 8, 2015 to Jun 21, 2015 is \$586,022.03.
16. **Receive and File** – Investment Portfolio as of May 2015
17. **Recommendation by Interim City Manager** – Agreement for Services between the City of Hemet and Shawn Nelson Consulting
 - a. Authorize the Interim City Manager to enter into an Agreement for Services between the City of Hemet and Shawn Nelson Consulting to provide services outlined in Exhibit A of the agreement for an amount not to exceed \$50,000 effective August 3, 2015.
18. **Recommendation by Interim City Manager** – Amendment to the Joint Powers Agreement of the Western Riverside Council of Government to add the Morongo Band of Mission Indians to the WRCOG Governing Board.
19. **Recommendation by Community Investment** – Mayor Appointment to the Oversight Board of the Dissolved Hemet Redevelopment Agency
 - a. Adopt a resolution replacing one member appointed by the Mayor to the Oversight Board of the Dissolved Former Hemet Redevelopment Agency.
Resolution Bill No. 15-041
20. **Recommendation by Community Investment** - Contract Amendment for Housing Program Support Services
 - a. Authorize the Interim City Manager to execute Amendment No. 2 to the Consultant Services Agreement with New Turtle Island for Housing Program support services.
21. **Recommendation by Engineering** – Amending the Five Year Capital Improvement Plan (CIP) for Fiscal Years 2016-2020
 - a. Adopt a resolution amending the Five Year Capital Improvement Plan for Fiscal Years 2015/2016 to 2019/2020, as adopted by Resolution No. 4629.
Resolution Bill No. 15-040

22. **Recommendation by Human Resources** - Amendment to the Contract between the Board of Administration California Public Employees' Retirement System and the City Council of the City of Hemet for Cost Sharing
- a. Adopt an ordinance to allow cost sharing of the Employer Contribution to CalPERS with the "classic" CalPERS members of the Hemet Police Officer's Association (HPOA) and the Hemet Police Management Association (HPMA).
Ordinance Bill No. 15-031
23. **Recommendation by Engineering** – Ratify Change Order No. 1 and No. 2 and file Notice of Completion – Safe Routes to School Project CIP No. 5546
- a. Authorize the Interim City Manager to Ratify Change Order No. 1 in the amount of \$42,550 for the additional costs to repair Warren Road wash-out of December 4, 2014; and
 - b. Authorize the Interim City Manager to Ratify Change Order No. 2 in the amount of \$48,226 for final quantity adjustments and additional work as directed by the previous Principal Engineer for a total expenditure of \$90,776; and
 - c. Authorize the Deputy City Manager/Admin. Svcs. Director to establish budget in the amount of \$48,226 in Fund No. 329-5548-5500 (to be included in the FY 2014/15 expenditures); and
 - d. Authorize the City Clerk to file a Notice of Completion with the County of Riverside Recorder's Office. The 5% retention and the Labor and Materials Bond will be released after the Notice of Completion is filed with the County Recorder's Office. The Performance Bond will be maintained for, and released after, a period of one year.
24. **Recommendation by Engineering** – Final Acceptance and file Notice of Completion; CDBG/SB 821 CIP No. 5591 Gilbert Street Ramps
- a. Accept CIP No. 5519 Gilbert Street Ramps and instruct the City Clerk's Office to file a Notice of Completion with the County Recorder's Office. The 5% retention and the Labor and Materials Bond will be released after the Notice of Completion is filed and 30 days after receipt by the County Recorder's Office. The Performance Bond will be maintained for and released after a period of one year.
25. **Recommendation by Fire** - Acceptance of the 2014 State Homeland Security Program (SHSP)
- a. Accept the grant through the Riverside County Operations Area from the Homeland Security Grant Program (HSGP) in the amount of \$10,863 for the period of October 1, 2014 through February 28, 2016; and
 - b. Amend the budget in the Public Safety Grant Fund #232 to reflect the award amount of \$10,863 to cover the cost of the purchase of Tactical Response/Active Shooter equipment.
26. **Recommendation by Fire** – Second Amendment to Contract Agreement with CSG Inc., for Plan Review, inspections and code services
- a. Approve the Second Amendment to Contract Agreement CSG Consultants, Inc. maintaining the original contract pricing and extending the term of the agreement to October 31, 2015; and
 - b. Authorize the Interim City Manager to execute the Second Amendment to Cotntract Agreement with CSG Consultants, Inc. The Second Amendment amends Section 4(a) and Exhibit "B" from \$91,000; increasing total compensation by \$25,000 to \$166,000 which reflects the extension period of the contract.

27. **Recommendation by Community Development** – Second Amendment to the Consultant Services Agreement between the City of Hemet and BMLA, Inc. for Contract Planning Services
 - a. Approve the Second Amendment to the Consultant Services Agreement between the City of Hemet and BMLA, Inc., maintaining the original contract pricing and extending the term of the Agreement in Section 1 to December 31, 2015; and
 - b. Authorize the Interim City Manager to execute the Second Amendment to Contract Agreement with BMLA, Inc. The Second Amendment amends Section 4(a) and Exhibit "B" to increase compensation by \$50,000 on a Time and Materials basis, resulting in a total not-to-exceed contract amount of \$118,000 which reflects the extension period of the contract.

 28. **Recommendation by Community Development** – Second Amendment to the Consultant Services Agreement between the City of Hemet and Moore Iacofano Goltsman, Inc. (MIG) for Contract Planning Services
 - a. Approve the Second Amendment to the Consultant Services Agreement between the City of Hemet and Moore Iacofano Goltsman, Inc. (MIG), maintaining the original contract pricing and extending the term of the Agreement in Section 1 to December 31, 2015; and
 - b. Authorize the Interim City Manager to execute the Second Amendment to Contract Agreement with MIG, Inc. The Second Amendment amends Section 2 and Exhibit "A", expanding the scope of services, and Section 4(a) and Exhibit "B" to increase compensation by \$48,000 on a Time and Materials basis, resulting in a total not-to-exceed contract amount of \$120,000 which reflects the extension period of the contract.
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Communications from the Public

Anyone who wishes to address the Council regarding items not on the agenda may do so at this time. As a courtesy, please complete a Request to Speak Form found at the City Clerk's desk. Submit your completed form to the City Clerk prior to the beginning of the meeting. Presentations are limited to three minutes in consideration of others who are here for agenda items. Please come forward to the lectern when the Mayor calls upon you. When you are recognized, you may proceed with our comments.

****Notice: Members of the Public attending shall comply with the adopted Rules of Decorum in Resolution No. 4545. A copy of the Rules of Decorum are available from the City Clerk.***

State law prohibits the City Council from taking action or discussing any item not appearing on the agenda except for brief responses to statements made or questions posed by the public. In addition, they may, on their own initiative or in response to questions posed by the public, ask a question for clarification, provide a reference to staff or other resources for factual information, or request staff to report back to them at a subsequent meeting. Furthermore, a member of the City Council or the Council itself may take action to direct staff to place a matter of business on a future agenda.

Public Hearing

The City Council's procedure for public hearings will be as follows: The Mayor will ask the City Manager for the staff report; the City Manager will call on the appropriate staff member for the report. The Mayor will ask for clarification of items presented, if needed. The Mayor will open the public hearing: ask for comments for those IN FAVOR of the case; ask for comments IN OPPOSITION to the case; and finally for rebuttal to any comments made. The Mayor will then CLOSE THE PUBLIC HEARING. The Mayor will ask the City Manager to respond to any questions raised by the public (the public will not have the opportunity to respond). The matter will then be discussed by members of the City Council prior to taking action on the item.

29. **Zoning Ordinance Amendment No. 15-008** – Community Development Director Elliano
 - a. Introduce, read by title only and waive further reading on a city-initiated ordinance amending certain sections of Chapter 90 (Zoning Ordinance) of the Hemet Municipal Code to correct minor typographical errors related to the City's Development Application processes. **Ordinance Bill No. 15-032**
30. **Zoning Ordinance Amendment No. 15-004** – Community Development Director Elliano
 - a. Introduce, read by title only and waive further reading on an ordinance city-initiated ordinance amending section 90-77 (Animal regulations and keeping requirements) of Chapter 90 of the Hemet Municipal Code to update the regulations on residential chicken keeping as recommended by the Planning Commission. **Ordinance Bill No. 15-020**

Discussion/Action Item

31. **Approval of Water/Sewer Rates and Authorization to Proceed with Proposition 218 Notification** – Public Works Director Jensen
 - a. Approve the methodology used in the development of the adjusted water and sewer rates; and
 - b. Approve the form of the Proposition 218 Notice to property owners and rate payers within the service area; and
 - c. Authorize staff to mail the Proposition 218 Notice as required by law and advertise for the Public Hearing/Protest Hearing as required by law; and
 - d. Set a Date for the Public Hearing/Protest Meeting at which the City Council will consider public testimony and property owner/rate payer objections to the project increase and will act on the recommendation.
32. **Downtown Advisory Committee for the Proposed Downtown Hemet Specific Plan (SP. 15-002)** – Community Development Director Elliano
 - a. Formally establish a citizens Downtown Advisory Committee (DAC) to provide input to the staff and consultant team on the proposed Downtown Hemet Specific Plan; and authorize the Mayor to make the Community Member appointments to the Downtown Advisory Committee (DAC) from the applications submitted; and
 - b. That the Mayor appoint two (2) City Council members to serve as Liaisons to the Downtown Advisory Committee.

City Council Reports

33. 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

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
5. Western Riverside Council of Governments (WRCOG)

E. Mayor Krupa

1. Riverside Conservation Authority (RCA)
2. Ramona Bowl Association
3. Riverside Transit Agency (RTA)
4. Watermaster Board
5. Library Board
6. League of California Cities
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
5. Ad-Hoc Committee to Explore Revenue Options
6. Grant Ad-Hoc Committee

G. Interim City Manager Thornhill

1. Manager's Reports
2. Designation of Voting Delegate and Alternate, League of California Cities Annual Conference, September 30 to October 2 in San Jose

Continued Closed Session

City Attorney Continued Closed Session Report

Future Agenda Items

If Members of Council have items for consideration at a future City Council meeting, please state the agenda item to provide direction to the City Manager.

Adjournment

Adjourn to Tuesday, August 11, 2015 at 7:00 p.m. for consideration of items placed on that agenda. The next regular meeting will be held August 25, 2015.

Staff reports and other disclosable public records related to open session agenda items are available at the City Clerk's Office or at the public counter located at 445 E. Florida Avenue during normal business hours.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.



14

MINUTES

REGULAR MEETING OF THE HEMET CITY COUNCIL

June 23, 2015

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 7:02 p.m.

Roll Call

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

ABSENT: Council Member Raver

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

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

Invocation

Invocation was given by Kevin Goodman, Hemet-San Jacinto Interfaith Council

Pledge of Allegiance

Pledge of Allegiance was led by Council Member Milne
Council Member Raver arrived at 7:04 p.m.

Presentation

1. Recognition of Hemet High School "Bulldogs" CIF-Southern Section Division 5 Baseball Championship

Mayor Krupa, gave Certificates of Recognition to the players, coaches and Hemet High School for their CIF-Southern Division 5 Baseball Championship.

The City Council recessed briefly at 7:12 p.m.
Reconvened at 7:14 p.m.

City Council Business Consent Calendar

2. **Recommendation by Council Member Raver – Library Board Appointment**
 - a. Council Member Raver respectfully recommends that the City Council appoint Janis Swallow to Seat 5 on the Library Board of Trustees in order to fill a term expiration. The three year term will expire June 30, 2018.

3. **Recommendation by Council Member Youssef – Library Board Re-Appointment**
 - a. Council Member Youssef respectfully recommends that the City Council re-appoint Ray Strait to Seat 5 on the Library Board of Trustees in order to fill a term expiration. The three year term will expire June 30, 2018.

4. **Approval of Minutes – June 9, 2015**

5. **Receive and File – Warrant Registers**
 - a. Warrant registers dated June 2, 2015 in the amount of \$2,244,469.01 and June 11, 2015 in the amount of \$1,690,241.13. Payroll for the period of May 25, 2015 to June 7, 2015 was \$590,312.13.

6. **Recommendation by City Manager – At-Will Agreement for the position of Engineering Director/City Engineer**
 - a. Approve the Employment Agreement between the City of Hemet and Steven Latino for the position of Engineering Director/City Engineer.

7. **Recommendation by Finance – Authorizing the Levy of a Special Tax in Community Facilities District No. 1999-1 (Heartland Project) for Fiscal Year 2015-16**
 - 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 2015-2016.
Resolution No. 4630

8. **Recommendation by Finance – Authorizing the Levy of a Special Tax in Community Facilities District No. 2005-1 (Public Safety Services) for Fiscal Year 2015-16**
 - 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 2015-2016.
Resolution No. 4631

9. **Recommendation by Community Investment – Ad Hoc Committee Recommendation for Special Event/Community Event funding for 2015-2016 Fiscal Year**
 - a. Approval of the recommendation of the City Council Ad Hoc Committee to fund sponsored Special Events in the amount of \$40,000 for Fiscal Year 2015-2016; and
 - b. Direct the Administrative Services Director to add approved amount to the Fiscal Year 2015-2016 budget.

10. **Recommendation by Community Investment** – Tourism Program
 - a. Allocate \$24,000 to continue to implement and deliver the Visit San Jacinto Valley tourism program in support of the economic vitality of Hemet and the San Jacinto Valley; and
 - b. Direct the Administrative Services Director to add the approved amount to the Fiscal Year 2015-2016 Budget.

11. **Recommendation by Engineering** – Agreement Amendment No. 1 to Reimburse TUMF Funds, Sanderson Avenue Widening (Acacia Avenue to BNSF Railroad Tracks), 06-HS-HEM-1091
 - a. Authorize Interim City Manager to sign Amendment No. 1 to Transportation Uniform Mitigation Fee Program Agreement dated February 5, 2007 between Western Riverside Council of Governments (WRCOG) and the City of Hemet.

Council Member Youssef moved and Council Member Milne seconded a motion to approve the Consent Calendar as presented. Motion carried 5-0.

Gary Thornhill, Interim City Manager, introduced Steven Latino, Engineering Director/City Engineer. Mr. Latino comes back to Hemet with a solid background in development and CIP project engineering.

Steven Latino, I worked here about 8.5 years ago, then in Ontario where I worked on major specific plans. I've lived in Hemet since 2005 and am excited to be back and be a part of the team. We have a great community and I would like to see if move forward.

Communications from the Public

Walter Wilson, Riverside County Board of Realtors, expressed concerns with the HERO and PACE programs for solar. Mr. Wilson explained the challenges that sellers and buyers face with the systems that are either purchased with a loan or leased. Mr. Wilson distributed a document containing Q & A to City Hall for the City Council with more information. The major lenders, Fanny Mae, Freddy Mac and HUD will not loan against homes including these tax liens. WRCOG has stated they will subordinate on a case by case basis. As of today no liens have been subordinated and no loans have been completed. Homeowners are told these systems will increase their home values, appraisals are not showing that especially if the systems has a loan or is leased.

Gary Thornhill, Interim City Manager, this issue came up at the City Manager's meeting WRCOG is aware of it and working on a way to fix the problem.

Mayor Krupa requested that the City Manager follow up with Mr. Wilson and Rick Bishop, WRCOG.

C.W. Cecchi, Hemet, expressed concern with the amount of water that might be used to water down the equipment at the SunEdison's solar farm.

Aaron Denney and Jennifer Cupp, 4H, Mr. Denney and Miss Cupp will be visiting Washington DC as Youth Delegates for 4H. Mr. Denney and Miss Cupp told the City Council about their Community Service Project "Plan of Action". The theme for their Action Plan is Healthy Living. They invited the City Council to attend their Healthy Living Fair to be held on July 25th at Tractor Supply from 8:00 to 11:00 a.m.

Brenda Scott, NAMI, invited the City Council to participate in the NAMI Walk on November 7th at Diamond Valley Lake. Ms. Scott explained the program and that Mental Illness affects many people.

Public Hearing

12. **Confirmation of the Special Assessment Against Parcels of Land within the City of Hemet for Costs of abatement and removal of weeds, rubbish and refuse** – Fire Chief Brown
- a. Conduct Public Hearing to hear protests and objections to the proposed removal of weeds, rubbish and refuse per Resolution No. 4628 adopted by the Hemet City Council on June 9, 2015; and
 - b. Adopt a resolution authorizing special assessments against parcels of land within the City of Hemet for costs of abatement and removal of weeds, rubbish and refuse. **Resolution No. 4632**

Fire Chief Brown, the Fire Department has the authority to conduct the City's annual weed abatement process. Necessary notices and publications were completed according to the Government Codes. This is a very important part of our overall community risk reduction strategy. Our vegetation is very dry and hazardous which creates extreme fire conditions.

Mayor Pro Tem Wright, asked if this process includes parcels with buildings both residential and commercial.

Fire Chief Brown, buildings that are adjacent to any property included in the City's inventory of parcels that have weeds or rubbish are considered a direct hazard and would be included. The mitigation component of this process will begin tomorrow if this resolution is adopted.

Eric Vail, City Attorney, if items on the listed parcels could cause fire damage they can be removed.

Mayor Krupa declared the Public Hearing opened at 7:34 p.m.

There were no comments presented at this time.

Mayor Krupa declared the Public Hearing closed at 7:34 p.m.

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

13. **Approve Engineer's Reports and Levy and Collection of Assessment for the Existing Hemet Streetlight and Landscape Maintenance Districts for Fiscal Year 2015-2016** – Deputy City Manager/Administrative Services Director Hurst
- a. Conduct a public hearing; and
 - b. Adopt resolutions approving the Engineer's Reports and levy and collection of assessments for the existing Hemet Streetlight and Landscape Maintenance Districts for FY 2015/16.

Resolution No. 4633, 4634, 4635 and 4636.

Jessica Hurst, Deputy City Manager/Administrative Services Director, before the City Council is the Engineer's Reports and the resolutions approving them as well as the Resolutions to authorize the levy and collection of assessments for existing Streetlight and Landscape Maintenance District for fiscal year 2015/16. The Engineer's Reports detail the various districts and amounts to be levied. Required notices have been published.

Mayor Krupa declared the Public Hearing opened at 7:37 p.m.

There were no public comments presented at this time.

Mayor Krupa declared the Public Hearing closed at 7:37 p.m.

Mayor Pro Tem Wright, recommended that California friendly landscaping be considered in the districts. The Districts will save money on water and maintenance. Mayor Pro Tem Wright asked how much of the maintenance of these Districts is outsourced.

Kristen Jensen, Public Works Director, confirmed that the California friendly landscaping is being considered for the District. Staff is focusing on the Municipal buildings first and are talking to the Districts that are part of HOA's. The budgets included in these assessments are based on what is in place right now. 90% of the work for the Landscaping Districts is outsourced to Marina Landscape.

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

14. **Levy of Delinquent Solid Waste Hauling Fees and Charges for Calendar Year 2014** – Deputy City Manager/Administrative Services Director Hurst
- a. Conduct a public hearing to consider placement of Calendar Year 2014 Delinquent Solid Waste Collection Fees on the Riverside County Property Tax Roll; and
 - b. Address any objections or protests received; and
 - c. Adopt a resolution confirming and authorizing levy of delinquent solid waste fees as a special assessment. **Resolution No. 4637**

Jessica Hurst, Deputy City Manager/Administrative Services Director, staff is recommending adoption of a resolution to levy delinquent solid waste handling fees and charges for calendar year 2014. Per the franchise agreement with CR&R the City will approve the placement of the delinquent fees to be placed on the property tax rolls. Included in the staff report is a list of the delinquent fees. All required notices were completed by CR&R.

Mayor Krupa declared the Public Hearing opened at 7:42 p.m.

There were no public comments presented at this time.

Mayor Krupa declared the Public Hearing closed at 7:42 p.m.

Council Member Youssef moved and Council Member Raver seconded a motion to approve this item as presented. Motion carried 5-0.

Discussion/Action Item

15. **Amendment to the Contract Between the Board of Administration California Public Employees' Retirement System and the City Council of the City of Hemet for Cost Sharing** –Deputy City Manager/Administrative Services Director Hurst
- a. Introduce, read by title only and waive further reading on an ordinance to allow cost sharing of the Employer Contribution to CalPERS with the "classic" CalPERS members of the Hemet Police Officer's Association (HPOA) and the Hemet Police Management Association (HPMA). **Ordinance Bill No. 15-031**

Jessica Hurst, Deputy City Manager/Administrative Services Director, the amendment to the contract with CalPERS is to formalize the cost sharing for the HPOA and HPMA that is already in effect. This action makes the contributions tax deferred.

Council Member Milne moved and Council Member Youssef seconded a motion to introduce, read by title only and waive further reading of Ordinance Bill No. 15-031. Motion carried 5-0.

The Ordinance was read by title only.

16. **Adoption of Fiscal Year 2015-2016 Budget** – Interim City Manager Thornhill

- a. Adopt a resolution adopting the Fiscal Year 2015-2016 Budget.

Resolution No. 4638

Gary Thornhill, Interim City Manager, the City Council has previously held two workshops on the proposed budget. It is recommended that the City Council consider adoption at this time.

Jessica Hurst, Deputy City Manager/Administrative Services Director, gave the City Council an overview of the proposed FY 2015/2016 annual budget. The budget includes projected revenues for the FY in the amount of \$35,914,300.00 and projected expenditures in the amount of \$41,058,937.00. The proposed budget included the approved CIP expenditures in the amount of \$808,800 and the addition of 8 positions in the amount of \$623,000. The projected deficit for the FY 2015/2016 is \$5,144,637.00. Leaving the City's projected reserves, as of June 30, 2016, at \$9,167,266.00. A pie chart showing the breakdown of the General Fund expenditures for the FY was displayed. City Administration (City Council, City Manager, City Clerk, Finance, Treasurer and Human Resources) is 8%. Public Safety (Police, Animal Regulation, Fire, Fire Prevention and Paramedic) is 74%. Recreation (Library, Parks and Simpson Center) is 6%. Development (Economic Development, Planning, Housing, Building, Code Enforcement and Engineering) is 12%.

Council Member Raver, expressed concern with an editorial placed in the Press Enterprise by Council Member Milne. Council Member Raver took exception with a statement made that the City Council has not made the hard decisions. Council Member Raver invited Council Member Milne to suggest some hard decisions at this time.

Council Member Milne, the former majority asked for competitive bidding for certain City provided services and one of the hard decisions was reversed after the fact. Council Member Milne expressed concern with the desire to do a measure to adopt by the voters an ordinance disallowing contracting of public safety services without a vote of the residents. Competitive bidding does not mean pitting agency against agency. Privatization might make sense in some cases. All that has been done is reduction in staffing, salaries and benefits. Until the City Council considers competitive bidding they are not ready to make the hard decisions to cut the budget. Council Member Milne is not willing to cut sworn police positions but in her opinion there are reductions that can be made. Council Member Milne hopes that some decisions will be made during the year and that options will be considered before the next budget. Council Member Milne does not agree with the addition of an Assistant city Manager.

Council Member Raver, the decisions that were made by prior City Councils did include reduction in personnel, salaries, benefits and even the closure of a Fire Station. Organization changes were made that should be complimented. Council Member Raver felt that all Council Members had the chance to recommend hard decisions to help balance the budget. No one is happy with this status quo budget, it is unsustainable. The City Council created an Ad Hoc Committee to look at options. This committee will work in coordination with the entire City Council, a consultant and the public. It is imperative that everyone drops the baggage of yesteryear and work to make this City whole.

Council Member Milne, I believe in competitive bidding and think there are services that can be privatized. I've expressed opposition to the ACM position and feel that the duties of the Housing Specialist can be provided other ways. The City Council Members were not elected to set up ad-hoc committees, you were elected to make the tough decisions. There are a lot of moving parts to public safety some of which can be contracted out like weed abatement. I too want to work at making the annual budget better for the City and residents.

Council Member Youssef, we have made cuts every year that I have been on council. I am also disappointed with the budget. There are decisions that we could have made like hiring the water consultant to look at ways to supplement the general fund. That may or may not have been substantial or even been possible but we won't know because it was voted against. Popular or not, we need to look at some competitive bidding options. I compliment the Mayor for the \$200,000 reductions that were made. We have made the tough unpopular decisions like franchising the Refuse Operation, eliminated employees and reducing salaries and benefits.

Council Member Raver, expressed opposition to the consideration of a private party operating the water because money provided to subsidize the general fund would be passed on to the rate payers. The City Council needs to spend this fiscal year find a way to not go into the City's reserves next fiscal year.

Mayor Pro Tem Wright, the City would be in more trouble right now if the decision to outsource fire was not overturned.

Mayor Krupa, appreciates the dialogue it is the job of the City Council to make policy decisions to correct this situation. We need to look at ways to increase revenues and streamline the City.

Marie McDonald, Hemet, expressed concerns raised by the Board of Directors of Hemet West Mobile Home Owners as well as various community members. There are strong feelings in the community that the previous council majority wanted to disband the City. Ms. McDonald expressed concern that the employees are unresponsive to the needs of the residents. Ms. McDonald expressed concern that the City has not communicated to the public the facts that lead the City this financial situation. Ms. McDonald feels that the community expects more cuts to be made before they would help. We understand you can't run the City like a business, because you can't make cuts across the board and you still have to provide the services. The number of employees has not changed in the last 5 years, it has been said that drastic cuts in personnel were made prior to that. However the proposed budget before you tonight is close to \$500,000 more than the budget presented earlier this month. If you want the residents to be part of the solution you shouldn't be adding to the deficit. If the City goes into bankruptcy they will cut everything except for safety services. Ms. McDonald suggested that those cuts be made now, close the library, close the parks, and don't approve any capital improvements, then the residents would help solve this crisis. Residents need to know that the City Council wants to save the City not the employees. The residents need to lose some of the amenities now.

Gene Hickel, Hemet, agrees with Ms. McDonald the residents are feeling the pain. The City Council should consider some of the suggestions made by Ms. McDonald. Mr. Hickel also said that public safety is the priority and no cuts should be made to public safety. The next priority is roads and the maintenance of roads. Mr. Hickel did his own calculation of revenue from the residents that concluded that each resident pays approximately \$30.00 per month for services which in his opinion is a bargain. Government is not a business and never will be. A businesses only priority is to make a profit. Government has only one priority and that is to serve the people. Business can cut because they are not selling as much or providing the same service. When government has to make cuts they still have to meet the same demands in some cases increasing demands. There are some pieces of the pie that can be outsourced.

C.W. Cecchi, Hemet, feels that the City should publicize what would happen to safety services if the City goes bankrupt.

Ann Smith, Hemet, personally feels that the Ad Hoc Committee needs a more diverse group of people to participate for different perspectives.

Melissa Hernandez Diaz, Hemet, you have a tough job. There are now more families moving in on government subsidies and that has not been dealt with. Ms. Diaz feels that the City could have brought more industry and educational institutes to Hemet.

Council Member Raver, the City contracts a lot of services. Current staffing levels are really low. The reason I believe that any one of us can't come up with a silver bullet to save this City is because the budget has already been cut. There hasn't been any new ideas that have not been considered. Our staff and the elected have busted their backsides to get this City straight. The sale of solid waste was it saving grace and I applaud the City Council that made that decision. There are no pockets of fat in this City they have not already been cut. Sure, the City Council can get rid of the library, the paramedics, close the parks and Simpson Center but that won't even be enough. We can't cut and be a full service City. If that's what the residents want you can tell us. We can't continue the way we are going. This Council and prior Councils have done the best they can to trim the budget. None of us are happy with this budget. We need to look at option to turn it around.

Council Member Milne, agrees that the City Council needs to make these decisions. Council Member Milne feels that the hard decisions were not made 20 years ago and wants to make sure that City Council in 20 years don't have to make these decisions. The promises made years ago are part of the problems.

Mayor Krupa, very good points have been made today. We have to start looking for options at the next meeting. We have to find different ways to provide the service to our community and help educate the residents. The community needs to understand the impact that the economy, the county, the state and the federal governments have placed on cities. We are between a rock and hard place with many unfunded mandates. Mayor Krupa encourage residents to call their representatives and voice their concerns.

Mayor Krupa moved and Mayor Pro Tem Wright seconded a motion to approve the budget as presented. Motion failed 2-2-1. Council Members Milne and Youssef voted No. Council Member Raver Abstained.

Council Member Raver, expressed concern with the projects in the CIP that were added to the budget. Council Member Raver would like to cut the funding for some of projects before approve the budget.

The City Council and staff discussed the projects that were included in the 5-year CIP approved on June 9th and the funding that was included in the proposed budget.

Council Member Raver moved and Council Member Milne seconded a motion to re-open the discussion regarding the CIP adopted on June 9, 2015. Motion carried 4-1. Council Member Youssef voted No.

The City Council and staff discussed the projects in detail that are funded by the general fund in FY 15/16. The City Council recommended that the newly formed Grant Ad-Hoc Committee and staff continue looking for alternative funding for the Capital Improvement Projects especially those funded by the general fund. It was recommended that the funding for the ERP System be reduced to \$200,000 for this FY.

Council Member Raver made a motion that the ERP System funding be reduced by \$100,000 and the Community Camera Phase II be deleted from the FY 15/16 budget. The motion failed due to lack of a second.

Council Member Raver moved and Council Member Youssef seconded a motion to amend Resolution No. 4629 reducing the funding for Information Technologies ERP System by \$100,000 for FY 15/16. Motion carried 4-1. Council Member Raver voted No.

Council Member Youssef moved and Council Member Raver seconded a motion to approve the Fiscal Year 2015/2016 Annual Budget as amended. Motion carried 4-1. Council Member Milne voted No.

17. **Discussion of formation of a City Council Grant Ad-Hoc Committee** – Interim City Manager Thornhill

Discussion regarding this item, with possible direction to staff

Council Member Youssef moved and Council Member Raver seconded a motion for form the Committee and appoint Council Member Milne and Mayor Pro Tem Wright to serve on it. Motion carried 5-0.

City Council Reports

18. 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

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
5. Western Riverside Council of Governments (WRCOG)

Mayor Pro Tem Wright attended SCAG's meeting as representative of WRCOG. The hot topic was "self driving cars" currently being tested.

Mayor Pro Tem Wright attended DVAC's Community Art Discussion along with representatives from both Chambers, John Jansons and Shanna Robb, President of the Art Alliance of Idyllwild. The goal is to get more art influence in the communities.

Mayor Pro Tem Wright along with fellow Council Members and City staff attended WRCOG's General Assembly. The Key Note speaker David Gerden, CNN Analyst and a former advisor for four presidents, was excellent.

E. Mayor Krupa

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

Mayor Krupa reported on upcoming events at the Bowl. Peter Pan starts on June 30th, tickets only \$5.00. Concerts Under the Stars, Thursday nights starting July 9th at 8:00 p.m., tickets \$5.00 - \$10.00. Zorro comes back beginning August 22nd. The role of Governor is between Chief Dave Brown and the Alex Ballard, Principal of West Valley HS.

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

The next meeting is scheduled for July 29th.

4. Public Safety Ballot Measure Ad-Hoc Committee
5. Ad-Hoc Committee to Explore Revenue Options

G. Interim City Manager Thornhill

1. Manager's Reports
2. Follow-up on previous Communications from the Public

Gary Thornhill announce that the first community workshop for the Downtown Specific Plan will be held on July 8th at 5:30 p.m. upstairs in the Library.

Mayor Krupa sadly announced that Rosalie Moyer a long time Police Volunteer passed away June 21st.

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 9:05 p.m.

16. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)

Names of case: *Padilla v. COH*
RSC Case No. MCC 1300847

Reconvened at 9:11 p.m.

City Attorney Closed Session Report

17. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of case: *Padilla v. COH*
RSC Case No. MCC 1300847

The City Council received a briefing on upcoming mediation and gave direction to the City Attorney. There was no additional reportable action.

Future Agenda Items

There were no future agenda items requested at this time.

Adjournment

Adjourned in memory of Rosalie Moyer at 9:12 p.m. to Tuesday, July 28, 2015 at 7:00 p.m.



Staff Report

TO: Honorable Mayor and Members of the City Council

FROM: Jessica A. Hurst, DCM/Administrative Services Director;
Gary Thornhill, Interim City Manager *JAH*

DATE: July 28, 2015

RE: Warrant Register

The City of Hemet's warrant registers June 25, 2015 in the amount of \$1,493,207.76 and June 30, 2015 in the amount of \$3,104,357.64 is currently posted on the City's website in the Finance Department section, under *Financial Information*. Payroll for the period of June 8, 2015 to June 21, 2015 was \$586,022.03.

CLAIMS VOUCHER APPROVAL

"I, Jessica A. Hurst, Deputy City Manager/Administrative Services, do hereby certify that to the best of my knowledge and ability, that the warrant register posted on the city's website is a true and correct list of warrants for bills submitted to the City of Hemet, and the payroll register through the dates listed above, and that there will be sufficient monies in the respective funds for their payment."

Respectfully submitted,

Jessica A. Hurst
Deputy City Manager/Administrative Services Director

JAH: mh

CITY OF HEMET
VOUCHER/WARRANT REGISTER
FOR ALL PERIODS

CLAIMS VOUCHER APPROVAL

I, JESSICA A. HURST, DO HEREBY CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND ABILITY, THAT THE WR POSTED ON THE CITY WEBSITE IS A TRUE AND CORRECT LIST OF WARRANTS FOR BILLS SUBMITTED TO THE CITY OF HEMET THROUGH THE DATES LISTED ABOVE, AND THAT THERE WILL BE SUFFICIENT MONIES IN THE RESPECTIVE FUNDS FOR THEIR PAYMENT.

JESSICA A. HURST
DCM/ADMINISTRATIVE SERVICES DIRECTOR



AGENDA

16

Staff Report

TO: Honorable Mayor and members of the City Council
FROM: Judith L. Oltman, City Treasurer
DATE: July 28, 2015
RE: Investment Portfolio as of May 2015

RECOMMENDED ACTION:

Receive and file.

ANALYSIS:

The summary statement of activity and balances of the Treasurer's Investment Portfolio for the month of May 2015 is forwarded herewith for your review.

There was no new trade activity this month.

I hereby certify that this report accurately reflects all City of Hemet pooled investments and is in conformity with the investment policy of the City of Hemet and that a copy hereof is on file in the office of the City Clerk. Our third party custodial bank, Bank of New York Mellon, has provided us with the monthly market values.

It is further certified that there is sufficient liquidity to meet the next six months' estimated day-to-day operational expenses.

Respectfully Submitted,


Judith L. Oltman
City Treasurer

attachment

CITY OF HEMET, CALIFORNIA
Monthly Report of Investment Activities

MAY 2015

INVESTMENT CLASSIFICATIONS	MONTHLY ACTIVITY	CONSOLIDATED BALANCE
PORTFOLIO AS OF APRIL	65,067,232.94	
CERTIFICATES OF DEPOSIT Placed this month Matured this month Balance		7,183,000.00
LOCAL AGENCY INVESTMENT FUND: City of Hemet Deposits Withdrawals Balance	5,000,000.00	25,262,834.90
BANK OF NEW YORK MELLON Custodial Acct. Deposits Withdrawals Balance	40,261.72 -40,263.26	502,611.36
CITIBANK: Money Market Account Deposits Withdrawals Balance	40,270.98	72,760.71
CITIBANK: Money Market Account 3 Deposits Withdrawals Balance	4,076,074.49 -8,332,306.37	7,486,474.73
MUNICIPAL BONDS & NOTES Deposits Withdrawals Balance		15,843,588.80
GOVERNMENT AGENCIES		
2252 1.0% FNMA 8/21/17		500,000.00
2253 1.0% FNMA 11/29/17		500,000.00
2254 1.05 FHLB 1/17/18		500,000.00
2255 1.15% FNMA 2/28/18		500,000.00
2256 1.10% FHLMC 4/17/18		500,000.00
2257 1.15% FHLMC 4/25/18		500,000.00
2258 1.0% FNMA 4/30/18		500,000.00
2259 .75% FNMA 4/30/18		500,000.00
2260 1.0% FNMA 5/21/18		500,000.00
2261 1.17% FHLB 6/13/18		500,000.00
2262 1.40% FHLMC 6/26/18		500,000.00
2263 1.45% FHLB 6/27/18		500,000.00
2277 2.00% FNMA 8/27/19		500,000.00
2278 2.0% FNMA 9/18/19		1,000,000.00
2279 2.0% FHLMC 9/19/19		1,000,000.00
2281 2.0% FNMA 2/27/20		1,000,000.00
PORTFOLIO BALANCE AS OF MAY 2015	65,851,270.50	65,851,270.50

INTEREST EARNINGS	14-15 FISCAL YEAR-TO-DATE	
EARNINGS BALANCE AS MAY 1, 2015		420,650.80
CERTIFICATES OF DEPOSIT INT	8,293.40	
OTHER GOVERNMENT SECURITIES	28,625.00	
CITIBANK MONEY MARKET ACCOUNT	7.72	
CITIBANK MONEY MARKET ACCOUNT 3	1,274.49	
BANK OF NY MONEY MARKET ACCT Apr/May	2.52	
LOCAL AGENCY INVESTMENT FUNDS City of Hemet Interest		
MONTHLY EARNINGS TOTAL	38,203.13	38,203.13
MEMO ONLY:		
MERCHANT BANK CHG	-4,324.28	
LIBRARY CREDIT CARD FEES	-130.70	
ARMORED CAR	-421.36	
ASSET SEIZURE FUNDS		
Charges as of May 1, 2015	-46,288.75	
	-51,165.09	
14-15 YEAR-TO-DATE INTEREST EARNINGS		458,853.93

**CITY OF HEMET
Portfolio Management
Portfolio Summary
May 31, 2015**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Certificates of Deposit - Bank	1,731,000.00	1,747,854.00	1,731,000.00	2.62	1,618	418	1.515	1.536
Managed Pool Accounts	25,262,834.90	25,262,834.90	25,262,834.90	38.29	1	1	0.256	0.260
Passbook/Checking Accounts	8,061,846.80	8,061,846.80	8,061,846.80	12.22	1	1	0.416	0.422
Local Government Bonds	10,843,583.80	10,962,785.72	10,941,872.20	16.59	2,145	1,565	3.034	3.076
Medium Term Notes	5,000,000.00	5,066,710.00	5,024,153.40	7.62	1,792	1,356	1.843	1.869
Federal Agency Issues - Coupon	9,500,000.00	9,497,765.00	9,500,000.00	14.40	1,826	1,245	1.416	1.436
Negotiable CDs	5,452,000.00	5,522,177.10	5,452,000.00	8.26	1,735	1,029	1.567	1.588
Investments	65,851,265.50	66,121,973.52	65,973,707.30	100.00%	941	639	1.166	1.182

Cash and Accrued Interest

Accrued Interest at Purchase		25,723.85	25,723.85					
Subtotal		25,723.85	25,723.85					
Total Cash and Investments	65,851,265.50	66,147,697.37	65,999,431.15		941	639	1.166	1.182

Total Earnings	May 31 Month Ending	Fiscal Year To Date
Current Year	65,219.12	615,671.41
Average Daily Balance	64,285,801.87	
Effective Rate of Return	1.19%	

JUDITH L. OLTMAN, TREASURER

Reporting period 05/01/2015-05/31/2015

Run Date: 06/29/2015 - 15:55

Portfolio COFH

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Report Ver. 7.3.5

CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
May 31, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
02004MB51	3124	Ally Bank		07/30/2010	247,000.00	247,943.19	247,000.00	2.450		2.451	59	07/30/2015
06740KEX1	3146	BARCLAYS BANK DE		12/07/2011	247,000.00	251,572.56	247,000.00	1.900		1.902	555	12/07/2016
SYS3174	3174	BANK OF HEMET		09/06/2013	494,000.00	494,000.00	494,000.00	0.500		0.500	463	09/06/2016
SYS3144	3144	BANK OF THE WEST		10/12/2011	249,000.00	252,818.46	249,000.00	1.750		1.750	499	10/12/2016
SYS3136	3136	CIT BANK		08/24/2011	247,000.00	250,733.92	247,000.00	1.800		1.800	450	08/24/2016
36160WVR7	3132	G E. Capital Financial, Inc.		08/12/2011	247,000.00	250,785.87	247,000.00	1.850		1.850	438	08/12/2016
Subtotal and Average			1,731,000.00		1,731,000.00	1,747,854.00	1,731,000.00			1.536	418	
Managed Pool Accounts												
SYS1001	1001	LOCAL AGENCY INVESTMENT FUND			25,262,834.90	25,262,834.90	25,262,834.90	0.260		0.260	1	
Subtotal and Average			21,230,576.84		25,262,834.90	25,262,834.90	25,262,834.90			0.260	1	
Passbook/Checking Accounts												
SYS5009	5009	BANK OF NEW YORK			502,611.36	502,611.36	502,611.36			0.000	1	
SYS5001	5001	Citibank			72,760.71	72,760.71	72,760.71	0.450		0.450	1	
SYS5004	5004	CITIBANK3			7,486,474.73	7,486,474.73	7,486,474.73	0.450		0.450	1	
Subtotal and Average			10,405,152.65		8,061,846.80	8,061,846.80	8,061,846.80			0.422	1	
Local Government Bonds												
044555PA2	5025	ASHLAND OREGON		10/23/2014	1,145,000.00	1,136,733.10	1,133,174.73	2.800	AA	2.926	3,349	08/01/2024
048339SE6	5018	ATLANTIC CITY N.J.		06/02/2014	465,000.00	476,787.75	486,372.74	3.953	A	2.075	1,035	04/01/2018
048339SF3	5019	ATLANTIC CITY N.J.		06/02/2014	440,000.00	452,232.00	465,209.80	4.253	A	2.651	1,400	04/01/2019
13124MAH8	5026	CALLEGUAS CA MUNI WATER DIST		10/23/2014	745,000.00	755,474.70	759,186.03	2.601	AAA	2.018	1,857	07/01/2020
156792GW7	5027	CERRITOS COMMUNITY COLLEGE DIS		12/01/2014	1,260,000.00	1,288,677.60	1,272,155.17	2.971	AA	2.821	2,618	08/01/2022
404476HH9	5022	HABERSHAM COUNTY HOSPITAL AUTH		08/13/2014	795,000.00	805,915.35	799,705.33	2.250		2.080	1,341	02/01/2019
423542KL2	5006	HEMET UNIFIED SCHOOL DISTRICT		07/22/2010	2,000,000.00	2,007,860.00	1,999,662.73	5.375		5.609	30	07/01/2015
533020DC4	5012	CITY OF LINCOLN		03/02/2013	995,000.00	1,000,930.20	995,000.00	3.000		3.000	93	09/02/2015
650035J66	5015	NEW YORK STATE REVENUE BONDS		03/25/2014	500,000.00	503,380.00	499,100.83	2.000		2.050	1,383	03/15/2019
767169DY8	5028	RIO RANCHO		02/12/2015	498,583.80	496,395.02	501,606.12	3.200	A	3.122	3,288	06/01/2024
786134VB9	5029	SACRAMENTO CO. SANITATION DIST		03/02/2015	1,000,000.00	1,021,330.00	1,021,425.11	2.810	AA	2.451	2,375	12/01/2021
13063CKL3	5017	STATE OF CALIFORNIA		05/16/2014	1,000,000.00	1,017,070.00	1,009,273.61	2.250		2.000	1,430	05/01/2019
Subtotal and Average			10,942,664.05		10,843,583.80	10,962,785.72	10,941,872.20			3.076	1,565	

Portfolio COFH

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CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
May 31, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Medium Term Notes												
037833AQ3	5016	APPLE		05/15/2014	1,000,000.00	1,018,400.00	1,005,214.41	2.100		1.960	1,435	05/06/2019
084670BL1	5023	BERKSHIRE HATHAWAY		08/14/2014	1,000,000.00	1,017,380.00	1,003,975.83	2.100		2.000	1,535	08/14/2019
14912L6B2	5020	CATERPILLAR		06/09/2014	1,000,000.00	1,012,190.00	1,003,048.84	2.100	A	2.020	1,469	06/09/2019
36962G7G3	5014	G.E. CAPITAL CORP.		03/14/2014	500,000.00	511,365.00	507,763.09	2.300		1.932	1,323	01/14/2019
68389XAN5	5010	ORACLE		03/28/2013	500,000.00	501,535.00	500,576.46	1.200		1.150	867	10/15/2017
90261XHE5	5024	UBS AG STAMFORD CT		08/18/2014	500,000.00	503,300.00	501,676.43	2.375		2.290	1,535	08/14/2019
94974BFG0	5013	WELLS FARGO		04/26/2013	500,000.00	502,540.00	501,898.34	1.500		1.350	960	01/16/2018
Subtotal and Average			5,024,408.34		5,000,000.00	5,066,710.00	5,024,153.40			1.869	1,356	
Federal Agency Issues - Coupon												
313381MV4	2254	FEDERAL HOME LOAN BANK		01/17/2013	500,000.00	498,605.00	500,000.00	1.050		1.050	961	01/17/2018
313383GY1	2261	FEDERAL HOME LOAN BANK		06/13/2013	500,000.00	498,735.00	500,000.00	1.170		1.170	1,108	06/13/2018
313383JZ53	2263	FEDERAL HOME LOAN BANK		06/27/2013	500,000.00	500,400.00	500,000.00	1.450		1.450	1,122	06/27/2018
3134G37C8	2256	FEDERAL HOME LOAN MTG ASSOC.		04/17/2013	500,000.00	500,655.00	500,000.00	1.100		1.100	1,051	04/17/2018
3134G37H7	2257	FEDERAL HOME LOAN MTG ASSOC.		04/25/2013	500,000.00	499,690.00	500,000.00	1.150		1.150	1,059	04/25/2018
3134G47G7	2262	FEDERAL HOME LOAN MTG ASSOC.		06/26/2013	500,000.00	499,925.00	500,000.00	1.400		1.400	1,121	06/26/2018
3134G5GY5	2279	FEDERAL HOME LOAN MTG ASSOC.		09/19/2014	1,000,000.00	1,000,900.00	1,000,000.00	2.000		2.000	1,571	09/19/2019
3135G0NF6	2252	FEDERAL NTL MORTGAGE ASSOC.		08/21/2012	500,000.00	500,205.00	500,000.00	1.000		1.000	812	08/21/2017
3136G04U2	2253	FEDERAL NTL MORTGAGE ASSOC.		11/29/2012	500,000.00	497,660.00	500,000.00	1.000		1.000	912	11/29/2017
3135G0UN1	2255	FEDERAL NTL MORTGAGE ASSOC.		02/28/2013	500,000.00	499,985.00	500,000.00	1.150		1.146	1,003	02/28/2018
3135G0WN9	2258	FEDERAL NTL MORTGAGE ASSOC.		04/30/2013	500,000.00	496,065.00	500,000.00	1.000		1.000	1,064	04/30/2018
3136G1LB3	2259	FEDERAL NTL MORTGAGE ASSOC.		04/30/2013	500,000.00	500,035.00	500,000.00	0.875		0.815	1,064	04/30/2018
3135G0XG3	2260	FEDERAL NTL MORTGAGE ASSOC.		05/21/2013	500,000.00	496,620.00	500,000.00	1.000		1.000	1,085	05/21/2018
3136G23T2	2277	FEDERAL NTL MORTGAGE ASSOC.		08/27/2014	500,000.00	501,775.00	500,000.00	2.000		2.000	1,548	08/27/2019
3136G25Q6	2278	FEDERAL NTL MORTGAGE ASSOC.		09/18/2014	1,000,000.00	1,004,370.00	1,000,000.00	2.000		2.000	1,570	09/18/2019
3135G0C84	2281	FEDERAL NTL MORTGAGE ASSOC.		02/27/2015	1,000,000.00	1,002,140.00	1,000,000.00	2.000	AA	2.000	1,732	02/27/2020
Subtotal and Average			9,500,000.00		9,500,000.00	9,497,765.00	9,500,000.00			1.436	1,245	
Negotiable CDs												
02437PAG8	3173	AMERICAN NATIONAL BANK DALLAS		08/12/2013	248,000.00	249,873.07	248,000.00	1.250		1.251	803	08/12/2017
02587DWK0	3184	AMERICAN EXPRESS CENTURIAN		11/28/2014	247,000.00	254,243.32	247,000.00	2.200		2.012	1,642	11/29/2019
02587CAW0	3180	AMERICAN EXPRESS FSB		08/21/2014	247,000.00	253,496.57	247,000.00	2.100		2.101	1,542	08/21/2019
0606247B3	3176	BANK OF BARODA N.Y.		11/12/2013	248,000.00	255,357.39	248,000.00	2.150		2.151	1,261	11/13/2018
856284-E3-4	3147	BANK OF INDIA NEW YORK		04/27/2012	248,000.00	253,711.51	248,000.00	2.000		2.001	696	04/27/2017
17037TDV6	3169	CHOICE FINANCIAL GROUP		11/20/2012	248,000.00	248,067.36	248,000.00	1.000		1.001	903	11/20/2017

Portfolio COFH

AP

PM (PRF_PM2) 7 3 0

CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
May 31, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Negotiable CDs												
20033AAG13	3168	COMENITY CAPITAL BANK		10/25/2012	249,000.00	249,529.15	249,000.00	1.050		1.065	877	10/25/2017
20451PEN2	3175	COMPASS BANK		09/25/2013	247,000.00	253,174.51	247,000.00	2.000		2.001	1,212	09/25/2018
20786AAL9	3177	CONNECTONE BANK N.J.		12/13/2013	247,000.00	251,733.04	247,000.00	1.850		1.851	1,291	12/13/2018
2546714X5	3181	DISCOVER BANK		08/27/2014	247,000.00	253,521.02	247,000.00	2.100		2.101	1,548	08/27/2019
29976DNY2	3166	EVERBANK		10/15/2012	248,000.00	248,223.75	248,000.00	1.000		1.001	868	10/16/2017
373128DS3	3167	GEORGIA BANK AND TRUST		10/17/2012	249,000.00	249,226.42	249,000.00	1.000		1.014	869	10/17/2017
36159CRZ1	3126	GE Money Bank		07/30/2010	247,000.00	247,921.95	247,000.00	2.400		2.400	59	07/30/2015
38148JBU4	3183	GOLDMAN SACHS		11/05/2014	247,000.00	253,788.72	247,000.00	2.150		2.151	1,615	11/02/2019
48124JSB5	3171	JP MORGAN CHASE BANK		01/28/2013	248,000.00	246,723.79	248,000.00	0.850		0.850	972	01/28/2018
628779FJ4	3178	NBT BANK		06/06/2014	247,000.00	250,599.36	247,000.00	1.800		1.801	1,466	06/06/2019
700654AV8	3182	PARK NATIONAL BANK		09/26/2014	249,000.00	255,884.63	249,000.00	2.100		2.099	1,394	03/26/2019
74267GUQ8	3179	PRIVATEBANK & TRUST CO.		07/21/2014	247,000.00	252,543.47	247,000.00	2.000		2.001	1,512	07/22/2019
7865803L2	3164	SAFRA NATIONAL BANK		09/27/2012	249,000.00	249,480.35	249,000.00	0.800		0.800	119	09/28/2015
795450NR2	3163	SALLIE MAE		07/25/2012	248,000.00	248,422.32	248,000.00	1.200		1.200	56	07/27/2015
909557CL2	3170	UNITED BANKERS' BANK		11/29/2012	249,000.00	249,524.59	249,000.00	1.100		1.115	912	11/29/2017
94986TMF1	3172	WELLS FARGO		03/28/2013	248,000.00	247,130.81	248,000.00	1.000		1.000	1,031	03/28/2018
Subtotal and Average			5,452,000.00		5,452,000.00	5,522,177.10	5,452,000.00			1.588	1,029	
Total and Average			64,285,801.87		65,851,265.50	66,121,973.52	65,973,707.30			1.182	639	

**CITY OF HEMET
Portfolio Management
Portfolio Details - Cash
May 31, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase		25,723.85	25,723.85				0
				Subtotal		25,723.85	25,723.85				
		Total Cash and Investments	64,285,801.87		65,851,265.50	66,147,697.37	65,999,431.15			1.182	639

CITY OF HEMET
Received Interest
Sorted by Issuer
Received May 1, 2015 - May 31, 2015

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Due	Date Received	Interest		Variance
								Amount Due	Amount Received	
APPLE	037833AQ3	5016	MTN	1,000,000.00	2.100	05/06/2015	05/07/2015	10,500.00	10,500.00	-
							Subtotal	10,500.00	10,500.00	
BANK OF BARODA N.Y.	0606247B3	3176	NC2	248,000.00	2.150	05/12/2015	05/13/2015	2,644.09	2,644.09	-
							Subtotal	2,644.09	2,644.09	
BANK OF HEMET	SYS3174	3174	BCD	494,000.00	0.500	05/06/2015	05/07/2015	203.01	203.01	-
							Subtotal	203.01	203.01	
BANK OF THE WEST	SYS3144	3144	BCD	249,000.00	1.750	05/12/2015	05/13/2015	358.15	358.15	-
							Subtotal	358.15	358.15	
CHOICE FINANCIAL GROUP	17037TDV6	3169	NC2	248,000.00	1.000	05/20/2015	05/21/2015	1,229.81	1,229.81	-
							Subtotal	1,229.81	1,229.81	
COMENITY CAPITAL BANK	20033AAG13	3168	NC2	249,000.00	1.050	05/25/2015	05/27/2015	217.88	214.89	-2.99
							Subtotal	217.88	214.89	
CONNECTONE BANK N.J.	20786AAL9	3177	NC2	247,000.00	1.850	05/13/2015	05/14/2015	375.58	375.58	-
							Subtotal	375.58	375.58	
FEDERAL NTL MORTGAGE ASSOC.	3135G0WN9	2258	FAC	500,000.00	1.000	04/30/2015	05/04/2015	2,500.00	2,500.00	-
	3136G1LB3	2259	FAC	500,000.00	0.875	04/30/2015	05/04/2015	1,875.00	1,875.00	-
	3135G0XG3	2260	FAC	500,000.00	1.000	05/21/2015	05/26/2015	2,500.00	2,500.00	-
							Subtotal	6,875.00	6,875.00	
GEORGIA BANK AND TRUST	373128DS3	3167	NC2	249,000.00	1.000	05/17/2015	05/19/2015	207.50	204.66	-2.84
							Subtotal	207.50	204.66	
GOLDMAN SACHS	38148JBU4	3183	NC2	247,000.00	2.150	05/05/2015	05/05/2015	2,633.43	2,633.43	-
							Subtotal	2,633.43	2,633.43	

CITY OF HEMET
Received Interest
Received May 1, 2015 - May 31, 2015

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Due	Date Received	Interest		Variance
								Amount Due	Amount Received	
PARK NATIONAL BANK	700654AV8	3182	NC2	249,000.00	2.100	05/26/2015	05/27/2015	429.78	429.78	-
							Subtotal	429.78	429.78	
STATE OF CALIFORNIA	13063CKL3	5017	NCB	1,000,000.00	2.250	05/01/2015	05/04/2015	11,250.00	11,250.00	-
							Subtotal	11,250.00	11,250.00	
Total								36,924.23	36,918.40	
Total Cash Overpayment								0.00		
Total Cash Shortfall								-5.83		

CITY OF HEMET
 Received Interest
 Received May 1, 2015 - May 31, 2015

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Received	Interest
							Amount Received
Cash Accounts							
BANK OF NEW YORK	SYS5009	5009	PA1	502,611.36		05/01/2015	1.54
	SYS5009	5009	PA1	502,611.36		05/13/2015	0.56
	Subtotal						
Citibank	SYS5001	5001	PA1	72,760.71	0.450	05/29/2015	7.72
	Subtotal						
CITIBANK3	SYS5004	5004	PA1	7,486,474.73	0.450	05/29/2015	1,274.49
	Subtotal						
Total							1,284.31

LIBRARY
Portfolio Management
Portfolio Summary
May 31, 2015

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Coupon Securities	1,000,000.00	997,930.00	1,000,000.00	100.00	1,826	1,003	1.060	1.075
Investments	1,000,000.00	997,930.00	1,000,000.00	100.00%	1,826	1,003	1.060	1.075

Total Earnings	May 31 Month Ending	Fiscal Year To Date
Current Year	895.82	9,854.16
Average Daily Balance	1,000,000.00	
Effective Rate of Return	1.05%	

JUDITH L. OLTMAN, TREASURER

LIBRARY
Portfolio Management
Portfolio Details - Investments
May 31, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupon Securities											
313383AW1	3304	FEDERAL HOME LOAN BANK		06/13/2013	500,000.00	498,765.00	500,000.00	1.150	1.150	1,108	06/13/2018
3135G0RQ8	3303	FEDERAL NATL MORTGAGE		11/15/2012	500,000.00	499,165.00	500,000.00	1.000	1.000	898	11/15/2017
Subtotal and Average			1,000,000.00		1,000,000.00	997,930.00	1,000,000.00		1.075	1,003	
Total and Average			1,000,000.00		1,000,000.00	997,930.00	1,000,000.00		1.075	1,003	

LIBRARY
Received Interest
Sorted by Issuer
Received May 1, 2015 - May 31, 2015

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Interest				
						Date Due	Date Received	Amount Due	Amount Received	Variance
FEDERAL NATL MORTGAGE	3135G0RQ8	3303	FAC	500,000.00	1.000	05/15/2015	05/18/2015	2,500.00	2,500.00	
							Subtotal	2,500.00	2,500.00	
							Total	2,500.00	2,500.00	
							Total Cash Overpayment	0.00		
							Total Cash Shortfall	0.00		

Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
 June 29, 2015

CITY OF HEMET

CITY TREASURER
 445 EAST FLORIDA AVENUE
 HEMET, CA 92543-4209

PMIA Average Monthly Yields

Account Number:
 98-33-362

Tran Type Definitions

May 2015 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
5/27/2015	5/26/2015	RD	1468520	DONNA ROWLEY	5,000,000.00

Account Summary

Total Deposit:	5,000,000.00	Beginning Balance:	20,262,834.90
Total Withdrawal:	0.00	Ending Balance:	25,262,834.90

CITY OF HEMET
Cash W/Fiscal Agent: US BANK
2006 Refunding Bonds Series Heartland Project

Date	Activity	103852000 788-1508 Bond	103852001 788-1508 Prepayment	103852002 Special	103852003 788-1510 Escrow	103852004 788-1502 Cost of	103852005 788-1506 Reserve	TOTAL
	BALANCE	0.00	3,002,471.66	(0.00)	0.00	0.00	466,136.25	3,468,607.91
7/31/2014	Interest							0.00
	Transfer funds							0.00
	City of Hemet							0.00
	Debt Service							0.00
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	3,002,471.66	(0.00)	0.00	0.00	466,136.25	3,468,607.91
8/31/2014	Interest							0.00
	Transfer funds		259,046.25					259,046.25
	City of Hemet							0.00
	Debt Service							0.00
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	3,261,517.91	(0.00)	0.00	0.00	466,136.25	3,727,654.16
9/30/2014	Interest							0.00
	Transfer funds	3,150,741.25	(2,958,746.25)				(191,995.00)	0.00
	City of Hemet							0.00
	Debt Service	(2,958,746.25)						(2,958,746.25)
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	302,771.66	(0.00)	0.00	0.00	274,141.25	768,907.91
10/31/2014	Interest							0.00
	Transfer funds							0.00
	City of Hemet							0.00
	Debt Service							0.00
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	302,771.66	(0.00)	0.00	0.00	274,141.25	768,907.91
11/30/2014	Interest							0.00
	Transfer funds							0.00
	City of Hemet							0.00
	Debt Service							0.00
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	302,771.66	(0.00)	0.00	0.00	274,141.25	768,907.91
12/31/2014	Interest							0.00
	Transfer funds							0.00
	City of Hemet							0.00
	Debt Service							0.00
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	302,771.66	(0.00)	0.00	0.00	274,141.25	768,907.91
	BALANCE	0.00	302,771.66	(0.00)	0.00	0.00	274,141.25	768,907.91

CITY OF HEMET
Cash W/Fiscal Agent: US BANK
2006 Refunding Bonds Series Heartland Project

Date	Activity	103852000 788-1508 Bond	103852001 788-1508 Prepayment	103852002 Special	103852003 788-1510 Escrow	103852004 788-1502 Cost of	103852005 788-1506 Reserve	TOTAL
1/31/2015	Interest							0.00
	Transfer funds							0.00
	City of Hemet							0.00
	Debt Service							0.00
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	191,995.00	302,771.66	(0.00)	0.00	0.00	274,141.25
2/28/2015	Interest							0.00
	Transfer funds		432,799.31					432,799.31
	City of Hemet							0.00
	Debt Service							0.00
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	624,794.31	302,771.66	(0.00)	0.00	0.00	274,141.25
								1,201,707.22
3/31/2015	Interest							0.00
	Transfer funds							0.00
	City of Hemet							0.00
	Debt Service		(198,371.25)					(198,371.25)
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	426,423.06	302,771.66	(0.00)	0.00	0.00	274,141.25
								1,003,335.97
4/30/2015	Interest							0.00
	Transfer funds							0.00
	City of Hemet							0.00
	Debt Service							0.00
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	426,423.06	302,771.66	(0.00)	0.00	0.00	274,141.25
								1,003,335.97
5/31/2015	Interest							0.00
	Transfer funds							0.00
	City of Hemet							0.00
	Debt Service							0.00
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	426,423.06	302,771.66	(0.00)	0.00	0.00	274,141.25
								1,003,335.97
	First American Treasury Oblig		1,003,335.97					
	US Treasury Notes, various							not carried on COH books
	Misc Assets		1.00					
			<u>1,003,336.97</u>					
	Cash held by FA, net of Escrow acct		1,003,335.97					
								0.00



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Gary Thornhill, Interim City Manager *GT*

DATE: July 28, 2015

RE: Agreement for Services between the City of Hemet and Shawn Nelson Consulting

RECOMMENDED ACTION:

It is respectfully requested that the City Council:

Authorize the Interim City Manager to enter into an Agreement for Services between the City of Hemet and Shawn Nelson Consulting to provide services outlined in Exhibit A of the agreement for an amount not to exceed \$50,000 effective August 3, 2015.

BACKGROUND:

As the council is aware, John Janson, our Community Investment Director has resigned, leaving a vacancy and an opportunity to re-evaluate the position. To this end, staff is evaluating options with respect to consolidating the position with the Assistant City Manager position, with the potential for significant salary savings over time. If the position becomes a combined ACM/Economic Development function, then it is recommended that the position be recruited and hired by the permanent City Manager. In the interim, I am recommending that the city retain the services of Shawn Nelson to help the city with some very critical issues. Some of these include, but are not limited to, providing input into the city's budget, organizational structure, retiree medical, westside drainage area, city manager recruitment, and other matters.

I have worked extensively with Shawn over the years and have the utmost confidence in his integrity, experience, track record in Temecula and Menifee, and his ability to get things done. He will prove to be an incredible asset to the city during the next few months.

FISCAL IMPACT:

Funds are available in accounts 100-1200-1100 (City Manager) and 120-8500-1100 (Economic Development) from anticipated savings due to vacant positions. Up to \$50,000 will be transferred to 100-1200-2710 to pay the actual cost of services.

Respectfully submitted,



Gary Thornhill
Interim City Manager

Fiscal Review:



Jessica Hurst
Deputy City Manager/Admin Services Director

Attachment:

- 1) Proposed Agreement for Services with Shawn Nelson Consulting.

AGREEMENT FOR SERVICES

By and Between

**THE CITY OF HEMET,
a municipal corporation**

and

SHAWN NELSON CONSULTING

**AGREEMENT FOR SERVICES
BETWEEN
THE CITY OF HEMET, CALIFORNIA
AND
SHAWN NELSON CONSULTING**

This Agreement for Services ("Agreement") is entered into as of this 3rd day of August, 2015 by and between the City of Hemet, a municipal corporation ("City") and Shawn Nelson Consulting, a sole proprietorship ("Service Provider"). City and Service Provider are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties."

RECITALS

A. City has sought, direct negotiation the performance of the services defined and described particularly in Section 2 of this Agreement.

B. Service Provider, following submission of a proposed scope of services for the performance of the services defined and described particularly in Section 2 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Hemet's Municipal Code, City has authority to enter into this Services Agreement and the City Manager has authority to execute this Agreement.

D. The Parties desire to formalize the selection of Service Provider for performance of those services defined and described particularly in Section 2 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained here and other consideration, the value and adequacy of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. TERM OF AGREEMENT.

Subject to the provisions of Section 20 "Termination of Agreement" of this Agreement, the Term of this Agreement commences on the date first ascribed above and terminates on December 31, 2015.

SECTION 2. SCOPE OF SERVICES & SCHEDULE OF PERFORMANCE.

(a) Scope of Services. Service Provider agrees to perform the services set forth in Exhibit "A" "Scope of Services" (hereinafter, the "Services") and made a part of this Agreement by this reference.

(b) Schedule of Performance. The Services shall be completed pursuant to the schedule specified in Exhibit "A." Should the Services not be completed pursuant to that schedule, the Service Provider shall be deemed to be in Default of this Agreement.

The City, in its sole discretion, may choose not to enforce the Default provisions of this Agreement and may instead allow Service Provider to continue performing the Services.

SECTION 3. ADDITIONAL SERVICES.

Service Provider shall not be compensated for any work rendered in connection with its performance of this Agreement that are in addition to or outside of the Services unless such additional services are authorized in advance and in writing in accordance with Section 26 "Administration and Implementation" or Section 28 "Amendment" of this Agreement. If and when such additional work is authorized, such additional work shall be deemed to be part of the Services.

SECTION 4. COMPENSATION AND METHOD OF PAYMENT.

(a) Subject to any limitations set forth in this Agreement, City agrees to pay Service Provider the amounts specified in Exhibit "B" "Compensation" and made a part of this Agreement by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed fifty thousand dollars (\$50,000), unless additional compensation is approved in writing in accordance with Section 26 "Administration and Implementation" or Section 28 "Amendment" of this Agreement.

(b) Each month Service Provider shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and subcontractor contracts. Subcontractor charges shall be detailed by the following categories: labor, travel, materials, equipment and supplies. If the compensation set forth in subsection (a) and Exhibit "B" include payment of labor on an hourly basis (as opposed to labor and materials being paid as a lump sum), the labor category in each invoice shall include detailed descriptions of task performed and the amount of time incurred for or allocated to that task. City shall independently review each invoice submitted by the Service Provider to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event any

charges or expenses are disputed by City, the original invoice shall be returned by City to Service Provider for correction and resubmission.

(c) Except as to any charges for work performed or expenses incurred by Service Provider which are disputed by City, City will use its best efforts to cause Service Provider to be paid within forty-five (45) days of receipt of Service Provider's correct and undisputed invoice.

(d) Payment to Service Provider for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Service Provider.

SECTION 5. INSPECTION AND FINAL ACCEPTANCE.

City may inspect and accept or reject any of Service Provider's work under this Agreement, either during performance or when completed. City shall reject or finally accept Service Provider's work within sixty (60) days after submitted to City. City shall reject work by a timely written explanation, otherwise Service Provider's work shall be deemed to have been accepted. City's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any of Service Provider's work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, Section 16 "Indemnification" and Section 17 "Insurance."

SECTION 6. OWNERSHIP OF DOCUMENTS.

All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Service Provider in the course of providing the Services pursuant to this Agreement shall become the sole property of City and may be used, reused or otherwise disposed of by City without the permission of the Service Provider. Upon completion, expiration or termination of this Agreement, Service Provider shall turn over to City all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

If and to the extent that City utilizes for any purpose not related to this Agreement any maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files or other documents prepared, developed or discovered by Service Provider in the course of providing the Services pursuant to this Agreement, Service Provider's guarantees and warranties in Section 9 "Standard of Performance" of this Agreement shall not extend to such use of the maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files or other documents.

SECTION 7. SERVICE PROVIDER'S BOOKS AND RECORDS.

(a) Service Provider shall maintain any and all documents and records demonstrating or relating to Service Provider's performance of the Services. Service Provider shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to City pursuant to this Agreement. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Service Provider pursuant to this Agreement. Any and all such documents or records shall be maintained for three (3) years from the date of execution of this Agreement and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying, at any time during regular business hours, upon request by City or its designated representative. Copies of such documents or records shall be provided directly to the City for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at Service Provider's address indicated for receipt of notices in this Agreement.

(c) Where City has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of Service Provider's business, City may, by written request, require that custody of such documents or records be given to the City. Access to such documents and records shall be granted to City, as well as to its successors-in-interest and authorized representatives.

SECTION 8. INDEPENDENT CONTRACTOR.

(a) Service Provider is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of City. Service Provider shall have no authority to bind City in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City.

(b) The personnel performing the Services under this Agreement on behalf of Service Provider shall at all times be under Service Provider's exclusive direction and control. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall have control over the conduct of Service Provider or any of Service Provider's officers, employees, or agents except as set forth in this Agreement. Service Provider shall not at any time or in any manner represent that Service Provider

or any of Service Provider's officers, employees, or agents are in any manner officials, officers, employees or agents of City.

(c) Neither Service Provider, nor any of Service Provider's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Service Provider expressly waives any claim Service Provider may have to any such rights.

(d) Service Provider represents that it is a bona fide consulting business engaged with other public and private clients. City is engaging Service Provider to provide consulting services and not to act in the capacity as an employee of the City or to fulfill the duties of any employee or officer of the City. Notwithstanding the foregoing, the Service Provider represents that he is a retired annuitant of CalPERS within the meaning of Government Code § 21221 and understands that § 21221 limits the ability of a retired annuitant of CalPERS to work for public agencies that contract with CalPERS, including the City. The Service Provider acknowledges that this Agreement may impact his ability to work for other public agencies that contract with CalPERS, and that he may be required to record and report hours worked under this Agreement to CalPERS, and that failure to record and report hours worked under this Agreement may have negative effects on his annuitant status and on his retirement benefits through CalPERS. City makes no representation or warranty to Service Provider with regard to the applicability of any CalPERS requirements. Service Provider is responsible for determining what effect, if any, this Agreement will have on his CalPERS retirement status and the applicability of any CalPERS requirements, rules or regulations to Service Provider. Service Provider agrees to defend, indemnify and hold the City harmless from and against any liability or other adverse consequences related to Service Provider's CalPERS benefits or status arising from the performance of the Services under this Agreement.

SECTION 9. STANDARD OF PERFORMANCE.

Service Provider represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the Services required under this Agreement in a thorough, competent and professional manner. Service Provider shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all Services. In meeting its obligations under this Agreement, Service Provider shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to the Services required of Service Provider under this Agreement. In addition to the general standards of performance set forth this section, additional specific standards of performance and performance criteria may be set forth in Exhibit "A" "Scope of Work" that shall also be applicable to Service Provider's work under this Agreement. Where there is a conflict between a general and a specific standard of performance or performance criteria, the specific standard or criteria shall prevail over the general.

SECTION 10. COMPLIANCE WITH APPLICABLE LAWS; PERMITS AND LICENSES.

Service Provider shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Service Provider shall obtain any and all licenses, permits and authorizations necessary to perform the Services set forth in this Agreement. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall be liable, at law or in equity, as a result of any failure of Service Provider to comply with this section.

SECTION 11. PREVAILING WAGE LAWS

It is the understanding of City and Service Provider that California prevailing wage laws do not apply to this Agreement because the Agreement does not involve any of the following services subject to prevailing wage rates pursuant to the California Labor Code or regulations promulgated thereunder: Construction, alteration, demolition, installation, or repair work performed on public buildings, facilities, streets or sewers done under contract and paid for in whole or in part out of public funds. In this context, "construction" includes work performed during the design and preconstruction phases of construction including, but not limited to, inspection and land surveying work.

SECTION 12. NONDISCRIMINATION.

Service Provider shall not discriminate, in any way, against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with or related to the performance of this Agreement.

SECTION 13. UNAUTHORIZED ALIENS.

Service Provider hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Service Provider so employ such unauthorized aliens for the performance of the Services, and should the any liability or sanctions be imposed against City for such use of unauthorized aliens, Service Provider hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

SECTION 14. CONFLICTS OF INTEREST.

(a) Service Provider covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Service Provider's performance of the Services. Service Provider further covenants that in the

performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. Service Provider agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

(b) City understands and acknowledges that Service Provider is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Service Provider is unaware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a conflict of interest for purposes of this section.

(c) City understands and acknowledges that Service Provider will perform non-related services for other governmental agencies and private Parties following the completion of the Services under this Agreement. Any such future service shall not be considered a conflict of interest for purposes of this section.

SECTION 15. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.

(a) All information gained or work product produced by Service Provider in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Service Provider. Service Provider shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

(b) Service Provider, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Service Provider gives City notice of such court order or subpoena.

(c) If Service Provider, or any officer, employee, agent or subcontractor of Service Provider, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Service Provider for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Service Provider's conduct.

(d) Service Provider shall promptly notify City should Service Provider, its officers, employees, agents or subcontractors, be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party

regarding this Agreement and the work performed thereunder. City retains the right, but has no obligation, to represent Service Provider or be present at any deposition, hearing or similar proceeding. Service Provider agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Service Provider. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

SECTION 16. INDEMNIFICATION.

(a) Indemnification for Professional Liability. Where the law establishes a professional standard of care for Service Provider's services, to the fullest extent permitted by law, Service Provider shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees) arise out of, are a consequence of, or are in any way attributable to, in whole or in part, any negligent or wrongful act, error or omission of Service Provider, or by any individual or entity for which Service Provider is legally liable, including but not limited to officers, agents, employees or subcontractors of Service Provider, in the performance of professional services under this Agreement.

(b) Indemnification for Other than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Service Provider shall indemnify, protect, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Service Provider, or by any individual or entity for which Service Provider is legally liable, including but not limited to officers, agents, employees or subcontractors of Service Provider.

(c) Indemnification from Subcontractors. Service Provider agrees to obtain executed indemnity agreements with provisions identical to those set forth in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Service Provider in the performance of this Agreement naming the Indemnified Parties as additional indemnitees. In the event Service Provider fails to obtain such indemnity obligations from others as required herein, Service Provider agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify

and defend City as set forth herein is binding on the successors, assigns or heirs of Service Provider and shall survive the termination of this Agreement or this section.

(d) Limitation of Indemnification. Notwithstanding any provision of this section to the contrary, design professionals are required to defend and indemnify the City only to the extent permitted by Civil Code Section 2782.8, which limits the liability of a design professional to claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the design professional. The term "design professional," as defined in Section 2782.8, is limited to licensed architects, licensed landscape architects, registered professional engineers, professional land surveyors, and the business entities that offer such services in accordance with the applicable provisions of the California Business and Professions Code.

(e) City's Negligence. The provisions of this section do not apply to claims occurring as a result of City's sole negligence. The provisions of this section shall not release City from liability arising from gross negligence or willful acts or omissions of City or any and all of its officials, employees and agents.

SECTION 17. INSURANCE.

Service Provider agrees to obtain and maintain in full force and effect during the term of this Agreement the insurance policies set forth in Exhibit "C" "Insurance" and made a part of this Agreement. All insurance policies shall be subject to approval by City as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Manager. Service Provider agrees to provide City with copies of required policies upon request.

SECTION 18. ASSIGNMENT.

The expertise and experience of Service Provider are material considerations for this Agreement. City has an interest in the qualifications and capability of the persons and entities who will fulfill the duties and obligations imposed upon Service Provider under this Agreement. In recognition of that interest, Service Provider shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Service Provider's duties or obligations under this Agreement without the prior written consent of the City. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling City to any and all remedies at law or in equity, including termination of this Agreement pursuant to Section 20 "Termination of Agreement." City acknowledges, however, that Service Provider, in the performance of its duties pursuant to this Agreement, may utilize subcontractors.

SECTION 19. CONTINUITY OF PERSONNEL.

Service Provider shall make every reasonable effort to maintain the stability and continuity of Service Provider's staff and subcontractors, if any, assigned to perform the Services. Service Provider shall notify City of any changes in Service Provider's staff and subcontractors, if any, assigned to perform the Services prior to and during any such performance.

SECTION 20. TERMINATION OF AGREEMENT.

(a) City may terminate this Agreement, with or without cause, at any time by giving thirty (30) days written notice of termination to Service Provider. In the event such notice is given, Service Provider shall cease immediately all work in progress.

(b) Service Provider may terminate this Agreement for cause at any time upon thirty (30) days written notice of termination to City.

(c) If either Service Provider or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either Service Provider, or City may terminate this Agreement immediately upon written notice.

(d) Upon termination of this Agreement by either Service Provider or City, all property belonging exclusively to City which is in Service Provider's possession shall be returned to City. Service Provider shall furnish to City a final invoice for work performed and expenses incurred by Service Provider, prepared as set forth in Section 4 "Compensation and Method of Payment" of this Agreement. This final invoice shall be reviewed and paid in the same manner as set forth in Section 4 "Compensation and Method of Payment" of this Agreement.

SECTION 21. DEFAULT.

In the event that Service Provider is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Service Provider for any work performed after the date of default. Instead, the City may give notice to Service Provider of the default and the reasons for the default. The notice shall include the timeframe in which Service Provider may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Service Provider is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Service Provider does not cure the default, the City may take necessary steps to terminate this Agreement under Section 20 "Termination of Agreement." Any failure on the part of the City to give notice of the Service Provider's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

SECTION 22. EXCUSABLE DELAYS.

Service Provider shall not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of Service Provider. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state or local governments, acts of City, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this Agreement shall be equitably adjusted for any delays due to such causes.

SECTION 23. COOPERATION BY CITY.

All public information, data, reports, records, and maps as are existing and available to City as public records, and which are necessary for carrying out the Services shall be furnished to Service Provider in every reasonable way to facilitate, without undue delay, the Services to be performed under this Agreement.

SECTION 24. NOTICES.

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by telecopier or certified mail, postage prepaid and return receipt requested, addressed as follows:

To City: City of Hemet
Attn: City Manager
445 E. Florida Avenue
Hemet, CA 92543

To Service Provider: Shawn Nelson Consulting
38101 Bear Canyon Drive
Murrieta, CA 92562

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

SECTION 25. AUTHORITY TO EXECUTE.

The person or persons executing this Agreement on behalf of Service Provider represents and warrants that he/she/they has/have the authority to so execute this Agreement and to bind Service Provider to the performance of its obligations hereunder.

SECTION 26. ADMINISTRATION AND IMPLEMENTATION.

This Agreement shall be administered and executed by the City Manager or his or her designated representative. The City Manager shall have the authority to issue interpretations and to make amendments to this Agreement, including amendments that commit additional funds, consistent with Section 28 "Amendment" and the City Manager's contracting authority under the Hemet Municipal Code.

SECTION 27. BINDING EFFECT.

This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

SECTION 28. AMENDMENT.

No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Service Provider and by the City. The City Manager shall have the authority to approve any amendment to this Agreement if the total compensation under this Agreement, as amended, would not exceed the City Manager's contracting authority under the Hemet Municipal Code. All other amendments shall be approved by the City Council. The Parties agree that the requirement for written modifications cannot be waived and that any attempted waiver shall be void.

SECTION 29. WAIVER.

Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Service Provider shall not constitute a waiver of any of the provisions of this Agreement.

SECTION 30. LAW TO GOVERN; VENUE.

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Riverside, California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Riverside.

SECTION 31. ATTORNEYS FEES, COSTS AND EXPENSES.

In the event litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing Party in such litigation or other proceeding

shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.

SECTION 32. ENTIRE AGREEMENT.

This Agreement, including the attached Exhibits "A" through "C", is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between Service Provider and City prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid and binding.

SECTION 33. SEVERABILITY.

If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

SECTION 34. CONFLICTING TERMS.

Except as otherwise stated herein, if the terms of this Agreement conflict with the terms of any Exhibit hereto, or with the terms of any document incorporated by reference into this Agreement, the terms of this Agreement shall control.

SECTION 35. CUSTOMER SATISFACTION SURVEYS.

Where the Service Provider works directly for the City's public customer, the Service Provider shall actively request and solicit Customer Satisfaction Surveys regarding his/her own performance as a requirement of this contract. These surveys shall be completed and directed to the web link: <http://cityofhemet.info>

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first-above written.

CITY OF HEMET

Gary Thornhill
Interim City Manager

ATTEST:

Sarah McComas
City Clerk

APPROVED AS TO FORM

Eric S. Vail
City Attorney

SHAWN NELSON CONSULTING

Shawn Nelson
Owner

NOTE: SERVICE PROVIDER’S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO SERVICE PROVIDER’S BUSINESS ENTITY.

EXHIBIT "A"
SCOPE OF SERVICES

I. Service Provider will perform the following Services:

- a. Provide an Overall Financial Strategy for the City of Hemet.
- b. Complete an Organizational Review and Develop Recommendations.
- c. Provide Recommendations regarding a Potential City-Wide Public Safety Tax Initiative.
- d. Assist in Recruitment for Permanent City Manager.

II. As part of the Services, Service Provider will prepare and deliver the following tangible work products to the City:

- a. Written recommendations regarding the City's FY 2015-16 Operating Budget; Capital Improvement Program; and Five-Year Financial Plan.
- b. Written recommendations regarding the overall Organizational Structure and Professional Development of the City of Hemet.
- c. Collaborate with Interim City Manager and City's Consultant regarding potential recommendations for a Public Safety Tax Initiative.
- d. Assist with questions, interviews and other related issues associated with the recruitment for Permanent City Manager.

III. During performance of the Services, Service Provider will keep the City apprised of the status of performance by delivering the following status reports:

- a. Service Provider will be meet weekly with the Interim City Manager regarding all aspects of the scope of services.
- b. Service Provider will attend meetings as necessary to complete the identified scope of services.

IV. The tangible work products and status reports will be delivered to the City pursuant to the following schedule:

- a. Written recommendations related to Financial Strategic Planning will be submitted in 60 to 90 days.

b. Written recommendations related to Organizational Structure and Professional Development will be submitted in 90 to 120 days.

c. Collaboration with Interim City Manager and Consultant regarding potential Public Safety Tax Initiative will be an on-going process.

d. Assistance with the Permanent City Manager Recruitment will be on an as needed basis.

V. Service Provider will utilize the following personnel to accomplish the Services:

a. Shawn Nelson

VI. Service Provider will utilize the following subcontractors to accomplish the Services:

a. None.

EXHIBIT "B"
COMPENSATION

I. Service Provider shall use the following rates of pay in the performance of the Services:

- a. Shawn Nelson \$7,500 per month plus \$500 per month for vehicle and travel expenses

II. The total compensation for the Services shall not exceed \$50,000, as provided in Section 4 "Compensation and Method of Payment" of this Agreement.

EXHIBIT "C" INSURANCE

A. Insurance Requirements. Service Provider shall provide and maintain insurance, acceptable to the City, in full force and effect throughout the term of this Agreement, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Services by Service Provider, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

Service Provider shall provide the following scope and limits of insurance:

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

(1) Commercial General Liability. Insurance Services Office form Commercial General Liability coverage (Occurrence Form CG 0001).

(2) Automobile. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, including code 1 "any auto" and endorsement CA 0025, or equivalent forms subject to the written approval of the City.

(3) Workers' Compensation. Workers' Compensation insurance as required by the Labor Code of State of California covering all persons providing Services on behalf of the Service Provider and all risks to such persons under this Agreement.

(4) Professional Liability. Professional liability insurance appropriate to the Service Provider's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to Services performed under this Agreement. The insurance must be maintained for at least three (3) consecutive years following the completion of Service Provider's services or the termination of this Agreement. During this additional three (3) year period, Service Provider shall annually and upon request of the City submit written evidence of this continuous coverage.

2. Minimum Limits of Insurance. Service Provider shall maintain limits of insurance no less than:

(1) Commercial General Liability. \$1,000,000 general aggregate for bodily injury, personal injury and property damage.

(2) Automobile. \$1,000,000 per accident for bodily injury and property damage. A combined single limit policy with aggregate limits in an amount of not less than \$2,000,000 shall be considered equivalent to the said required minimum limits set forth above.

(3) Workers' Compensation. Workers' Compensation as required by the Labor Code of the State of California of not less than \$1,000,000 per occurrence.

(4) Professional Liability. \$1,000,000 per occurrence.

B. Other Provisions. Insurance policies required by this Agreement shall contain the following provisions:

1. All Policies. Each insurance policy required by this Agreement shall be endorsed and state the coverage shall not be suspended, voided, cancelled by the insurer or either Party to this Agreement, reduced in coverage or in limits except after 30 days' prior written notice by certified mail, return receipt requested, has been given to City.

2. Commercial General Liability and Automobile Liability Coverages.

(1) City, and its respective elected and appointed officers, officials, and employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities Service Provider performs; products and completed operations of Service Provider; premises owned, occupied or used by Service Provider; or automobiles owned, leased, hired or borrowed by Service Provider. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, or employees.

(2) Service Provider's insurance coverage shall be primary insurance with respect to City, and its respective elected and appointed, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by City, and its respective elected and appointed officers, officials, employees or volunteers, shall apply in excess of, and not contribute with, Service Provider's insurance.

(3) Service Provider's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(4) Any failure to comply with the reporting or other provisions of the insurance policies, including breaches of warranties, shall not affect coverage

provided to City, and its respective elected and appointed officers, officials, employees or volunteers.

3. Workers' Compensation Coverage. Unless the City Manager otherwise agrees in writing, the insurer shall agree to waive all rights of subrogation against City, and its respective elected and appointed officers, officials, employees and agents for losses arising from work performed by Service Provider.

C. Other Requirements. Service Provider agrees to deposit with City, at or before the effective date of this Agreement, certificates of insurance necessary to satisfy City that the insurance provisions of this contract have been complied with. The City may require that Service Provider furnish City with copies of original endorsements effecting coverage required by this Exhibit "C". The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. City reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

1. Service Provider shall furnish certificates and endorsements from each subcontractor identical to those Service Provider provides.

2. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers, or the Service Provider shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit Service Provider's liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement.



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council
FROM: Gary Thornhill, Interim City Manager *GT*
DATE: July 28, 2015
RE: Amendment to the Joint Powers Agreement of the Western Riverside Council of Governments to add the Morongo Band of Mission Indians to the WRCOG Governing Board

RECOMMENDED ACTION:

It is respectfully requested that the City Council:

Authorize the Mayor to execute the Amendment to the Joint Powers Agreement of the Western Riverside Council of Governments to add the Morongo Band of Mission Indians to the WRCOG Governing Board entered into on July 6, 2015 and between seventeen cities located within western Riverside County and the County of Riverside.

BACKGROUND:

At its meeting on July 6, 2015, the WRCOG Executive Committee took action to add the Morongo Band of Mission Indians to the WRCOG Governing Board. Per WRCOG's Bylaws, an amendment thereof requires the approval and signatures from 2/3 of WRCOG's member jurisdictions.

FISCAL IMPACT:

There is no fiscal impact.

Gary Thornhill

Respectfully submitted,

Gary Thornhill
Interim City Manager



Western Riverside Council of Governments

County of Riverside • City of Banning • City of Calimesa • City of Canyon Lake • City of Corona • City of Eastvale • City of Hemet • City of Jurupa Valley
City of Lake Elsinore • City of Menifee • City of Moreno Valley • City of Murrieta • City of Norco • City of Perris • City of Riverside • City of San Jacinto
City of Temecula • City of Wildomar • Eastern Municipal Water District • Western Municipal Water District • Morongo Band of Mission Indians
Riverside County Superintendent of Schools

AMENDMENT TO THE JOINT POWERS AGREEMENT OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS TO ADD THE MORONGO BAND OF MISSION INDIANS TO THE WRCOG GOVERNING BOARD

This Amendment to the Joint Powers Agreement ("Amendment") is made and entered into on the 6th day of July, 2015, by and between seventeen cities located within western Riverside County and the County of Riverside (collectively the "Parties").

RECITALS

WHEREAS, the Parties have entered into a Joint Powers Agreement on April 1, 1991, and through subsequent amendments thereto (the "JPA"), to form the Western Riverside Council of Governments ("WRCOG"); and

WHEREAS, the Morongo Band of Mission Indians ("Morongo") has approached WRCOG to express that their involvement in WRCOG will be beneficial to both WRCOG member agencies and Morongo; and

WHEREAS, Morongo and WRCOG believe that by working together Western Riverside County will be better positioned to address challenges of the region; and

WHEREAS, WRCOG agrees and strongly supports coordination with Morongo, and believes that permitting Morongo membership on the WRCOG Governing Body is the best manner which would most efficaciously serve the interests of the WRCOG member agencies and Morongo; and

WHEREAS, pursuant to Government Code sections 6500 et seq., the Parties to the JPA desire to amend the JPA to add Morongo to the Governing Body of WRCOG.

MUTUAL UNDERSTANDINGS

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter stated, the Parties hereto agree as follows:

Section 1: Sections 2.4.1 and 2.4.2 to the JPA are hereby amended to read as follows:

2.4.1. WRCOG shall be governed by a General Assembly with membership consisting of the appropriate representatives from the County of Riverside, each city which is a signatory to this Agreement, the Western Municipal Water District, the Eastern Municipal Water District, and the Morongo Band of Mission Indians ("Morongo"), the number of which shall be determined as hereinafter set forth. The General Assembly shall meet at least once annually, preferably scheduled in the evening. Each member agency of the General Assembly shall have one vote for each mayor, council member, county supervisor, water district board member, and tribal council member present at the General Assembly. The General Assembly shall act only upon a majority of a quorum. A quorum shall consist of a majority of the total authorized representatives, provided that members representing a

majority of the member agencies are present. The General Assembly shall adopt and amend by-laws for the administration and management of this Agreement, which when adopted and approved shall be an integral part of this Agreement. Such by-laws may provide for the management and administration of this Agreement.

2.4.2. There shall be an Executive Committee which exercises the powers of this Agreement between sessions of the General Assembly. Members of the Executive Committee shall be the Mayor from each of the member cities, four members of the Riverside County Board of Supervisors, the President of each Water District, and the Tribal Chairman of Morongo; the remaining member of the Board of Supervisors shall serve as an alternate, except any City Council, at its discretion, can appoint a Mayor Pro Tem or other City Council member in place of the Mayor, each water district board, at its discretion, can appoint another Board member in place of the President, and the Tribal Council of Morongo, at its discretion, can appoint another Tribal Council member in place of the Tribal Chairman. The Executive Committee shall act only upon a majority of a quorum. A quorum shall consist of a majority of the member agencies. Membership of Morongo on the General Assembly and Executive Committee of WRCOG shall be conditioned on Morongo entering into a separate Memorandum of Understanding with WRCOG.

Section 2: Section 2.18 of the JPA is hereby amended to read as follows:

2.18 TUMF Matters – Water Districts and Morongo.

Pursuant to this JPA, WRCOG administers the Transportation Mitigation Fee ("TUMF") for cities in Western Riverside County. The fee was established prior to the Water District's and Morongo's involvement with WRCOG and will fund transportation improvements for the benefit of the County of Riverside and the cities in Western Riverside County. As such, the Western Municipal Water District, the Eastern Municipal Water District, and Morongo General Assembly and Executive Committee members shall not vote on any matter related to the administration of the TUMF Program or the expenditure of TUMF revenues.

Section 3: Section 3.5 of the JPA is hereby amended to read as follows:

3.5 Contributions from Water Districts and the Morongo Band of Mission Indians.

The provision of section 3.4 above shall be inapplicable to the Western Municipal Water District, the Eastern Municipal Water District, and Morongo. The amount of contributions from these water districts and Morongo shall be through the WRCOG budget process.

Section 4: This Amendment is to become effective upon execution by not less than two-thirds (2/3) of all the parties that are currently signatories to the JPA.

Section 5: All other provisions and terms of the JPA are to remain unchanged.

Section 6: This Amendment may be executed in counterparts.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed and attested by their officers thereunto duly authorized as of the date first above written.

[SIGNATURES ON FOLLOWING PAGES]

ATTEST:

Clerk of the Board of Supervisors

By: _____

Dated: _____

COUNTY OF RIVERSIDE

By: _____

Chairman, Board of Supervisors

ATTEST:

City Clerk
City of Banning

By: _____

Dated: _____

CITY OF BANNING

By: _____

Mayor

ATTEST:

City Clerk
City of Calimesa

By: _____

Dated: _____

CITY OF CALIMESA

By: _____

Mayor

ATTEST:

City Clerk
City of Canyon Lake

By: _____

Dated: _____

CITY OF CANYON LAKE

By: _____

Mayor

ATTEST:

City Clerk
City of Corona

By: _____

Dated: _____

CITY OF CORONA

By: _____
Mayor

ATTEST:

City Clerk
City of Eastvale

By: _____

Dated: _____

CITY OF EASTVALE

By: _____
Mayor

ATTEST:

City Clerk
City of Hemet

By: _____

Dated: _____

CITY OF HEMET

By: _____
Mayor

ATTEST:

City Clerk
City of Jurupa Valley

By: _____

Dated: _____

CITY OF JURUPA VALLEY

By: _____
Mayor

ATTEST:

City Clerk
City of Lake Elsinore

By: _____

Dated: _____

CITY OF LAKE ELSINORE

By: _____
Mayor

ATTEST:

City Clerk
City of Menifee

By: _____

Dated: _____

CITY OF MENIFEE

By: _____
Mayor

ATTEST:

City Clerk
City of Moreno Valley

By: _____

Dated: _____

CITY OF MORENO VALLEY

By: _____
Mayor

ATTEST:

City Clerk
City of Murrieta

By: _____

Dated: _____

CITY OF MURRIETA

By: _____
Mayor

ATTEST:

City Clerk
City of Norco

By: _____

Dated: _____

CITY OF NORCO

By: _____
Mayor

ATTEST:

City Clerk
City of Perris

By: _____

Dated: _____

CITY OF PERRIS

By: _____
Mayor

ATTEST:

City Clerk
City of Riverside

By: _____

Dated: _____

CITY OF RIVERSIDE

By: _____
Mayor

ATTEST:

City Clerk
City of San Jacinto

By: _____

Dated: _____

CITY OF SAN JACINTO

By: _____
Mayor

ATTEST:

City Clerk
City of Temecula

By: _____

Dated: _____

CITY OF TEMECULA

By: _____
Mayor

ATTEST:

City Clerk
City of Wildomar

By: _____

Dated: _____

CITY OF WILDOMAR

By: _____
Mayor



Staff Report

TO: Honorable Mayor and City Council

FROM: Gary Thornhill, Interim City Manager

DATE: July 28, 2015

RE: City Council Consideration of Resolution Bill No.15-041 replacing one member appointed by the Mayor to the Oversight Board of the Dissolved Former Hemet Redevelopment Agency.

RECOMMENDATION:

Staff recommends that the City Council approve and adopt Resolution Bill No. 15-041 replacing one Mayoral appointment to the Oversight Board of the Dissolved Hemet Redevelopment Agency.

BACKGROUND:

On May 14, 2013 the City Council, by motion, approved and adopted Resolution No. 13-019 appointing John Jansons to serve as the City's representative on the Oversight Board of the Dissolved Hemet Redevelopment Agency (Agency) in the position of "former affected employee" of the former Hemet Redevelopment Agency.

With the resignation of John Jansons from the City's employ, it is now necessary to replace the City's representative on the Oversight Board in accordance with Health and Safety Code section 34179, which requires the Mayor appoint members to the City's Oversight Board.

DISCUSSION:

The Mayor now asks for the Council's confirmation to appoint Sarah McComas to the Oversight Board Sarah McComas is one of the last remaining employees of the dissolved Agency qualified to fill the requirement to have a former Agency employee on the Oversight Board.

As a result, future staff work to support the Oversight Board, previously performed by Jansons, will now need to be performed by other City staff and RSG Inc., the City's dissolution specialists. The cost of future professional work can be borne by the Successor Agency's administrative budget provided by AB 1X 26 with no cost to the City's General Fund. With this change, the duties of Secretary to the Oversight Board will be transferred to Kathleen Aguilar going forward.

Both McComas' and Aguilar's duties will be for an approximate term of less than two years because it is anticipated that Riverside County will implement provisions of the dissolution law which establishes a "Super Oversight Board" managed by Riverside County in 2016.

The "super oversight board", will replaces all current Oversight Boards of the respective jurisdictions (cities) in Riverside County with their individual city or county-sponsored Successor Agencies and Oversight Boards.

Current Oversight Board members previously appointed by the City Council City include:

- One member appointed by Mayor representing and appointed by the City Council of former dissolved agency- *Mr. Greg Vasquez*,
- One member representing and appointed by he Riverside County Superintendent of Education to represent schools – *Mr. Vince Christakos, HUSD (OB Chairperson)*,
- One member representing and appointed the Chancellor of the California Community Colleges to represent community college districts in Riverside County – *Ms. Becky Elam representing Mt San Jacinto Community College (OB Vice Chair)*,
- One member representing and appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the Agency - *Mr. Phil Paule, EMWD*,
- One member representing and appointed by the Riverside County Board of Supervisors – *Ms. Bobbie Christie*, and
- One member of the public appointed by the Riverside County Board of Supervisors – *Mr. Alan Callahan*.

This action is effective immediately upon adoption by the Council and execution of the attached resolution.

ALTERNATIVES:

None

FISCAL IMPACT:

No City funds are involved with the confirmation of the Mayor's appointment of members to the Oversight Board.

COORDINATION AND REVIEW:

The recommended action has been coordinated with the City Manager's Office, Community Investment Department, City's RDA Dissolution consultant RSG, Inc. and with input from the City Attorney.

STRATEGIC PLAN AND COUNCIL GOALS INTEGRATION:

The recommended action supports the City's goals of fostering and maintaining a high quality of life for its residents and promoting economic activity to benefit the local business community and Hemet residents.

CONCLUSION:

It is respectfully recommended that the City Council, by motion, approve and adopt Resolution Bill No. 15-041 confirming the Mayor's appointment of a replacement member to the Oversight Board.

ATTACHMENTS: 1 – Draft City Council Resolution No. 15-041.

Recommended By:



Gary Thornhill
Interim City Manager

Prepared By:



John Jansons
Community Investment Director



1
2
3
4 **CITY COUNCIL OF THE CITY OF HEMET**
5 **Hemet, California**
6 **RESOLUTION BILL NO. 15-041**
7

8
9 **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET,**
10 **CALIFORNIA, CONFIRMING THE MAYOR'S APPOINTMENT OF MEMBER TO**
11 **THE OVERSIGHT BOARD**
12

13 **WHEREAS**, the City Council of the City of Hemet ("City") approved and
14 adopted the Redevelopment Plans for the Downtown, Weston Park, Farmers Fair,
15 Combined Commercial and Hemet Redevelopment Projects covering certain properties
16 within the City; and
17

18 **WHEREAS**, the Hemet Redevelopment Agency ("Agency") has been
19 engaged in activities to execute and implement the Redevelopment Plans pursuant to
20 the provisions of the California Community Redevelopment Law (Health and Safety
21 Code § 33000, et seq.) ("CRL"); and
22

23 **WHEREAS**, as part of the 2011-12 State budget bill, the California
24 Legislature enacted, and the Governor signed, companion bills AB 1X 26 and AB 1X 27,
25 requiring that each redevelopment agency be dissolved unless the community that
26 created it enacts an ordinance committing it to making certain payments; and
27

28 **WHEREAS**, on July 18, 2011, a Petition for Writ of Mandate was filed in the
29 Supreme Court of the State of California in the matter of *California Redevelopment*
30 *Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 ("Legal Action"),
31 challenging the constitutionality of AB 1X 26 and AB 1X 27 on behalf of cities, counties
32 and redevelopment agencies and requesting a stay of enforcement of AB 1X 26 and AB
33 1X 27, pending the Supreme Court's determination of the legality of AB 1X 26 and AB
34 1X 27; and
35

36 **WHEREAS**, on December 29, 2011, the Supreme Court issued its opinion in
37 the Legal Action, upholding AB 1X 26, invalidating AB 1X 27, extending certain statutory
38 deadlines under Health and Safety Code Sections 34170 through 34191, and dissolving
39 all redevelopment agencies throughout the State, effective February 1, 2012; and
40

41 **WHEREAS**, AB 1X 26 provides that successor agencies be designated as
42 successor entities to the former redevelopment agencies, and provides that, with certain
43 exceptions, all authority, rights, powers, duties and obligations previously vested with
44 the former redevelopment agencies, under the CRL, are vested in the successor
45 agencies; and
46

1 **WHEREAS**, on January 10, 2012, the City Council adopted Resolution No. 4474
2 electing to serve as the successor agency to the former Agency; and
3

4 **WHEREAS**, AB 1X 26 further provides that the successor agency's activities
5 are subject to review and approval by an oversight board ("Oversight Board"), which
6 shall be created for each dissolved redevelopment agency; and
7

8 **WHEREAS**, the Oversight Board is to be comprised of seven political
9 appointees from affected local taxing entities and the community that established the
10 redevelopment agency, including one member to be appointed by the Mayor for the city
11 that formed the redevelopment agency, and one member to be appointed by the Mayor
12 representing the employees of the former redevelopment agency; and
13

14 **WHEREAS**, at its meeting of May 14, 2013, the Mayor of the City of Hemet
15 announced the appointment of John Jansons as the Mayor's representative to the
16 Oversight Board, and
17

18 **WHEREAS**, the Mayor now wishes the City Council's consent to replace
19 Jansons who has resigned his employ with the City and all city appointments, with
20 Sarah McComas as one of the Successor Agency's two appointments to the Oversight
21 Board; and
22

23 **WHEREAS**, all other legal prerequisites to the adoption of this Resolution
24 have occurred.
25

26 **NOW, THEREFORE, BE IT RESOLVED**, ordered, and determined by the
27 City Council of the City of Hemet:
28

29 **SECTION 1. Recitals.** The Recitals set forth above are true and correct and
30 incorporated herein by reference.
31

32 **SECTION 2. Confirmation of Mayoral Appointments.** The City Council
33 hereby confirms the Mayor's appointment of Sarah McComas to serve as the
34 representative for the employees of the former Agency.
35

36 **SECTION 3. Implementation.** The City Council hereby authorizes and directs
37 the Interim City Manager to take any action and execute any documents
38 necessary to carry out the purposes of this Resolution.
39

40 **SECTION 4. Severability.** If any provision of this Resolution or the
41 application thereof to any person or circumstance is held invalid, such invalidity
42 shall not affect other provisions or applications of this Resolution which can be
43 given effect without the invalid provision or application, and to this end the
44 provisions of this Resolution are severable. The City Council hereby declares
45 that it would have adopted this Resolution irrespective of the invalidity of any
46 particular portion thereof.
47

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SECTION 5. Certification. The City Clerk shall certify to the adoption of this Resolution.

SECTION 6. Effective Date. This Resolution shall become effective upon its adoption.

PASSED, APPROVED AND ADOPTED this 28th day of July, 2015.

Linda Krupa, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

State of California)
County of Riverside)
City of Hemet)

I, Sarah McComas, Secretary of the Hemet City Council, do hereby certify that the foregoing Resolution is the actual Resolution adopted by the City Council of the City of Hemet, California and was passed at a regular meeting of the Hemet City Council on the 28th day of July, 2015 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk



Staff Report

TO: Honorable Mayor and City Council
FROM: Gary Thornhill, Interim City Manager
DATE: July 28, 2015
RE: Contract Amendment for Housing Program Support Services

RECOMMENDATION:

That the City Council authorize the Interim City Manager to execute Amendment No. 2 to the Consultant Services Agreement with New Turtle Island for Housing Program support services.

BACKGROUND:

The City of Hemet has contracted with New Turtle Island to provide inspection, scope of work (SOW) development, construction monitoring and project close-out in support of the Owner-Occupied Home Repair Loan Program and other housing rehabilitation and emergency repair, grant funded programs since 2011.

DISCUSSION:

The previous contract expired in December 2012 and staff has seen increased interest and subscription in the program which necessitates inspection, SOW development, monitoring and closeout support services for the housing repair and rehabilitation programs.

The attached draft Amendment No 2, to be executed in substantially the same form, proposes a term to June 30, 2018 and includes a not to exceed (NTE) allocation amount of up to \$100,000. The funding for this contracted work is paid for from either the Cal Home or CDBG funded programs that support housing repair and rehabilitation. There is no cost to the City's General Fund for these activities.

ALTERNATIVES:

None Proposed.

FISCAL IMPACT:

This recommendation, if approved, would utilize Cal Home and CDBG funding already allocated for housing repair and rehabilitation projects in account 245-8225-2400.

COORDINATION AND REVIEW:

The recommended action has been coordinated with the City Manager's Office, City Attorney and Community Investment Department (Housing Division).

STRATEGIC PLAN AND COUNCIL GOALS INTEGRATION:

The recommended action supports the City's goals of improving the housing stock, encouraging home ownership, reducing blight and strengthening neighborhoods.

CONCLUSION:

It is respectfully recommended that the City Council authorize the Interim City Manager to execute Amendment No. 2, in substantially the same form, for the Consultant Services Agreement with New Turtle Island for Housing Program support services.

Attachment (s): 1 - draft Amendment No. 2 to CSA with New Turtle Island

Approved By:

Prepared By:



Gary Thornhill
Interim City Manager



John Jansons
Community Investment Director

DRAFT

**SECOND AMENDMENT TO
CONSULTANT SERVICES AGREEMENT**

by and between

the

CITY OF HEMET

and

NEW TURTLE ISLAND

Dated _____, 20__

SECOND AMENDMENT TO CONSULTANT SERVICES AGREEMENT

This Second Amendment to Consultant Services Agreement (“Second Amendment”), which is dated for reference as indicated on the cover page, is hereby entered into by and between the CITY OF HEMET, a California general law city (“City”), and TURTLE ISLAND CONSTRUCTION SERVICES, a sole proprietor (“Consultant”), as follows:

RECITALS

- A. City and Consultant entered in an agreement for services related to the City’s Owner Occupied Rehabilitation Program on January 13, 2011 (“Agreement”).
- B. On March 6, 2012, the City and Consultant executed a First Amendment to the Agreement increasing the total maximum compensation to \$50,000, and extending the term of the Agreement to December 31, 2012.
- C. The City and Consultant desire to further extend the term of the Agreement and increase the maximum amount of compensation that may be paid to Consultant.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the promises made and recited herein, the parties do hereby enter into this Second Amendment which modifies and amends the Agreement as follows:

AMENDMENT. The Agreement is hereby modified and amended as follows:

- 1.1 **Exhibit A.** Section IV.B. of Exhibit “A” to the Agreement is hereby amended to read as follows:

“This Agreement shall expire on _____, 2018.”

- 1.2 **Section 4.** Subsection (a) of Section 4 of the Agreement is hereby amended to read as follows:

“Subject to any limitation set forth in this Agreement, City agrees to pay Consultant the amount specified in Exhibit “B” “Compensation” and made a part of this Agreement. The total compensation, including reimbursement for actual expenses, shall not exceed (\$100,000), unless additional compensation is approved in writing by the City Council or City Manager.”

- 1.3 **Exhibit “B”.** The last sentence in the second paragraph of Exhibit “B” (“Thus, the not-to-exceed fee is \$40,000”) is hereby deleted. Section IV of Exhibit “B” is amended to read as follows:

“The total compensation for the Services shall not exceed \$100,000, as provided in Section 4 of this Agreement.”

CONSULTANT:

TURTLE ISLAND CONSTRUCTION SERVICES

By: _____

Name: _____

Title: _____



Staff Report

To: Honorable Mayor and Members of the Hemet City Council

From: Gary Thornhill, Interim City Manager *GT*
Steven Latino, City Engineer

Date: July 28, 2015

Re: Adopt Resolution Bill No.15-040 Amending the Five Year Capital Improvement Plan (CIP) for Fiscal Years 2016-2020

Recommended Action:

It is respectfully recommended that the City Council adopt Resolution Bill No. 15-040,

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA, AMENDING THE FIVE YEAR CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2015/2016 TO 2019/2020, AS ADOPTED BY RESOLUTION 4629.

Background:

On June 9, 2015, the City Council approved Resolution 4629 adopting a Five Year Capital Improvement Program for Fiscal Years 2016-2020 (FY 16/20 CIP). The FY 16/20 CIP is essentially a policy document that sets forth the City's program for identifying and completing large capital improvement projects. It also establishes project priority and funding mechanisms, particularly in terms of projects identified for the upcoming fiscal year. The adopted FY 16/20 CIP included a total of 34 projects for FY 15/16 funding consideration. Six of those projects were approved to collectively receive a total of \$808,000 in general fund allocations.

At its regular meeting of June 23, 2015, while considering adoption of the Annual Operating Budget, the City Council further reviewed CIP projects requiring FY15/16 general fund support. Ultimately, the City Council directed staff to reduce approved FY 15/16 CIP general fund allocations by \$100,000 from the Enterprise Resource Planning (ERP) System, a multiyear project requested by the Administrative Services Department. This would reduce the project's general fund support from \$253,800 to \$153,800 for FY15/16.

Adoption of Resolution Bill No. 15-040 is necessary to amend the previously adopted FY 16/20 CIP document and reflect the FY15/16 funding reduction. Upon adoption, the CIP document will be amended, and FY15/16 general fund allocations will be reflected in the following amounts:

<u>Project</u>	<u>FY 15/16 GF Allocation</u>	
1. Enterprise Resource Planning (ERP)	\$	153,800
2. Citywide ADA Transition	\$	85,000
3. Fire Communication Enhancements	\$	180,000
4. Safety Enhancements/Personal Protection	\$	100,000
5. Community Camera Phase II	\$	150,000
6. Turf Replacement	\$	40,000
New FY 15/16 CIP General Fund Allocation		\$ 708,800

Although the CIP covers 2016-2020 Fiscal Years, it is fluid document and can be modified as needed to accommodate policy/fiscal changes. Staff recommends adoption of Resolution Bill No15-040 to amend the previously adopted FY 16/20 CIP, and update the respective CIP document to reflect a \$100,000 general fund allocation reduction for the ERP project in the FY15/16 CIP project budgets.

Fiscal Impact:

General fund allocations for FY15/16 will be reduced by \$100,000. No change to non-general fund CIP project allocations.

Respectfully submitted,



Steven Latino
City Engineer



**CITY OF HEMET
Hemet, California
RESOLUTION NO. 15-040**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF HEMET, CALIFORNIA, AMENDING THE FIVE YEAR
CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS
2015/2016 TO 2019/2020 ADOPTED BY RESOLUTION
4629.**

WHEREAS, on June 9, 2015, the City Council adopted Resolution 4629, adopting a Five Year Capital Improvement Plan for Fiscal Years 2015/2016 to 2019/2020 (FY 16/20 CIP); and,

WHEREAS, on June 23, 2015, the City Council subsequently directed staff to reduce the previously adopted Fiscal Year 2015/2016 General Fund allocations committed to the Enterprise Resource Planning System project, a FY 16/20 CIP project, by \$100,000; and,

WHEREAS, amendments to the previously adopted FY 16/20 CIP must be memorialized through modification of the original adopting resolution; and,

WHEREAS, the City Council intends to supersede the FY 16/20 CIP document, as adopted by Resolution 4629 with the Amended FY 16/20 CIP as attached.

NOW, THEREFORE, the City Council of the City of Hemet does hereby find and resolve:

1. **Findings**. Based on substantial evidence in the record, the City Council finds that:

(a) The FY 16/20 CIP as amended is not a project subject to review under the California Environmental Quality Act under Section 1506(b)(3) of Title 14 of the California Code of Regulations because it is primarily a legislative tool to assess

1 legislative and budgetary priorities and does not approve any of the specific projects for
2 construction, and therefore does not have the potential to have a significant effect on
3 the environment.

4 2. **Amendment.** The FY 16/20 CIP is hereby amended to reduce FY15/16
5 general fund allocations for the Enterprise Resource Planning System project from
6 \$253,000 to \$153,000.

7 3. **Approval.** The FY 16/20 CIP is hereby amended to read as reflected in
8 Attachment "A".

9 4. **Subsequent Review.** In accordance with Government Code Sections
10 65103 and 65401, the Hemet Planning Commission shall annually review and report on
11 the General Plan consistency of the list of proposed public works recommended for
12 planning, initiation, or construction during the ensuing fiscal year as proposed in each
13 subsequent Capital Improvement Program prepared by the City.

14
15 **PASSED, APPROVED, AND ADOPTED** this __ day of _____, 2015

16
17
18 _____
19 Linda Krupa, Mayor

20
21 **ATTEST:**

APPROVED AS TO FORM:

22
23 _____
24 Sarah McComas, City Clerk

Eric S. Vail, City Attorney

1 State of California)
2 County of Riverside)
3 City of Hemet)

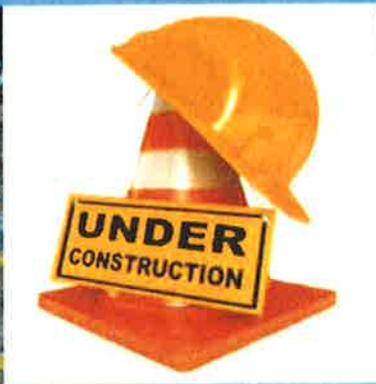
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I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing Resolution is the actual Resolution adopted by the City Council of the City of Hemet and was passed at a regular meeting of the City Council on the __ day of _____, 2015 by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

Sarah McComas, City Clerk

City of Hemet



**CAPITAL IMPROVEMENT PLAN
FY 2015/2016 to FY 2019/2020
ADOPTED BY RESOLUTION NO. 4638**

CAPITAL IMPROVEMENT PLAN

FY 2015/2016 to FY 2019/2020

City Council

Linda Krupa, Mayor
Bonnie Wright, Mayor Pro Tem
Robert Youssef, Councilmember
Shellie Milne, Councilmember
Paul Raver, Councilmember

City Staff

Gary Thornhill, Interim City Manager
Jessica Hurst, Deputy City Manager/Finance Director
Steven Latino, Engineering Director/City Engineer

CIP Preparation Team

Deanna Elliano	Community Development Director
Kristen Jensen	Public Works Director
David Brown	Police Chief
Scott Brown	Fire Chief
John Jansons	Community Investment Director
Katherine Caines	Library Manager
Lorena Rocha	Accounting Manager
Ron Proze	Water/Wastewater Superintendent
Nancy Beltran	Engineering Technician II
DeAnna Robertson	Administrative Assistant
Steve Wolny	Facilities Maintenance Manager

July 9th, 2015

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SUMMARY

The Capital Improvement Plan (CIP) is a vital document that will allow the City of Hemet to have a defined process for planning, budgeting, and financing expenditures for all projects and acquisitions.

Behind every successful program is a well-established and cohesive process by which all relevant tasks can be identified, monitored and completed.

This CIP covers the current fiscal year, and four subsequent years, since capital infrastructure, facilities, and equipment are in general large and expensive, requiring considerable funding. The CIP will address the needs of the community while considering the City's financial capacity.

This document shall be updated and published annually to reflect the completed projects and the addition of new ones for the current fiscal year.

The CIP is a planning tool that provides the necessary information to repair and replace an aging infrastructure, or to construct new facilities, and at the same time set the community priorities to meet the needs of a growing population.

The funding for a CIP comes from a variety of sources, as outlined in the following section, but a major component such as the Development Impact Fees (DIF) has been affected by the decline in new development activity for the past seven years. For road projects, the City has relied in the past in funds from DIF, Measure A, and various grants without impacting the City's General Fund. The elimination of the Redevelopment Agency has impacted, even further, the city's capacity to use some of its funds to execute projects to improve the condition within the area covered by the agency.

The annual capital improvement projects, which require Council's approval for their expenditures, are included in this CIP. Additionally, it includes estimates of future expenditures for the following four fiscal years (FY).

Each City department owning assets has infrastructure needs and generates lists which include the renovation, construction, demolition and purchase of buildings, land acquisition, public utilities and other facilities. Those projects that require capital investment, beyond regular maintenance and operation, will be included in the CIP.

This document includes a detail sheet, for each listed project, that shows a description, location, funding sources and expenditures. Depending on the City's resources the projects are listed with full, or partial funding, and unfunded if no specific source has been identified.

BACKGROUND AND OVERVIEW

The purpose of a CIP is to provide the City with a long-term program for major municipal construction projects based on the coordinated development of an accompanying financial plan.

The CIP, as a planning instrument, identifies infrastructure needs, establishes timeline for completion of projects, and coordinates financing to maximize the benefits to the public.

The first year of the CIP is called the Capital Budget and is based on existing fund balances, available grants and proposed revenues. This Capital Budget is incorporated into the City's Operating Budget for each fiscal year.

Projects programmed for subsequent years will be approved on a planning basis only and do not receive expenditure authorization until they are incorporated into the Capital Budget.

The annual update of the CIP will reflect the changes in the project priorities, or the availability of revenue or grants, which are offered in cycles. The endorsement of this five-year program by the City Council is critical for the effective implementation of the City's goals and objectives.

For this program, a Capital Improvement Project is defined as a specific undertaking involving the procurement, construction, installation, and improvement of facilities and equipment that will enhance or modernize the City's municipal services, and cost in excess of \$50,000.

The Detail Sheet for each project includes an identification number, brief description, and a breakdown of estimated costs which include the following,

- Funding sources to be used
- Design/Engineering
- Acquisitions
- Permits
- Administration
- Construction
- Inspection
- Operation and Maintenance (O&M)
- A "Project Carryover" column will be added, in future plans, to reflect life-to-date expenditures for active CIP projects.

A 2 % inflation adjustment has been used in determining costs for FY 2016/2017 through 2019/2020.

A priority rating has been established by City staff, but further consideration by the City Council may alter these standings.

A large number of projects are listed in this plan, but only some of them have been included in the five-year cycle since they have identified funding sources for this period. The remaining ones are shown, in summary, as "Unfunded Projects" on Pages 17 and 18.

Fiscal Year 2015/2016

The CIP for Fiscal Year 2015/2016 include a listing of projects that, as indicated earlier, will be funded by DIF, Measure A, grants, and enterprise funds and to some extent, the General Fund. By following this policy, the number of capital projects has been reduced because the downturn in the economy has not allowed the replenishment of some of these funding sources. If this trend continues into the future the funds will be greatly diminished and the City shall explore alternative means to obtain financing for upgrading and expanding its infrastructure and other facilities.

The following projects are scheduled to start and/or be completed in FY 2015/2016:

Administrative Services Department - Information Technology

Enterprise Resource Planning (ERP) System
Council Chambers PEG Video

Community Development Department

Downtown Hemet Specific Plan
Citywide ADA Transition Plan

Engineering Department

Stetson Bridge Replacement
Traffic Signal at Warren Rd and Auto Center
Traffic Signal at Warren Rd and Esplanade Avenue
Gilbert Street Roadway Rehabilitation
State Street Storm Drain Replacement
Citywide Crack and Slurry Seal
Citywide Pavement Rehabilitation
Citywide ADA Ramps and Sidewalk Infill

Fire Department

Fire Communications Enhancements
Safety Enhancement/Personal Protective Equipment

Police Department

Community Camera Phase II-City Assets

Public Works Department

Electrical Panel Inspection
Sewer Main Relining Project
LED Streetlight Conversion
Basin Fence Repair/Replacement
Heartland/Four Seasons Basin Pump Relocate
HVAC Replacement - Various Buildings
Diesel Equipment Retrofits
ADA Compliance Projects
Building Painting Project
Energy Management System
Corporate Yard Linear Grate Storm Filters
Turf Replacement Projects
Parks Master Plan
Various Street Light/Walkway Pole Replacement
Water Quality Treatment
Distribution Water Main Replacement
Radio Read Meter Replacement
Sewer Master Plan
New Well Development

The projects for FY 2015/2016 are estimated at \$18,477,849.

A summary of funds used and projects are presented in Figures 1 and 2, with the corresponding tables and charts.

Figure 1

Projects - FY 2015/2016

Projects and 2015-2016 Amounts		% of Total
Law Enforcement	\$150,000	0.8%
Fire Protection	\$280,000	1.5%
Parks / L&LMD	\$4,045,000	21.9%
Streets	\$3,888,589	21.0%
Sewer & Storm Drain	\$2,470,000	13.4%
Sidewalks	\$135,000	0.7%
Water	\$5,300,000	28.7%
Traffic Signals	\$228,000	1.2%
Equipment Maintenance	\$120,000	0.6%
Information Technology	\$350,000	1.9%
Community Development	\$433,000	2.3%
Facility Maintenance	\$1,078,260	5.8%
TOTAL	\$18,477,849	100.0%

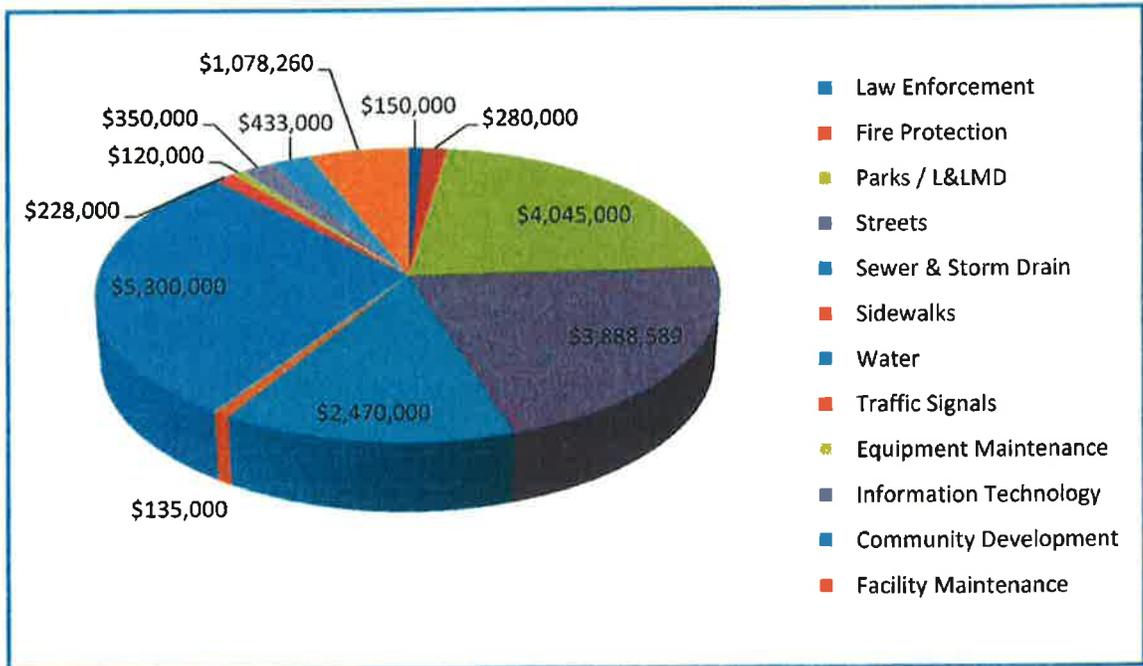
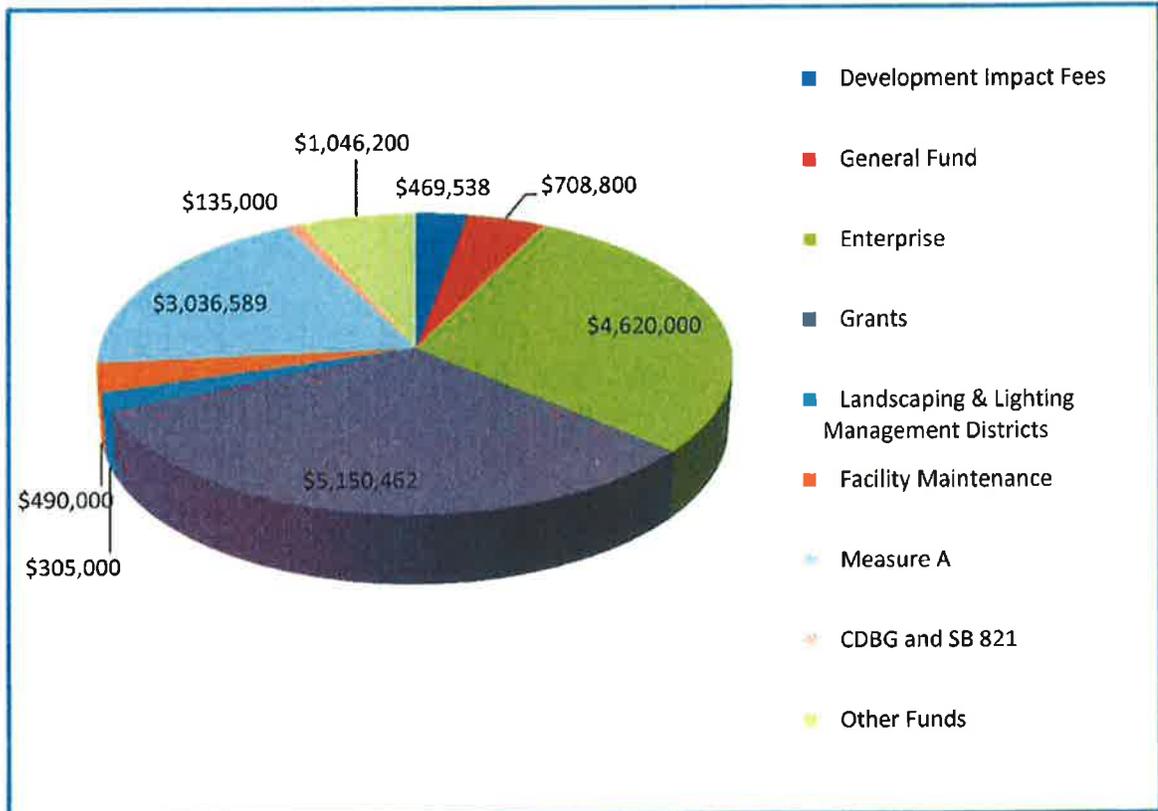


Figure 2

Funding Sources - FY 2015/2016

Fund and 2015-2016 Expenditures		% of Total
Development Impact Fees	\$469,538	2.9%
General Fund	\$708,800	4.4%
Enterprise	\$4,620,000	28.9%
Grants	\$5,150,462	32.3%
Landscaping & Lighting Management Districts	\$305,000	1.9%
Facility Maintenance	\$490,000	3.1%
Measure A	\$3,036,589	19.0%
CDBG and SB 821	\$135,000	0.8%
Other Funds	\$1,046,200	6.6%
TOTAL	\$15,961,589	100.0%



FUND UTILIZATION FOR NEW FY 2015/2016 PROJECTS

	Department and Project	Amount	Fund								General Fund	
			Enter-prise	Water (571)	Sewer/SD (254)	LLMD (225/227/228)	Facilities (685)	Gas Tax (221)	DIF	GRANT		PW Admin. (686)
1	Public Works											
2	Sewer Main Replace/Reline -1 Mile	\$970,000	\$970,000									
3	LED Street Light Conversion	\$3,500,000								\$3,500,000		
4	Heartland -Basin Pump Relocate	\$150,000			\$100,000							
5	HVAC Replacement	\$300,000				\$165,000						
6	Diesel Equipment Retrofits	\$120,000								\$120,000		
7	ADA Compliance Projects	\$150,000				\$150,000						
8	Building Painting	\$175,000				\$175,000						
9	Energy Management System	\$200,000								\$200,000		
10	Corp Yard Linear Grate Storm Filters	\$103,260						\$60,000				
11	Turf Replacement	\$115,000			\$75,000							\$40,000
12	Parks Master Plan	\$150,000						\$150,000				
13	St Light/Walkway Pole Replacement	\$130,000			\$130,000							
14	Water Quality Treatment	\$1,750,000	\$1,250,000							\$500,000		
15	Distribution Water Main Replacement	\$2,250,000	\$2,250,000									
16	Radio Read Meter	\$100,000	\$100,000									
17	Sewer Master Plan	\$50,000	\$50,000									
18	TOTAL 2015/2016	\$10,213,260	\$4,620,000	\$0	\$0	\$305,000	\$490,000	\$0	\$210,000	\$4,320,000	\$0	\$40,000

FUND UTILIZATION FOR FY NEW 2015/2016 PROJECTS

	Department and Project	Amount	Fund							General Fund	
			Measure A (222)	TUMF	DIF Streets (329)	Flood Control (326)	CDBG (240)	SB 821	HBRRP (Federal)		Riverside County
26	Engineering										
27	Stetson Bridge Replacement	\$945,000			\$114,538				\$830,462		
28	Traffic Signal - Warren & Auto	\$75,000			\$75,000						
29	Traffic Signal - Warren & Esplanade	\$153,000	\$153,000								
30	Gilbert Street Roadway Rehabilitation	\$208,589	\$148,589		\$60,000						
31	State Street Storm Drain Replacement	\$1,000,000				\$1,000,000					
32	Citywide Crack & Slurry Seal	\$985,000	\$985,000								
33	Citywide Pavement Rehabilitation	\$1,750,000	\$1,750,000								
34	Citywide ADA Ramps & Sidewalk Improv.	\$135,000			\$10,000		\$62,500	\$62,500			
35	Community Development										
36	Citywide ADA Transition Plan	\$95,000					\$10,000			\$85,000	
37	TOTAL 2015/2016	\$5,346,589	\$3,036,589	\$0	\$259,538	\$1,000,000	\$72,500	\$62,500	\$830,462	\$0	\$85,000

FUND UTILIZATION FOR NEW FY 2015/2016 PROJECTS

	Department and Project	Amount	Fund							General Fund	
			Other Funds	P.E.G.	DIF-Fire (332)	DIF Library (363)	Grants				
38	Administrative Services - IT										
39	Enterprise Resource Planning System	\$200,000	\$46,200								\$153,800
40	Council Chambers PEG Video	\$150,000									
41	Fire Protection										
42	Fire Communications Enhancements	\$180,000									\$180,000
43	Safety Enhancements/Personal Protective	\$100,000									\$100,000
44	Police										
45	Community Camera Phase II	\$150,000									\$150,000
46	TOTAL 2015/2016	\$780,000	\$46,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$583,800

DEPARTMENTS TOTAL FY15/16	\$16,339,849
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FUND BALANCES

Fund #	Fund Name	6/30/2015
		Projected Balance
DEVELOPMENT IMPACT FEES (DIF)		
315	Public Meeting Facilities	543,212
316	General Facilities	1,713,510
326	Flood Control & Storm Drain	1,849,473
329	Streets, Bridges & Traffic Signals	392,768
331	Law Enforcement Facilities	(4,580)
332	Fire Facilities	110,969
361	Park Development	1,333,385
363	Library Facilities	1,031,503
Total DIF		\$6,427,028
TRANSPORTATION FUNDS		
221	Gas Tax	2,302,448
222	Measure A	626,096
Total Transportation Funds		\$2,928,544
GRANTS		
240	CDBG	0
224	Air Quality Mgmt. District	352,167
Total Grants		\$352,167
OTHER FUNDS		
254	Sewer and Storm Drain	2,394,640
553	Integrated Waste Management	0
571	Public Water Utility	3,247,065
685	Facility Maintenance	747,314
Total Other Funds		\$6,389,019

CIP PROJECT EXPENDITURES BY DEPARTMENTS

Department and Project	2015/16	2016/17	2017/18	2018/19	2019/2020	5-YR TOTAL	Prev Yr App	15/16 GF Req	DIF 15/16
Administration Services - IT									
Enterprise Resource Planning (ERP) System	\$200,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,400,000	\$0	\$153,800	\$0
Council Chambers PEG Video	\$150,000	\$450,000				\$600,000	\$150,000	\$0	\$0
General Fund Server Hardware Refresh		\$60,000				\$60,000	\$0	\$0	\$0
Point to Point Microwave Link Refresh		\$450,000				\$450,000	\$0	\$0	\$0
Citywide Server Refresh				\$308,000		\$308,000	\$0	\$0	\$0
Annual Sub-Total	\$350,000	\$1,260,000	\$300,000	\$608,000	\$300,000	\$2,818,000	\$150,000	\$153,800	\$0
Community Development									
Downtown Specific Plan	\$338,000	\$160,000				\$498,000	\$500,000	\$0	\$0
Citywide ADA Transition	\$95,000	\$60,000				\$155,000	\$0	\$85,000	\$0
Annual Sub-Total	\$433,000	\$220,000	\$0	\$0	\$0	\$653,000	\$500,000	\$85,000	\$0
Engineering									
Stetson Bridge Replacement	\$945,000					\$945,000	\$0	\$0	\$114,538
Traffic Signal @Warren/Auto	\$75,000	\$225,000				\$300,000	\$0	\$0	\$75,000
Traffic Signal @ Warren/Esplanade	\$153,000	\$835,500				\$988,500	\$0	\$0	\$0
Gilbert Street Rehabilitation	\$208,589	\$494,690				\$703,279	\$0	\$0	\$60,000
State St Storm Drain Replacement	\$1,000,000	\$500,000				\$1,500,000			\$1,000,000
Citywide Crack & Slurry Seal	\$985,000	\$515,000				\$1,500,000	\$0	\$0	\$0
Citywide Pavement Rehabilitation	\$1,750,000	\$1,709,000	\$1,760,000	\$1,813,000	\$1,850,000	\$8,882,000	\$0	\$0	\$0
Citywide ADA Ramps & Sidewalk Improv.	\$135,000	\$185,000	\$350,000	\$350,000	\$350,000	\$1,370,000	\$0	\$0	\$10,000
Annual Sub-Total	\$5,251,589	\$4,464,190	\$2,110,000	\$2,163,000	\$2,200,000	\$16,188,779	\$0	\$0	\$1,259,538
Fire									
Fire Communications Enhancements	\$180,000					\$180,000	\$0	\$180,000	\$0
Safety Enhancements/Personal Protective	\$100,000					\$100,000	\$0	\$100,000	\$0
Annual Sub-Total	\$280,000	\$0	\$0	\$0	\$0	\$280,000	\$0	\$280,000	\$0
Police									
Community Camera Phase II	\$150,000	\$150,000				\$300,000	\$0	\$150,000	\$0
Annual Sub-Total	\$150,000	\$150,000	\$0	\$0	\$0	\$300,000	\$0	\$150,000	\$0
Public Works									
Electrical Panel Inspection	\$150,000					\$150,000	\$150,000	\$0	\$0
Municipal Facility Solar Projects		\$600,000	\$600,000			\$1,200,000	\$0	\$0	\$0
LED Pedestrian Light Conversion		\$750,000				\$750,000	\$0	\$0	\$0
Sewer Main Replace/Reline	\$1,320,000	\$1,320,000	\$1,320,000	\$1,320,000	\$1,320,000	\$6,600,000	\$350,000	\$0	\$0
LED Streetlight Conversion	\$3,500,000					\$3,500,000	\$0	\$0	\$0
Basin Fence Repair/Replacement	\$100,000					\$100,000	\$100,000	\$0	\$0
Hearthland - Basin Pump Relocate	\$150,000					\$150,000	\$50,000	\$0	\$0
HVAC Replacement	\$300,000					\$300,000	\$135,000	\$0	\$0
Diesel Equipment Retrofits	\$120,000	\$145,000				\$265,000	\$0	\$0	\$0
ADA Compliance Projects	\$150,000	\$100,000	\$100,000			\$350,000	\$0	\$0	\$0
Building Painting Project	\$175,000					\$175,000	\$0	\$0	\$0
Energy Management System	\$200,000					\$200,000	\$0	\$0	\$0
Library Fence Replacement	\$0					\$0	\$0	\$0	\$0
Demolition of City Building	\$0					\$0	\$0	\$0	\$0
Corp Yard Linear Grate Storm Filters	\$103,260					\$103,260	\$43,260	\$0	\$60,000
Turf Replacement Projects	\$115,000	\$115,000				\$230,000	\$0	\$40,000	\$0
Parks Master Plan	\$150,000					\$150,000	\$0	\$0	\$150,000
Rubberized Playground Turf	\$0					\$0	\$0	\$0	\$0
Street Light/Walkway Pole Replacement	\$130,000					\$130,000	\$0	\$0	\$0
Water Quality Treatment	\$1,750,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$6,750,000	\$0	\$0	\$0
Distribution Water Main Replacement	\$2,250,000	\$2,250,000				\$4,500,000	\$0	\$0	\$0
Radio Read Meter Replacement	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$0	\$0	\$0
Weston Park - Play Structure	\$0					\$0	\$0	\$0	\$0
Sewer Master Plan	\$50,000					\$50,000	\$20,000	\$0	\$0
CNG Jet/Rodder Purchase		\$400,000				\$400,000	\$0	\$0	\$0
Echo Hills Additional Water Tank		\$3,000,000				\$3,000,000	\$0	\$0	\$0
Water Main Line Replacement		\$400,000	\$400,000	\$400,000		\$1,200,000	\$0	\$0	\$0
Pipeline to Recharge Ponds		\$1,500,000	\$1,500,000			\$3,000,000	\$0	\$0	\$0
Stetson Ave Distribution Main		\$250,000				\$250,000	\$0	\$0	\$0
Distribution Upgrade 4" to 8"		\$250,000	\$250,000	\$250,000		\$750,000	\$0	\$0	\$0
Echo Hills Distribution Main Replacement			\$1,500,000			\$1,500,000	\$0	\$0	\$0
New Well Development	\$1,200,000			\$1,385,000		\$2,585,000	\$0	\$0	\$0
Backhoe Replacement (2)					\$200,000	\$200,000	\$0	\$0	\$0
CNG Dump Truck Replacement					\$280,000	\$280,000	\$0	\$0	\$0
Annual Sub-Total	\$12,013,260	\$11,410,000	\$7,070,000	\$4,705,000	\$3,150,000	\$34,348,260	\$848,260	\$40,000	\$210,000
TOTALS	\$18,477,849	\$18,524,190	\$9,430,000	\$7,476,000	\$5,650,000	\$59,558,039	\$1,498,260	\$708,800	\$1,469,538

Fiscal Year 2016/2017

The CIP for Fiscal Year (FY) 2016/2017 include the following projects:

- Enterprise Resource Planning (ERP) System
- Council Chambers PEG Video Install
- General Fund Server Hardware Refresh
- Point to Point Microwave Link
- Downtown Specific Plan
- Citywide ADA Transition Plan
- Traffic Signal at Warren & Auto
- Traffic Signal at Warren & Esplanade
- Gilbert St Roadway Rehabilitation
- State Street Storm Drain Replacement
- Citywide Crack and Slurry Seal
- Citywide Pavement Rehabilitation
- Citywide ADA Ramps and Sidewalk
- Community Camera Phase II
- Municipal Facility Solar Projects
- LED Pedestrian Light Conversion
- Sewer Main Replace/Reline
- Diesel Equipment Retrofit
- ADA Compliance Projects
- Turf Replacement Projects
- Water Quality Treatment
- Distribution Water Main Replacement
- Radio Read Meter Replacement
- CNG Jet/Rodder Purchase
- Echo Hills Additional Water Tank
- Water Main Line Replacement
- Pipeline to Recharge Ponds
- Stetson Avenue Distribution Main
- Distribution Upgrade 4" to 8"

The projects for FY 2016/2017 are estimated at \$18,524,190.

Fiscal Year 2017/2018

The CIP for Fiscal Year (FY) 2017/2018 include the following projects:

- Enterprise Resource Planning (ERP) System
- Citywide Pavement Rehabilitation
- Citywide ADA Ramps and Sidewalk
- Municipal Facility Solar Projects
- Sewer Main Replace/Reline
- ADA Compliance Projects
- Water Quality Treatment
- Radio Read Meter Replacement
- Water Main Line Replacement
- Pipeline to Recharge Ponds
- Distribution Upgrade 4" to 8"
- Echo Hills Distribution Main Replacement

The projects for FY 2017/2018 are estimated at \$9,430,000.

Fiscal Year 2018/2019

The CIP for Fiscal Year (FY) 2018/2019 include the following projects:

- Enterprise Resource Planning (ERP) System
- Citywide Server Refresh
- Citywide Pavement Rehabilitation
- Citywide ADA Ramps and Sidewalk
- Sewer Main Replace/Reline
- Water Quality Treatment
- Radio Read Meter Replacement
- Water Main Line Replacement
- Distribution Upgrade 4" to 8"
- New Well Development

The projects for FY 2018/2019 are estimated at \$7,476,000.

Fiscal Year 2019/2020

The CIP for Fiscal Year (FY) 2019/2020 include the following projects:

- Enterprise Resource Planning (ERP) System
- Citywide Pavement Rehabilitation
- Citywide ADA Ramps and Sidewalk
- Sewer Main Replace/Reline
- Water Quality Treatment
- Radio Read Meter Replacement
- Backhoe Replacement
- CNG Dump Truck Replacement

The projects for FY 2019/2020 are estimated at \$5,650,000.

The total for the five-year cycle, encompassing FY 2015/2016 to FY 2019/2020, is estimated to be approximately \$59,658,039.

FUNDING SOURCES

The Capital Improvement Program (CIP) uses a variety of funding sources to implement projects. This section outlines some of the more common sources used by the City of Hemet.

Air Quality Management District (AQMD)

State motor vehicle registration fees allocate a portion of the funds that are restricted to be used in projects that will reduce pollution generated by motor vehicles.

Bond Financing

This is a long-term borrowing tool used to meet the City's cash flow needs to provide funds for capital projects.

Community Development Block Grant (CDBG) - Fund 240

The Federal government provides funds for this grant to be allocated to local governments, based on a formula, to be applied in areas that benefit the community.

Development Impact Fees (DIF)

These fees are collected from developers, builders, and residents building in the City of Hemet. The fees are used to build improvements to serve, or to reduce the impact of new developments.

The City collects fees in the following categories:

General Facilities	Fund 316
Flood Control	Fund 326
Bridges, Streets and Traffic Facilities	Fund 329
Law Enforcement Facilities	Fund 331
Fire Facilities	Fund 332
Park Development	Fund 361
Library Facilities	Fund 363
Public Meeting Facilities	Fund 315

Energy Efficiency and Conservation Block Grant

In 2009, the American Recovery and Reinvestment Act made federal funds available to promote develop, implement and manage energy efficiency and conservation programs and projects.

Highway Users Tax Allocation (HUTA) or Gas Tax - Fund 221

The State of California imposes excise taxes on various transportation fuels. Cities and counties receive tax revenue based on complex calculation where population is one of the components. Funds can be applied to research, planning, construction, maintenance and operation of public streets.

Highway Bridge Program

This program provides restricted funds for the rehabilitation or replacement of public highway bridges over waterways, roads, railroads, or other topographical barriers.

General Fund

Some allocations to the CIP budget may come from the General Fund.

Landscaping & Lighting Management District (L&LMD) - Various Funds

L&LMDs are established by the City as a means to provide property owners with the opportunity to assess them to pay for enhanced improvements, and maintenance of landscaping and public street lighting facilities.

Measure A - Fund 222

Approved by voters in 1988, and implemented between 1989 and 2009, was extended in 2002 until 2039. This is a Riverside County half-cent sales tax for transportation purposes, administered by Riverside County Transportation Commission (RCTC). This is a major source of funding for streets, traffic signals, and other transportation projects.

Public, Educational and Government (PEG) Access

PEG access channels are funded by Franchise Fees and cable related funding.

Sewer / Storm Drain Enterprise Fund - Fund 254

Enterprise funds account for specific services that are financed by fees and charges to users. Each enterprise fund establishes its own budget which is sufficient to fund current year operations and maintenance expenses, as well as provide for future upgrades of the service.

Transportation Uniform Mitigation Fees (TUMF)

Under this program, developers of residential, industrial, and commercial property pay a development fee to fund transportation projects that will be required as a result of the growth the projects create. The Western Riverside Council of Governments (WRCOG) administers the TUMF. The City is part of the Hemet/San Jacinto Zone that encompasses both cities and sections of Riverside County.

Water Enterprise Fund - Fund 571

Enterprise funds account for specific services that are financed by fees and charges to users. Each enterprise fund establishes its own budget which is sufficient to fund current year operations and maintenance expenses, as well as provide for future upgrades of the service.

UNFUNDED PROJECTS

The following projects do not have identified funding sources and have not been included in this 5 year CIP. They will be brought back when they get funded.

PROJECT	ESTIMATED COST
Streets & Highways	
Domenigoni Pkwy. Widening <i>Warren to Sanderson - Four to six lanes</i>	\$2,820,000
Esplanade Ave. Widening <i>Warren to San Jacinto - Two to four lanes</i>	\$8,275,000
Cawston Ave. Improvements <i>Cove to Mustang</i>	\$770,000
State St. Improvements <i>Johnston to Florida</i>	\$1,795,000
Lyon Ave. - Chambers to Domenigoni Menlo Ave. Widening - Cawston to State Stetson Ave. Realignment <i>West of Cawston</i>	\$3,945,000
Medians in Downtown Area (SR-74)	\$120,000
Downtown Streetscape Improvements <i>Demonstration Project</i>	
Bridges	
Lyon Avenue Bridge over Salt Creek Channel	\$4,480,000
Cawston Avenue Bridge over Salt Creek Channel	\$5,152,000
Warren Road Bridge over Salt Creek Channel	\$7,400,000
Hemet Street Bridge over Bautista Creek	\$2,100,000
Traffic Signals	
Acacia at Palm	\$250,000
Acacia at Santa Fe	\$250,000
Acacia at San Jacinto	\$250,000
Devonshire at Warren	\$250,000
Devonshire at Myers	\$250,000
Devonshire at Santa Fe	\$250,000
Devonshire at Palm	\$250,000
Fisher at Mustang	\$250,000

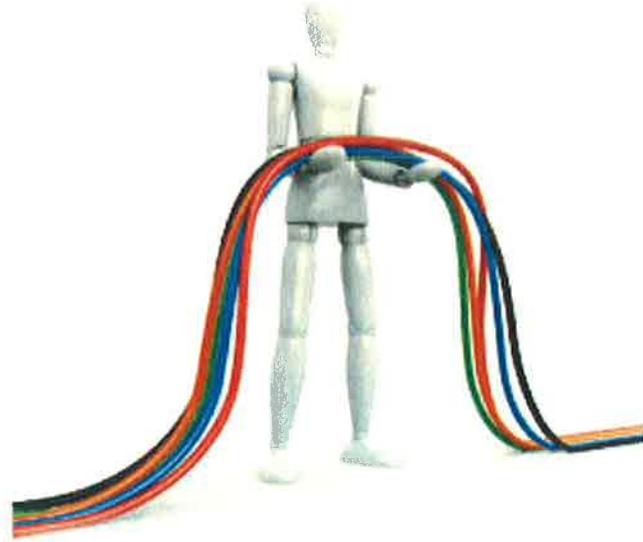
Fisher at Stetson	\$250,000
Kirby at Johnston	\$250,000
Kirby at Menlo	\$250,000
Lyon at Devonshire	\$250,000
Lyon at Menlo	\$250,000
State at Johnston	\$250,000
State at Mayberry	\$250,000
State at Whittier	\$250,000
Traffic Signal Synchronization Program	\$100,000
Stetson and Santa Fe	\$250,000
Florida at Dartmouth (SR-74)	\$400,000
Florida at Hemet (SR-74)	\$400,000
Florida at Lake (SR-74)	\$400,000

Buildings

Future City Hall	\$32 Million
Future Civic Center Complex	
Future Performing Arts Center	
Building Relocation – Shuffleboard	

CRITERIA FOR BUDGET COST ESTIMATES

Design Costs:	5% of construction costs (in-house design) 8% of construction costs (outside consultant design) <i>These costs include design engineering, surveying, environmental studies and soils testing.</i>
Acquisition:	Actual cost
Permits:	Actual cost
Administration:	Actual cost
Construction:	Based on square-foot (SF) <i>Paving (grind & overlay) \$2.75</i> <i>Paving (new construction) \$4.50</i> <i>Office Building \$170.00</i> <i>City Hall \$275.00</i> <i>Law Enforcement Building \$200.00</i> <i>Fire Station \$150.00</i>
Inspection:	5% of construction costs
Contingency:	15% of construction costs



ADMINISTRATIVE SERVICES

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No:
Title: Enterprise Resource Planning (ERP) System
Category:
Department: INFORMATION TECHNOLOGY

Project Description/Justification:

The Enterprise Resource Planning CIP funds the replacement of software which supports finance, utility billing, procurement, payroll, business licensing and human resources. The new system will replace Tyler Technologies Eden software. This software is nearing its end-of-life and must be replaced in order to ensure business continuity and regulatory compliance. Project funds will be used for the planning, purchase, implementation and testing of the replacement system. As a complex system that has the ability to streamline and significantly improve basic operations of City government, its successful implementation will take several months to complete.



Projected Status - June 30, 2015

Total Project Cost \$1,400,000
 Appropriations to Date \$0
 Expenditures to Date \$0

Projected Dates:

Begin: 07/2015
 Completion: 06/2020

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund	\$153,800					\$153,800
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds		\$300,000	\$300,000	\$300,000	\$300,000	\$1,200,000
Enterprise Funds						\$0
Grants/Other	\$46,200					\$46,200
Total	\$200,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,400,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions			\$800,000	\$300,000	\$300,000	\$1,400,000
Construction						\$0
Administration						\$0
Total	\$0	\$0	\$800,000	\$300,000	\$300,000	\$1,400,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

The annual maintenance agreement for this system is included in I.T. software maintenance budget (680-1930-2265).

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No:
Title: Council Chambers PEG Video
Category:
Department: INFORMATION TECHNOLOGY

Project Description/Justification:

Installation of Council Chamber PEG Video equipment to broadcast Council Meetings over Cable/FIOS. Phase 1, basic studio setup, was delayed in FY 2014/2015 due to Time Warner Cable engineering issues. We anticipate completion of Time Warner's work and our initial purchase of broadcast/playback equipment during the last quarter of FY 2014/2015. Phase 1 will continue into FY 2015/2016 adding additional capabilities and installing a second PEG feed from Verizon FiOS to air our content. During FY 2016/2017 Phase 2 will be completed. This phase will retrofit the Council Chambers with HD Video cameras, lighting, etc. necessary to televise live meetings.



Projected Status - June 30, 2015

Total Project Cost	\$600,000
Appropriations to Date	\$200,000
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2015
Completion:	06/2017

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other - PEG		\$400,000				\$400,000
Total		\$400,000	\$0	\$0	\$0	\$400,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions	\$150,000	\$450,000				\$600,000
Construction						\$0
Administration						\$0
Total	\$150,000	\$450,000	\$0	\$0	\$0	\$600,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Staff are currently exploring options for the ongoing operation of the Council Chambers Video system.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No:
Title: General Fund Server Hardware Refresh
Category:
Department: INFORMATION TECHNOLOGY

Project Description/Justification:

The Police Department operates two virtual host servers and two stand alone servers. These servers provide network login validation, remote secured access for laptops in patrol units, automated license plate reading capabilities and relaying of 911 caller information back to West Covina Service Group CAD. Due to the mission-critical nature of these servers, the hardware they utilize needs to be refreshed at a 5 year interval.



Projected Status - June 30, 2015

Total Project Cost	\$60,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2015
Completion:	06/2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund		\$60,000				\$60,000
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other						\$0
Total	\$0	\$60,000	\$0	\$0	\$0	\$60,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions		\$60,000				\$60,000
Construction						\$0
Administration						\$0
Total	\$0	\$60,000	\$0	\$0	\$0	\$60,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

No ongoing cost for operations.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No:

Title: Point-to-Point Microwave Link Refresh

Category:

Department: INFORMATION TECHNOLOGY

Project Description/Justification:

The City's point-to-point microwave system currently links its four radio communications sites together from the Hemet Police Department radio communications tower. These links serve as the backbone for our citywide 2-way radio that supports Police, Fire and Public Works operations. The current microwave system has provided approximately 10 years of reliable service. It has recently started to show signs of failure. Direct replacement parts are no longer manufactured. Replacement of this system will ensure reliable mission critical radio communications and provide data connectivity for future projects.



Projected Status - June 30, 2015

Total Project Cost	\$450,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2016
Completion:	06/2017

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund		\$364,500				\$364,500
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds		\$85,500				\$85,500
Grants/Other						\$0
Total	\$0	\$450,000	\$0	\$0	\$0	\$450,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions		\$450,000				\$450,000
Construction						\$0
Administration						\$0
Total	\$0	\$450,000	\$0	\$0	\$0	\$450,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Federal Communication Commission (FCC) licensing costs are included in the initial purchase.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No:

Title: Citywide Server Refresh

Category:

Department: INFORMATION TECHNOLOGY

Project Description/Justification:

The City's virtual server environment was purchased with 5 year hardware warranty and licensing agreements. This also includes a 4 hour replacement window of failed hardware by HP. This refresh will replace our blade and SAN hardware and associated warranties and software licensing.



Projected Status - June 30, 2015

Total Project Cost	\$308,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2018
Completion:	06/2019

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds				\$308,000		\$308,000
Enterprise Funds						\$0
Grants/Other						\$0
Total	\$0	\$0	\$0	\$308,000	\$0	\$308,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions		\$0		\$308,000		\$308,000
Construction						\$0
Administration						\$0
Total	\$0	\$0	\$0	\$308,000	\$0	\$308,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

No ongoing costs for operations.



COMMUNITY DEVELOPMENT DEPARTMENT

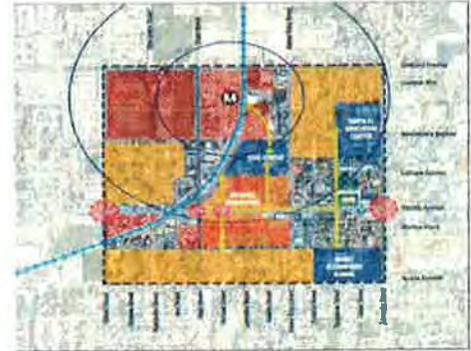
City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: SP 15-001
Title: Downtown Specific Plan
Category: Master Plan
Department: Community Development - Planning Division

Project Description/Justification:

The City was awarded a SCAG sustainability program grant in the amount of \$200,000 to prepare a comprehensive Specific Plan for Downtown Hemet. The grant funding does not include CEQA documents, staff time to administer, and other technical and design studies required for the project, so the Council budgeted \$300,000 for the project as part of the FY 13/14 budget. The combined funding will provide for a detailed analysis of the project area land use and infrastructure, a market analysis, study of a future metrolink/transit station location, design guidelines, streetscape and signage program, implementation program, community outreach, and funding options.



Projected Status - June 30, 2015

Total Project Cost	\$500,000
Appropriations to Date	\$500,000
Expenditures to Date	\$2,000

Projected Dates:

Begin:	01/2015
Completion:	12/2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other						\$0
Total		\$0	\$0	\$0	\$0	\$0
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$300,000	\$130,000				\$430,000
Acquisitions						\$0
Construction						\$0
Administration	\$38,000	\$30,000				\$68,000
Total	\$338,000	\$160,000	\$0	\$0	\$0	\$498,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

No on-going operational costs. Implementation of identified capital improvements will be per separate CIP projects.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: (Not yet assigned)
Title: Citywide ADA Transition Plan
Category: Master Plan
Department: Community Development - Building Division w/other departments

Project Description/Justification:

In November of 2014, Caltrans performed an ADA audit of the City. Compliance will require that the City prepare a current Citywide ADA Self-evaluation and Transition Plan including all city-owned buildings, facilities, parking lots, sidewalks, and rights of way. In addition, the City recently received a report of an audit performed by the US Department of Housing and Urban Development which is requiring a ADA Transition Plan. The Transition Plan is the first step in providing a multi-year program for bringing all of the City's infrastructure and facilities into compliance with State and Federal ADA requirements. The Department anticipates hiring a consultant to prepare the self-evaluation and Transition Plan, as well as staff time and costs to administer the Plan preparation. The actual cost will be determined in the RFP process. Once the Plan is prepared, the City can seek grant or other funding for the required ADA improvements.



Projected Status - June 30, 2015

Total Project Cost	\$155,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	09/2015
Completion:	02/2017

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund	\$85,000	\$50,000				\$135,000
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
CDBG	\$10,000	\$10,000				\$20,000
Grants/Other						\$0
Total	\$95,000	\$60,000	\$0	\$0	\$0	\$155,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions						\$0
Consultant	\$80,000	\$50,000				\$130,000
Administration	\$15,000	\$10,000				\$25,000
Total	\$95,000	\$60,000	\$0	\$0	\$0	\$155,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel	\$0					\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations: Future CIP projects for improvements



ENGINEERING DEPARTMENT

City of Hemet
 Capital Improvement Plan
 Fiscal Years 2015/2016 through 2019/2020



Project No: 5537
Title: Stetson Bridge Replacement
Category: Streets and Bridges
Department: Engineering

Project Description/Justification:

This project is in the Caltrans Federal Grant process. This project consists of processing the project administration requirements through Caltrans as a federally funded project. Work includes the demolition and removal of the existing bridge and installing a new bridge.



Projected Status - June 30, 2015

Total Project Cost	\$945,000
Appropriations to Date	\$945,000
Expenditures to Date	\$40,000

Projected Dates:

Begin:	2014
Completion:	2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds	\$114,538					\$114,538
Internal Svc. Funds						\$0
Enterprise Funds						\$0
HBRP - Caltrans	\$830,462					\$830,462
Total	\$945,000	\$0	\$0	\$0	\$0	\$945,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$30,000					\$30,000
Acquisitions						\$0
Construction	\$880,000					\$880,000
Administration	\$35,000					\$35,000
Total	\$945,000	\$0	\$0	\$0	\$0	\$945,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

No additional on-going costs

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: 5513
Title: Traffic Signal @ Warren/Auto
Category: Traffic Signals
Department: Engineering

Project Description/Justification:
 Furnish and install Traffic Signal, Light, Emergency Vehicle Pre-emption (EVP) at the intersection.



Projected Status - June 30, 2015

Total Project Cost	\$300,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	2015
Completion:	2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds	\$75,000	\$225,000				\$300,000
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other						\$0
Total	\$75,000	\$225,000	\$0	\$0	\$0	\$300,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$75,000	\$26,000				\$101,000
Acquisitions						\$0
Construction		\$179,000				\$179,000
Administration		\$20,000				\$20,000
Total	\$75,000	\$225,000	\$0	\$0	\$0	\$300,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.			\$3,000	\$3,000	\$3,000	\$9,000
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$3,000	\$3,000	\$3,000	\$9,000

Explanation of funding sources for ongoing operations:

Facilities maintenance to maintain

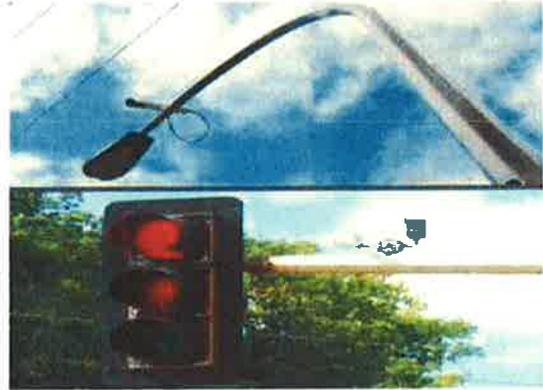
City of Hemet
 Capital Improvement Plan
 Fiscal Years 2015/2016 through 2019/2020



Project No: 5421
Title: Traffic Signal @ Warren/Esplanade
Category: Traffic Signals
Department: Engineering

Project Description/Justification:

Furnish and install Traffic Signal, Light, Emergency Vehicle Pre-emption (EVP) and construct full improvements at the intersection adding protected turning movements, drainage improvements, land acquisition and lane widening at the intersection.



Projected Status - June 30, 2015

Total Project Cost	\$988,500
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	2015
Completion:	2017

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Measure A - RCTC	\$153,000					\$153,000
Dev. Impact Funds		\$432,500				\$432,500
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Indian Gaming Fund		\$403,000				\$403,000
Total	\$153,000	\$835,500	\$0	\$0	\$0	\$988,500
EXPENDITURES	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	TOTAL
Design/Planning	\$77,000	\$41,000				\$118,000
Acquisitions	\$51,000	\$92,000				\$143,000
Construction		\$677,500				\$677,500
Administration	\$25,000	\$25,000				\$50,000
Total	\$153,000	\$835,500	\$0	\$0	\$0	\$988,500
OPERATIONS	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	TOTAL
Personnel						\$0
Maint./Oper.			\$3,000	\$3,000	\$3,000	\$9,000
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$3,000	\$3,000	\$3,000	\$9,000

Explanation of funding sources for ongoing operations:

Facilities maintenance to maintain

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: 5588
Title: Gilbert Street Rehabilitation
Category: Streets
Department: Engineering

Project Description/Justification:

Rehabilitation of roadway surface by cold planing existing surfaces and replacement with 4" of new asphalt concrete pavement, curb and gutter and sidewalk repairs on Gilbert Street from Acacia Avenue to Stetson Avenue.



Projected Status - June 30, 2015

Total Project Cost	\$703,279
Appropriations to Date	\$703,279
Expenditures to Date	\$0

Projected Dates:

Begin:	2015
Completion:	2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds	\$60,000	\$68,829				\$128,829
Internal Svc. Funds						\$0
Enterprise Funds						\$0
STP - RCTC	\$148,589	\$425,861				\$574,450
Total	\$208,589	\$494,690	\$0	\$0	\$0	\$703,279
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$75,000					\$75,000
Acquisitions						\$0
Construction	\$98,589	\$459,690				\$558,279
Administration	\$35,000	\$35,000				\$70,000
Total	\$208,589	\$494,690	\$0	\$0	\$0	\$703,279
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Reduce maintenance

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: 5590
Title: State Street Storm Drain Replacement
Category: Storm Drain
Department: Engineering

Project Description/Justification:

Replacement of the existing storm drain on State Street from Esplanade Avenue to Menlo Avenue. This is a joint project with the City of San Jacinto.



Projected Status - June 30, 2015

Total Project Cost	\$1,500,000
Appropriations to Date	\$1,500,000
Expenditures to Date	\$0

Projected Dates:

Begin:	2015
Completion:	2017

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds	\$1,000,000	\$500,000				\$1,500,000
Internal Svc. Funds						\$0
Enterprise Funds						\$0
STP - RCTC						\$0
Total	\$1,000,000	\$500,000	\$0	\$0	\$0	\$1,500,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$175,000					\$175,000
Acquisitions						\$0
Construction	\$500,000	\$755,000				\$1,255,000
Administration	\$35,000	\$35,000				\$70,000
Total	\$710,000	\$790,000	\$0	\$0	\$0	\$1,500,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Reduce maintenance

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: 5599
Title: Citywide Crack & Slurry Seal
Category: Street Improvements
Department: Engineering

Project Description/Justification:
 Slurry seal cracked streets in various locations throughout the City to provide years of use for both old and new roadways.



Projected Status - June 30, 2015

Total Project Cost	\$1,500,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	2015
Completion:	2017

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Measure A -RCTC	\$1,500,000					\$1,500,000
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other						\$0
Total	\$1,500,000	\$0				\$1,500,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$50,000					\$50,000
Acquisitions						\$0
Construction	\$900,000	\$480,000				\$1,380,000
Administration	\$35,000	\$35,000				\$70,000
Total	\$985,000	\$515,000				\$1,500,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:
 Reduce maintenance

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: FY 2015-2016
Title: Citywide Pavement Rehabilitation
Category: Street Improvements
Department: Engineering

Project Description/Justification:

Annual street improvement project including removal and replacement of existing asphalt concrete, roadway excavation, curb and gutter, spandrels, cross gutters and ADA access ramps on select streets citywide.



Projected Status - June 30, 2015

Total Project Cost	\$8,882,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	2015
Completion:	2020

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Measure A -RCTC	\$1,750,000	\$1,709,000	\$1,760,000	\$1,813,000	\$1,850,000	\$8,882,000
Total	\$1,750,000	\$1,709,000	\$1,760,000	\$1,813,000	\$1,850,000	\$8,882,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$350,000
Acquisitions						\$0
Construction	\$1,620,000	\$1,574,000	\$1,625,000	\$1,678,000	\$1,715,000	\$8,212,000
Administration	\$60,000	\$65,000	\$65,000	\$65,000	\$65,000	\$320,000
Total	\$1,750,000	\$1,709,000	\$1,760,000	\$1,813,000	\$1,850,000	\$8,882,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Reduce maintenance

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: FY 2015-2016
Title: Citywide ADA Ramps and Sidewalk Improvements
Category: Sidewalk Improvement
Department: Engineering

Project Description/Justification:

Installation of missing link sidewalks and ADA compliant access ramps in various locations throughout the City. FY 2015/2016 Starts with CIP 5611 2015/16 Pedestrian Pathway Connectivity Project.



Projected Status - June 30, 2015

Total Project Cost	\$1,370,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	2015
Completion:	2020

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds	\$10,000	\$10,000	\$75,000	\$75,000	\$75,000	\$245,000
Internal Svc. Funds						\$0
Enterprise Funds						\$0
CDBG, SB821	\$125,000	\$175,000	\$275,000	\$275,000	\$275,000	\$1,125,000
Total	\$135,000	\$185,000	\$350,000	\$350,000	\$350,000	\$1,370,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$15,000	\$25,000	\$35,000	\$35,000	\$35,000	\$145,000
Acquisitions						\$0
Construction	\$105,000	\$140,000	\$280,000	\$280,000	\$280,000	\$1,085,000
Administration	\$15,000	\$20,000	\$35,000	\$35,000	\$35,000	\$140,000
Total	\$135,000	\$185,000	\$350,000	\$350,000	\$350,000	\$1,370,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Reduce Maintenance



FIRE DEPARTMENT

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No:
Title: Fire Communications Enhancements
Category:
Department: Hemet Fire/EMS Services

Project Description/Justification:

Proposal includes enhancement/retrofitting of front line Duty Officer Vehicle mobile radios, to include outfitting rear command and control portion of vehicle with Communications equipment with "dual" radio componentry for incident management activities. Enhancement of fire communications will improve service delivery, safety and response to the citizens of Hemet.



Projected Status - June 30, 2015

Total Project Cost	\$180,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin: 2015
 Completion: 2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund	\$180,000					\$180,000
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other						\$0
Total	\$180,000	\$0	\$0	\$0	\$0	\$180,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions	\$180,000					\$180,000
Construction						\$0
Administration						\$0
Total	\$180,000	\$0	\$0	\$0	\$0	\$180,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No:
Title: Safety Enhancements/Personal Protective Equipment
Category:
Department: Hemet Fire/EMS Services

Project Description/Justification:

HFD has conducted a needs assessment of its current (PPE) inventory and determined the following; current inventory in some cases is more than 5-8 years old. Because of budgetary reductions the last 3 fiscal years, HFD has been unable to purchase replacement inventory. Proposal includes the following enhancements; procurement of the following (PPE) ensemble; NFPA Compliant Turn out Jacket, Pant, Boots, as identified for structural firefighting application; Brush Jacket, brush pants as identified for wildland firefighting application. Enhancement of fire (PPE) will enhance firefighter safety.



Projected Status - June 30, 2015

Total Project Cost	\$100,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin: 2015
 Completion: 2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund	\$100,000					\$100,000
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other						\$0
Total	\$100,000	\$0	\$0	\$0	\$0	\$100,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions	\$100,000					\$100,000
Construction						\$0
Administration						\$0
Total	\$100,000	\$0	\$0	\$0	\$0	\$100,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:



POLICE DEPARTMENT

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: FY 2015-2016
Title: Community Camera Phase II-City Assets
Category: Technology-Crime Prevention
Department: Police

Project Description/Justification:

Phase I of the Community Camera Project was funded last fiscal year and provides a platform for the deployment of "Community Cameras" citywide. This phase includes the installation of wireless relay hubs and cameras at city hall, Hemet Public Library, four city parks (Weston, Gibbel, Mary Henley and Oltman) and four fire stations (2,3,4,5). This wireless network will allow for the installation of community cameras throughout the city and will enhance security at key city facilities. HPD volunteers and city staff will be used to monitor the cameras.



Projected Status - June 30, 2015

Total Project Cost	\$337,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2015
Completion:	01/2017

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund	\$150,000	\$150,000				\$300,000
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other						\$0
Total	\$150,000	\$150,000	\$0	\$0	\$0	\$300,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions						\$0
Construction	\$150,000	\$150,000				\$300,000
Administration						\$0
Total	\$150,000	\$150,000	\$0	\$0	\$0	\$300,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.			\$7,000	\$14,000	\$16,000	\$37,000
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$7,000	\$14,000	\$16,000	\$37,000

Explanation of funding sources for ongoing operations:

Funding: General Fund. Design and planning of system is included in the construction cost of the project. The system



PUBLIC WORKS DEPARTMENT

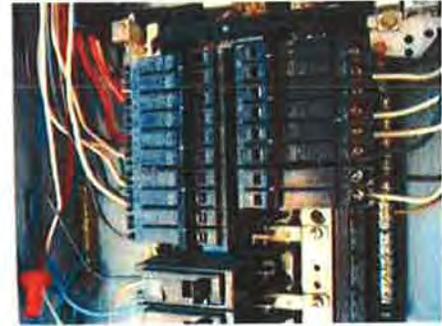
City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Electrical Panel Inspection
Category: Preventative Maintenance
Department: Facilities Maintenance

Project Description/Justification:

Contract services for inspection of City electrical panels and pedestals.
FY14/15 CIP UPDATE - Project Not Started - Previously Funded
 The City owns and maintains 200 building electrical panels and 400 service pedestals. This project would allow a contractor to bring inspections up to date so that Facility Maintenance staff can resume a preventative maintenance program schedule on the assets.



Funding was previously established in FY14/15.

Projected Status - June 30, 2015

Total Project Cost	\$150,000
Appropriations to Date	\$150,000
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2015
Completion:	06/2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other						\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions						\$0
Construction	\$150,000					\$150,000
Administration						\$0
Total	\$150,000	\$0	\$0	\$0	\$0	\$150,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Ongoing preventative maintenance will be absorbed in existing internal service operating budgets.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Municipal Facility Solar Projects
Category: Energy Efficiency
Department: Facilities Maintenance

Project Description/Justification:

Assess opportunities for solar power generation at City facilities.

FY14/15 CIP UPDATE

The City has many large municipal facilities; the larger the building, the larger the energy consumption. Installation of solar on roof or parking areas may be used to offset current energy costs, creating General Fund savings.

Funding potential through low interest loans, grants and energy cost savings.



Projected Status - June 30, 2015

Total Project Cost	\$1,200,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin: 01/2017
 Completion: TBD

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Loans		\$600,000	\$600,000			\$1,200,000
Total	\$0	\$600,000	\$600,000	\$0	\$0	\$1,200,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning		\$80,000	\$80,000			\$160,000
Acquisitions						\$0
Construction		\$500,000	\$500,000			\$1,000,000
Administration		\$20,000	\$20,000			\$40,000
Total	\$0	\$600,000	\$600,000	\$0	\$0	\$1,200,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.			\$10,000	\$10,000	\$10,000	\$30,000
Capital Outlay						\$0
(Revenue)		(\$10,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$130,000)
Net Cost	\$0	(\$10,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$100,000)

Explanation of funding sources for ongoing operations:

Ongoing maintenance may include inspection and panel replacements. Revenue category represents conservative estimated energy cost savings which will ultimately be used to offset purchase of solar equipment.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: LED Pedestrian Light Conversion
Category: Energy Efficiency
Department: LLMD - Lighting/Landscape Maintenance Districts

Project Description/Justification:

Transition various City-owned pedestrian and walkway lighting to LED
FY14/15 CIP UPDATE -
Retrofitting existing lighting to LED will improve visibility for the public, improve neighborhood safety, and provide energy cost savings to LLMD districts and the City. Project costs include, system assessment, purchase/install of LEDs and lighting controls, software, training and hosting.
Funding for the project is available through on bill financing with SCE, grants, low interest loans. Rebates are also available to offset costs.



Projected Status - June 30, 2015

Total Project Cost	\$750,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin: 10/2016
Completion: TBD

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other		\$750,000				\$750,000
Total	\$0	\$750,000	\$0	\$0	\$0	\$750,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning		\$100,000				\$100,000
Acquisitions						\$0
Construction		\$570,000				\$570,000
Administration		\$80,000				\$80,000
Total	\$0	\$750,000	\$0	\$0	\$0	\$750,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.		\$20,000	\$2,000	\$2,000	\$2,000	\$26,000
Capital Outlay						\$0
(Revenue)		(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$60,000)
Net Cost	\$0	\$5,000	(\$13,000)	(\$13,000)	(\$13,000)	(\$34,000)

Explanation of funding sources for ongoing operations:

Ongoing LED maintenance to be funded with Streetlight/Landscape Maintenance District Assessments. Energy savings are initially anticipated to be applied to LED equipment purchases. Revenue category represents conservative annual energy savings.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Sewer Main Replace/Reline - 1 mile/year
Category: Preventative Maintenance
Department: Sewer

Project Description/Justification:

Annually reline or repair approximately one mile of sewer main lines to provide adequate protection to the City's sewer infrastructure and to address areas previously identified as deteriorating or in need of serious maintenance. City runs the risk of the weakest points in infrastructure becoming in violation of State of CA and Riverside County Health Department Requirements. Failed infrastructure can result in system back ups.



Staff to pursue grant funding for project.

Projected Status - June 30, 2015

Total Project Cost	\$6,800,000
Appropriations to Date	\$350,000
Expenditures to Date	\$0

Projected Dates:

Begin: 07/2015
 Completion: Ongoing

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds	\$970,000	\$1,320,000	\$1,320,000	\$1,320,000	\$1,320,000	\$6,250,000
Grants/Other	TBD	TBD	TBD	TBD	TBD	\$0
Total	\$970,000	\$1,320,000	\$1,320,000	\$1,320,000	\$1,320,000	\$6,250,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
Acquisitions						\$0
Construction	\$1,275,000	\$1,275,000	\$1,275,000	\$1,275,000	\$1,275,000	\$6,375,000
Administration	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$175,000
Total	\$1,320,000	\$1,320,000	\$1,320,000	\$1,320,000	\$1,320,000	\$6,600,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

This project replaces existing infrastructure. Ongoing maintenance costs, including videoing and jetting/cleaning, are already built in to existing programs of work previously established in rate supported Sewer Fund operating budgets.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: LED Streetlight Conversion
Category: Energy Efficiency
Department: LLMD - Streetlight Maintenance Districts

Project Description/Justification:

Convert approximately 5,000 City-owned streetlights to dimmable LED
FY14/15 CIP UPDATE -

Retrofitting existing streetlights to LED lighting with advanced control features will improve roadway visibility for the public, improve neighborhood safety, and provide a sizeable energy cost savings. Project costs include, system assessment, purchase/install of LEDs and lighting controls, software, training and hosting.

Funding for the project is available through on bill financing with SCE, grants, low interest loans. Rebates are also available to offset costs.



Projected Status - June 30, 2015

Total Project Cost	\$3,500,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin: 10/2015
 Completion: TBD

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other	\$3,500,000					\$3,500,000
Total	\$3,500,000	\$0	\$0	\$0	\$0	\$3,500,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$100,000					\$100,000
Acquisitions						\$0
Construction	\$3,100,000					\$3,100,000
Administration	\$300,000					\$300,000
Total	\$3,500,000	\$0	\$0	\$0	\$0	\$3,500,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.		\$5,000	\$5,000	\$5,000	\$5,000	\$20,000
Capital Outlay						\$0
(Revenue)		(\$35,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$155,000)
Net Cost	\$0	(\$30,000)	(\$35,000)	(\$35,000)	(\$35,000)	(\$135,000)

Explanation of funding sources for ongoing operations:

Ongoing LED maintenance to be funded with Streetlight/Landscape Maintenance District Assessments. Energy savings are initially anticipated to be applied to LED equipment purchases. Revenue category represents conservative annual energy savings estimates.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Basin Fence Repair/Replacement
Category: Maintenance
Department: Storm Drain

Project Description/Justification:
FY14/15 CIP Project Update

Replacement/Repair of City-owned retention/detention basin perimeter fencing. This is needed to keep City owned storm basins secure and to reduce liability associated with the public entering or vandalizing basin equipment.



Project funding fully appropriated in FY14/15

Projected Status - June 30, 2015

Total Project Cost	\$100,000
Appropriations to Date	\$100,000
Expenditures to Date	\$2,000

Projected Dates:

Begin:	07/2014
Completion:	06/2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Fund 254						\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions						\$0
Construction	\$98,000					\$98,000
Administration						\$0
Total	\$98,000	\$0	\$0	\$0	\$0	\$98,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)		(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$40,000)
Net Cost	\$0	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$40,000)

Explanation of funding sources for ongoing operations:

Ongoing maintenance of replacement fences will be supported through normal programs of work already existing in rate supported Storm Drain operating budgets. Revenue category represents estimated vandalism costs prevented.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Heartland - Basin Pump Relocate
Category: Maintenance
Department: Storm Drain

Project Description/Justification:
FY14/15 CIP Project Update - Project Not Started

Additional funding is needed to repair and relocate existing pump in the small Heartland basin (NW c/o California and Florida Ave). Pump installed in basin was not properly located to allow for maintenance, has been inoperable for many years, and a portable pump must be manually operated at the site during storm events. Staff is unable to completely drain the basin for planned maintenance. Theft of portable equipment, staff overtime costs and delayed maintenance of basin will all be eliminated with the repair and relocation of this pump. LMD District Capital Reserve Funds to fund project.



Projected Status - June 30, 2015

Total Project Cost	\$150,000
Appropriations to Date	\$50,000
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2015
Completion:	06/2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Heartland CIP Reserve	\$100,000					\$100,000
Total	\$100,000	\$0	\$0	\$0	\$0	\$100,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$15,000					\$15,000
Acquisitions						\$0
Construction	\$135,000					\$135,000
Administration						\$0
Total	\$150,000	\$0	\$0	\$0	\$0	\$150,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.		\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Capital Outlay						\$0
(Revenue)		(\$20,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$50,000)
Net Cost	\$0	(\$10,000)	\$0	\$0	\$0	(\$10,000)

Explanation of funding sources for ongoing operations:

Ongoing basin maintenance costs include estimated energy costs, pump preventative maintenance and panel inspection. Revenue category represents anticipated costs eliminated in overtime, replacement/repair of vandalized equipment, and maintenance cost reductions that result when proper planned maintenance can be performed.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: HVAC Replacement (Various Bldgs)
Category: Energy Efficiency
Department: Facility Maintenance

Project Description/Justification:

Replacement of 26 aging HVAC units (13 approved 14/15)
 (13 requested FY15/16) - **FY14/15 CIP Project Update**

The City has a large number of HVAC units that have exceeded their useful lives, are not energy efficient, are difficult to locate parts for, and require frequent maintenance. Replacement of these units will result in energy savings, improved heating/cooling efficiency, and will restore time to staff to address other projects. Utility rebates are expected to offset upfront costs over time. Staff will pursue alternative funding sources such as grants and low interest financing to help fund the project.



Projected Status - June 30, 2015

Total Project Cost	\$300,000
Appropriations to Date	\$135,000
Expenditures to Date	\$0

Projected Dates:

Begin:	04/2015
Completion:	06/2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/685 Fund Bal.	\$165,000					\$165,000
Total	\$165,000	\$0	\$0	\$0	\$0	\$165,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions						\$0
Construction	\$300,000					\$300,000
Administration						\$0
Total	\$300,000	\$0	\$0	\$0	\$0	\$300,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)		(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$40,000)
Net Cost	\$0	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$40,000)

Explanation of funding sources for ongoing operations:

This project replaces existing equipment. Funding for ongoing maintenance is already established through existing programs of work in Internal Service Fund operating budgets.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Diesel Equipment Retrofits
Category: Compliance
Department: Equipment Maintenance

Project Description/Justification:

Install diesel particulate traps on three off road diesel equipment units, and consider repower of six other units.

The California Air Resources Board (CARB) Fleet Rule for Public Agencies requires older year model diesel equipment be replaced, repowered or retrofit to meet established clean air standards. A number of units will be out of compliance as of January 2017. This project would provide funding for the City to proactively address 2019 CARB mandates. Retrofitting ahead of mandated deadlines is often required order to obtain grants funding for these types of projects.



Projected Status - June 30, 2015

Total Project Cost	\$265,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2015
Completion:	06/2017

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/AQMD	\$120,000	\$145,000				\$265,000
Total	\$120,000	\$145,000	\$0	\$0	\$0	\$265,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions	\$120,000	\$145,000				\$265,000
Construction						\$0
Administration						\$0
Total	\$120,000	\$145,000	\$0	\$0	\$0	\$265,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.		\$3,000	\$3,000	\$3,000	\$3,000	\$12,000
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$12,000

Explanation of funding sources for ongoing operations:

Ongoing maintenance will increase for annual particulate trap cleaning. Annual increase estimated at \$3000 and to be funded through Equipment Maintenance Internal Service budgets.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: ADA Compliance Projects
Category: Compliance
Department: Facilities Maintenance

Project Description/Justification:

ADA Compliance Review of City Buildings to determine the facilities updates needed to bring buildings into compliance with State requirements. Funding will be used for consultant review of each site, project planning, design, and project construction. Second floor access improvements for both City Hall and the Police Department, are anticipated to be funded through this project.

ADA Compliance impacts Federal funding received by the City.



Projected Status - June 30, 2015

Total Project Cost	\$350,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2015
Completion:	06/2018

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
685 Fund Balance	\$150,000	\$100,000	\$100,000			\$350,000
Total	\$150,000	\$100,000	\$100,000	\$0	\$0	\$350,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$50,000					\$50,000
Acquisitions						\$0
Construction	\$90,000	\$100,000	\$100,000			\$290,000
Administration	\$10,000					\$10,000
Total	\$150,000	\$100,000	\$100,000	\$0	\$0	\$350,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.		\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000

Explanation of funding sources for ongoing operations:

Ongoing maintenance to be funded through internal service charges.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Building Painting Project
Category: Preventative Maintenance
Department: Facilities Maintenance

Project Description/Justification:
 Exterior painting of municipal buildings to protect building integrity and improve appearance of downtown area.

Full repainting of the following buildings in FY15/16:
 Library
 Police Department
 Fire Station No.1 / Block building



Projected Status - June 30, 2015

Total Project Cost	\$175,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2015
Completion:	06/2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Facilities Fund Balance	\$175,000					\$175,000
Total	\$175,000	\$0	\$0	\$0	\$0	\$175,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions						\$0
Construction	\$165,000					\$165,000
Administration	\$10,000					\$10,000
Total	\$175,000	\$0	\$0	\$0	\$0	\$175,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Ongoing exterior preventative maintenance will be performed through normal programs of works through Facility Maintenance internal services budgets.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Energy Management System
Category: Energy Efficiency
Department: Facilities Maintenance

Project Description/Justification:

Installation of an Energy Management System throughout City buildings
FY14/15 CIP UPDATE -

The City owns several large buildings with multiple HVAC units. Operating hours of departments vary and heating/cooling needs change frequently. Installation of an EMS will allow for custom control of HVAC and lighting in areas of the buildings not in use full time. This energy efficiency measure is the result of a municipal facility audit conducted through WRCOG. Rebates of up to 50% on equipment purchases offered through SCE. Staff will pursue alternative funding for portions of costs not covered through utility rebate incentives.



Projected Status - June 30, 2015

Total Project Cost	\$200,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	01/2016
Completion:	TBD

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Incentives/CEC	\$200,000					\$200,000
Total	\$200,000	\$0	\$0	\$0	\$0	\$200,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$10,000					\$10,000
Acquisitions	\$65,000					\$65,000
Construction	\$120,000					\$120,000
Administration	\$5,000					\$5,000
Total	\$200,000	\$0	\$0	\$0	\$0	\$200,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.		\$2,000	\$2,000	\$2,000	\$2,000	\$8,000
Capital Outlay						\$0
(Revenue)		(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$40,000)
Net Cost	\$0	(\$8,000)	(\$8,000)	(\$8,000)	(\$8,000)	(\$32,000)

Explanation of funding sources for ongoing operations:

Ongoing maintenance includes possible software support and updates. Revenue category represents estimated energy savings that will be used to offset project costs not covered by alternative funding.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Library Fence Replacement - UNFUNDED
Category: Facility Improvement/Maintenance
Department: Facilities Maintenance

Project Description/Justification:

Remove and replace all perimeter fencing at the Library facility.

Existing decorative fencing was installed in 2003. Due to deterioration of the metal material, the fence was stripped and repainted in 2009. Large sections of the fence and anchor poles have now deteriorated beyond repair. Staff to considered a galvanized fence replacement to reduce maintenance in the future for the site. Replacement to include installation of an additional section of fence at the east end of the building under the stairwell.



Projected Status - June 30, 2015

Total Project Cost	\$225,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin: TBD
Completion: TBD

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$225,000
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other						\$0
Total	\$0	\$0	\$0	\$0	\$0	\$225,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions						\$0
Construction						\$0
Administration						\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Ongoing preventative maintenance will be performed through existing programs of work funded through Internal Services.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Demolition of City Building - UNFUNDED
Category: Hazard Abatement
Department: Facilities Maintenance

Project Description/Justification:

Demolish "Potato Shed" building to abate hazardous structure. This facility is in a major state of disrepair, is structurally unsound, and is a constant draw for vandals. Police, Public Works, Code Enforcement and the City Attorney have all spent excessive staff time remedying issues that occur there on a weekly basis. Leveling this facility would improve the appearance of the downtown area and allow staff to reclaim time that can be focused on more critical items.



Costs for staff time, fence repair, and debris clean up in the last 12 months are upwards of \$50,000.

Projected Status - June 30, 2015	UNFUNDED	Projected Dates:
Total Project Cost	\$250,000	Begin: TBD
Appropriations to Date	\$0	Completion: TBD
Expenditures to Date	\$0	

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$250,000
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Loans						\$0
Total	\$0	\$0	\$0	\$0	\$0	\$250,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions						\$0
Construction						\$0
Administration						\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.	(\$50,000)	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)	(\$190,000)
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	(\$50,000)	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)	(\$190,000)

Explanation of funding sources for ongoing operations:

Ongoing maintenance will be eliminated if the building is gone. Currently operating costs consist of response required from Facility Maintenance, Police, Code and Legal and include material costs and staff time.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Corp Yard Linear Grate Storm Filters
Category: Compliance
Department: Facilities Maintenance

Project Description/Justification:

Corp Yard Storm Water Pollution Prevention Plan (SWPPP) /
A field review conducted by CASC Engineering and Consulting in 2014 identified the best management practices (BMPs) to prevent potential of urban runoff pollutants from leaving the Corporate Yard site and entering the storm drain system. This project further funds implementation of the CASC recommendation and includes evaluation of several filter-type BMPs, development of design drawings, cost estimates, development of project specifications, and construction of the project.



Adds funding to previously approved project.

Projected Status - June 30, 2015

Total Project Cost	\$130,000
Appropriations to Date	\$70,000
Expenditures to Date	\$26,740

Projected Dates:

Begin:	07/2015
Completion:	06/2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds	\$60,000					\$60,000
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Fund						\$0
Total	\$60,000	\$0	\$0	\$0	\$0	\$60,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$5,000					\$5,000
Acquisitions						\$0
Construction	\$98,260					\$98,260
Administration						\$0
Total	\$103,260	\$0	\$0	\$0	\$0	\$103,260
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.		\$2,000	\$7,000	\$2,000	\$7,000	\$18,000
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$2,000	\$7,000	\$2,000	\$7,000	\$18,000

Explanation of funding sources for ongoing operations:

Ongoing maintenance will include electrical costs (pump) and bi-annual filter replacements. Operations will be funded through Internal Service Charges.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Turf Replacement Projects -
Category: Conservation
Department: LLMD/Parks

Project Description/Justification:

Turf replacement projects for City-owned properties and LMDs

Due to drought conditions prevalent in our area, State mandated restrictions on water used for irrigation, and the rising cost of water, the City Council desires to replace water thirsty turf with drought tolerant options. Although many rebates are available, funding needs to be established to cover costs not reimbursable through those programs.

Staff will seek all available rebates and incentives for funding projects.



Projected Status - June 30, 2015

Total Project Cost	\$230,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2015
Completion:	Ongoing

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund	\$40,000	\$40,000				\$80,000
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Rebates/LMD Districts	\$75,000	\$75,000				\$150,000
Total	\$115,000	\$115,000	\$0	\$0	\$0	\$230,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$5,000	\$5,000				\$10,000
Acquisitions						\$0
Construction	\$105,000	\$105,000				\$210,000
Administration	\$5,000	\$5,000				\$10,000
Total	\$115,000	\$115,000	\$0	\$0	\$0	\$230,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)	(\$60,000)	(\$70,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$175,000)
Net Cost	(\$60,000)	(\$70,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$175,000)

Explanation of funding sources for ongoing operations:

Ongoing maintenance costs will be funded through assessment district operating budgets, and internal service operating budgets in the case of City property. Revenue category represents anticipated rebates and water cost savings expected to offset costs of project.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Parks Master Plan
Category: Community Planning
Department: Parks

Project Description/Justification:
 Consultant services to develop City wide Park Master Plan.

This project would support the process for the City and community to establish a comprehensive vision regarding future recreational opportunities and park project priorities. The master plan would serve to formally incorporate elements of Implementation Programs established in the recently updated City of Hemet 2030 General Plan and provide a blueprint for future recreational planning and funding needs.



Projected Status - June 30, 2015

Total Project Cost	\$150,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	09/2015
Completion:	06/2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds	\$150,000					\$150,000
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other	TBD					\$0
Total	\$150,000	\$0	\$0	\$0	\$0	\$150,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$150,000					\$150,000
Acquisitions						\$0
Construction						\$0
Administration						\$0
Total	\$150,000	\$0	\$0	\$0	\$0	\$150,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

No ongoing operations costs associated with this planning process.

City of Hemet
Capital Improvement Plan
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Project No: TBD
Title: Rubberized Playground Turf - UNFUNDED
Category: Facility Improvements
Department: Parks

Project Description/Justification:

Remove existing wood chips from playground areas in all parks and install "Pour in Place Rubber". This project will increase the life of the playground surface to 15 years and reduce time spent on maintenance. This product is more attractive and is handicap accessible.

FY 15/16 - Cawston Park

FY 16/17 - Weston Park

FY 17/18 - Brubaker Park

FY 18/19 - Gibbel Park

FY 19/20 - Mary Henley

Staff to pursue Tire Derived Product grants to offset cost.



Projected Status - June 30, 2015 **UNFUNDED**
 Total Project Cost \$559,800
 Appropriations to Date \$0
 Expenditures to Date \$0

Projected Dates:
 Begin: TBD
 Completion: TBD

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$489,800
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Other						\$70,000
Total						\$559,800
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions						\$0
Construction						\$0
Administration						\$0
Total						\$0
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost						\$0

Explanation of funding sources for ongoing operations:

Ongoing maintenance will consist of inspection and preventative patching. Costs for ongoing maintenance will be less than current annual purchase of woodchips for each play area and can be absorbed in existing Park Maintenance operating budgets.

City of Hemet
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Project No: TBD
Title: Street Light/Walkway Pole Replacement-Various District
Category: Maintenance
Department: Lighting/Landscape Maintenance Districts

Project Description/Justification:

Replacement of streetlight and walkway poles damaged or knocked down as a result of vehicle accidents.

Approximately 12 lighting facility poles in various locations are currently in need of replacement to restore safety lighting for pedestrians, motorists, and residents. Funding this project will allow pole replacements to occur ahead of related insurance reimbursements, which can take months to years to collect. All insurance payments received will reimburse districts for replacement costs.



Projected Status - June 30, 2015

Total Project Cost	\$130,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2015
Completion:	06/2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
SMD/Insurance Pymnts	\$130,000					\$130,000
Total	\$130,000	\$0	\$0	\$0	\$0	\$130,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions						\$0
Construction	\$130,000					\$130,000
Administration						\$0
Total	\$130,000	\$0	\$0	\$0	\$0	\$130,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Ongoing operations are funded by Special District Assessments

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020

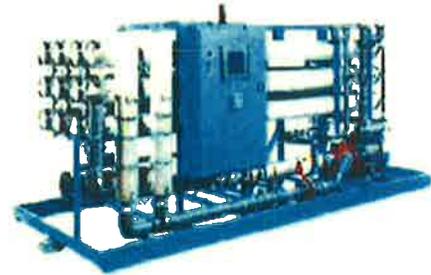


Project No: TBD
Title: Water Quality Treatment
Category: Water Quality
Department: Water

Project Description/Justification:

Planning and installation of a Nitrate Removal system. (FY15/16 project)

The State has been experiencing a sever drought which has impacted the City's water quality. Currently, three wells are offline due to nitrate levels that exceed DPH Mcls. The City is not able to meet its highest demand day with the remaining wells. Installation of a nitrate treatment system would bring wells back online and restore the City's ability to meet demand while allowing other wells to be taken offline and receive much needed maintenance. This project anticipates implementation of a number of water quality treatment projects through future budget years. Staff has submitted a DWSRF grant application for planning



Projected Status - June 30, 2015

Projected Dates:

Total Project Cost \$6,750,000
 Appropriations to Date \$0
 Expenditures to Date \$0

Begin: 07/2015
 Completion: TBD

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$6,250,000
Grants/Other	\$500,000					\$500,000
Total	\$1,750,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$6,750,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$500,000					\$500,000
Acquisitions						\$0
Construction	\$1,125,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$6,125,000
Administration	\$125,000					\$125,000
Total	\$1,750,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$6,750,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.		\$100,000	\$100,000	\$100,000	\$100,000	\$400,000
Capital Outlay						\$0
(Revenue)		(\$55,800)	(\$55,800)	(\$55,800)	(\$55,800)	(\$223,200)
Net Cost	\$0	\$44,200	\$44,200	\$44,200	\$44,200	\$176,800

Explanation of funding sources for ongoing operations:

Water quality treatment projects will require annual maintenance and may require disposal of residual treatment materials. Maintenance will be funded through rate supported Water Fund operating budgets. Savings realized by avoidance of wheeling fees related to recharge water deliveries (360 AF@\$155 / AF = 3 month estimate).

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Distribution Water Main Replacement
Category: Maintenance
Department: Water

Project Description/Justification:

Replace/Reline Distribution Water Main

The City maintains an existing CMLC steel pipe that runs from the Park Hill Tank/Well site to Florida Ave. Over the last five years the water main has had several failures due to deterioration of the internal steel liner. This main line is critical for delivering water from the Park Hill well/sotrage site throughout the City, and has become difficult to spot repair due to the age of the pipe, and metal fatigue.



Staff will pursue DWSFR grant funding for Planning and Construction.

Projected Status - June 30, 2015

Total Project Cost	\$4,500,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2015
Completion:	07/2017

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds	\$2,250,000	\$2,250,000				\$4,500,000
Grants/Other	TBD	TBD				\$0
Total	\$2,250,000	\$2,250,000	\$0	\$0	\$0	\$4,500,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$20,000					\$20,000
Acquisitions						\$0
Construction	\$2,220,000	\$2,250,000				\$4,470,000
Administration	\$10,000					\$10,000
Total	\$2,250,000	\$2,250,000	\$0	\$0	\$0	\$4,500,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Replacement of existing infrastructure. Ongoing maintenance is already established in rate supported Water Fund operating budgets. No additional operating costs incurred through this project.

City of Hemet
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Project No: TBD
Title: Radio Read Meter Replacement
Category: Preventative Maintenance
Department: Water

Project Description/Justification:
 Planned replacement of radio read meter equipment

The City purchased radio read meters to replace manual read meters over 10 years ago. This request is to establish an ongoing replacement program to ensure that registers/meters are replaced as recommended to ensure accurate water consumption reads.



Projected Status - June 30, 2015

Total Project Cost	\$500,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin: 07/2015
 Completion: Ongoing

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Grants/Other	TBD					\$0
Total	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Construction						\$0
Administration						\$0
Total	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Ongoing maintenance is minor and is already accounted for in existing rate supported Water Fund operating budgets.

City of Hemet
Capital Improvement Plan
Fiscal Years 2015/2016 through 2019/2020



Project No: TBD
Title: Weston Park - Play Structure Replacement - UNFUNDED
Category: Facility Improvement
Department: Parks

Project Description/Justification:

Remove and replace play structures at Weston Park. This project will include the removal of outdated and deteriorated playground equipment at Weston Park. The project includes the design and construction of new playground equipment made from recycled materials. This will improve the quality and aesthetics of the existing park site and draw more families to the downtown area.



Project costs to be offset through use of annual City/County Payment Program (formerly Beverage Container Recycling Grant) through CalRecycle.

Projected Status - June 30, 2015

Total Project Cost	UNFUNDED
Appropriations to Date	\$77,000
Expenditures to Date	\$0

Projected Dates:

Begin: TBD
Completion: TBD

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$62,000
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
City/County Payment Grant						\$15,000
Total	\$0	\$0	\$0	\$0	\$0	\$77,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions						\$0
Construction						\$0
Administration						\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Ongoing maintenance will be absorbed in existing Parks operating budget as this would be replacement playground equipment.

City of Hemet
Capital Improvement Plan
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Project No: TBD
Title: Sewer Master Plan
Category: Planning
Department: Sewer

Project Description/Justification:
 Prepare/Up-date sewer master plan. The current master plan was completed in January 1991. \$20,000 carry over from FY 14/15.

Staff to pursue grant funding to offset costs.



Projected Status - June 30, 2015

Total Project Cost	\$70,000
Appropriations to Date	\$20,000
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2015
Completion:	06/2016

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds	\$50,000					\$50,000
Grants/Other	TBD					\$0
Total	\$50,000	\$0	\$0	\$0	\$0	\$50,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$70,000					\$70,000
Acquisitions						\$0
Construction						\$0
Administration						\$0
Total	\$70,000	\$0	\$0	\$0	\$0	\$70,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

No operating costs related to plan update.

City of Hemet
Capital Improvement Plan
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Project No: TBD
Title: CNG Jet/Rodder Purchase
Category: Vehicle Replacement
Department: Sewer

Project Description/Justification:

Purchase a new CNG Jet Rodder - *(Place holder for future funds)*
 This project is a planned vehicle purchase to replace Unit 4606, a 1995 Ford CF800 Jet Rodder with 49,282 miles, and 7,493 engine hours (as of FY14/15). The vehicle is used daily to perform maintenance activities on sewer infrastructure. The vehicle has exceeded its useful life and requires frequent repair. Replacement of this diesel vehicle with an alternative fuel vehicle will also lower the City's average fleet emission rating monitored by CARB. Staff will pursue grant funding as well as use any Equipment Replacement funds available at time of purchase



Projected Status - June 30, 2015

Total Project Cost	\$400,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2016
Completion:	06/2017

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds		\$310,000				\$310,000
MSRC/AQMD/Equip Rplc		\$90,000				\$90,000
Total	\$0	\$400,000	\$0	\$0	\$0	\$400,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions		\$400,000				\$400,000
Construction						\$0
Administration						\$0
Total	\$0	\$400,000	\$0	\$0	\$0	\$400,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.			\$3,000	\$3,000	\$3,000	\$9,000
Capital Outlay						\$0
(Revenue)			(\$5,000)	(\$5,000)	(\$5,000)	(\$15,000)
Net Cost	\$0	\$0	(\$2,000)	(\$2,000)	(\$2,000)	(\$6,000)

Explanation of funding sources for ongoing operations:

Ongoing maintenance will include CNG tank inspections. Revenue category represents savings related to elimination of constant repairs to vehicle.

City of Hemet
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Project No: TBD
Title: Echo Hills Additional Water Tank
Category: Infrastructure Expansion
Department: Water

Project Description/Justification:

The addition of this 3rd tank would give the Water Division the ability to pump during off peak time at a reduced energy rate. The addition of 2 million gallon storage capacity would also provide water for improved fire protection, and meet the Department of Health Services recommended storage capacity for the City to meet supply needs on its highest demand days.

Staff to pursue funding and cost offset through grants. SCE rebates and incentives.



Projected Status - June 30, 2015

Total Project Cost	\$3,000,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2016
Completion:	TBD

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds		\$3,000,000				\$3,000,000
Grants/Other		TBD				\$0
Total	\$0	\$3,000,000	\$0	\$0	\$0	\$3,000,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning		\$30,000				\$30,000
Acquisitions						\$0
Construction		\$2,960,000				\$2,960,000
Administration		\$10,000				\$10,000
Total	\$0	\$3,000,000	\$0	\$0	\$0	\$3,000,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.			\$10,000	\$10,000	\$15,000	\$35,000
Capital Outlay						\$0
(Revenue)			(\$15,000)	(\$15,000)	(\$15,000)	(\$45,000)
Net Cost	\$0	\$0	(\$5,000)	(\$5,000)	\$0	(\$10,000)

Explanation of funding sources for ongoing operations:

Ongoing maintenance will be budgeted in rate supported Water Fund operating budgets. Revenue category represents anticipated overall system energy cost reductions for pumping to storage at off peak times.

City of Hemet
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Project No: TBD
Title: Water Main Line Replacement
Category: Preventative Maintenance
Department: Water

Project Description/Justification:
 Annually replace 1/2 mile of aging infrastructure

The City of Hemet water distribution system is aging and preventative maintenance is required to insure stability of the system. This project would fund a scheduled main line replacement program that would allow staff to establish regular replacement, not related to emergency needs. It would further bring undersized main lines up to current standards for fire protection.



Projected Status - June 30, 2015

Total Project Cost	\$1,200,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2016
Completion:	06/2019

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds		\$400,000	\$400,000	\$400,000		\$1,200,000
Grants/Other		TBD				\$0
Total	\$0	\$400,000	\$400,000	\$400,000	\$0	\$1,200,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning		\$10,000				\$10,000
Acquisitions						\$0
Construction		\$380,000	\$400,000	\$400,000		\$1,180,000
Administration		\$10,000				\$10,000
Total	\$0	\$400,000	\$400,000	\$400,000		\$1,200,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

This is replacement of existing infrastructure with ongoing maintenance costs are already reflected in rate supported Water Fund operating budgets.

City of Hemet
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Project No: TBD
Title: Pipeline to Recharge Ponds
Category: Infrastructure Expansion
Department: Water

Project Description/Justification:

Install 18" water main from the recharge ponds to the City's infrastructure at Park Hill water tanks.

Delivery of the City's stored recharge water purchased through the Ground Water Management Plan is currently limited to wheeling through EMWD or LHMWD water systems. At times of high demand these agencies may not have the system capacity to deliver stored water. Construction of this distribution line would allow access to City water without relying on the operations of another agency, and will eliminate the need to pay wheeling fees.



Projected Status - June 30, 2015

Total Project Cost	\$3,000,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2016
Completion:	06/2018

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds						\$0
Grants/Loans		\$1,500,000	\$1,500,000			\$3,000,000
Total	\$0	\$1,500,000	\$1,500,000	\$0	\$0	\$3,000,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning		\$225,000				\$225,000
Acquisitions						\$0
Construction		\$1,200,000	\$1,500,000			\$2,700,000
Administration		\$75,000				\$75,000
Total	\$0	\$1,500,000	\$1,500,000	\$0	\$0	\$3,000,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.		\$50,000	\$51,500	\$53,000	\$54,500	\$209,000
Capital Outlay						\$0
(Revenue)		(\$77,500)	(\$80,000)	(\$82,500)	(\$85,000)	(\$325,000)
Net Cost	\$0	(\$27,500)	(\$28,500)	(\$29,500)	(\$30,500)	(\$116,000)

Explanation of funding sources for ongoing operations:

Ongoing maintenance includes costs associated with EMWD O/M for extraction wells at ponds, as well as, COH maintenance of line (\$20K yr). Saving represent cost savings by avoiding wheeling through other agency systems (500 AF @ \$155 / AF + 3% increase annually).

City of Hemet
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Project No: TBD
Title: Stetson Ave Distribution Main
Category: Infrastructure Expansion
Department: Water

Project Description/Justification:
 Install 3,440 feet of 12" C-900 along storm drain channel on Stetson Ave.

Installation of this main will allow even water distribution throughout the system and help with blending water from wells that have water quality challenges.

Staff to pursue grant funding for project.



Projected Status - June 30, 2015

Total Project Cost	\$250,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2016
Completion:	06/2017

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds		\$250,000				\$250,000
Grants/Other		TBD				\$0
Total	\$0	\$250,000	\$0	\$0	\$0	\$250,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning		\$5,000				\$5,000
Acquisitions						\$0
Construction		\$240,000				\$240,000
Administration		\$5,000				\$5,000
Total	\$0	\$250,000	\$0	\$0	\$0	\$250,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Ongoing maintenance is minor and will be absorbed in existing rate supported Water Fund operating budgets.

City of Hemet
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Project No: TBD
Title: Distribution Upgrade 4" to 8" - various locations
Category: Infrastructure Upgrade
Department: Water

Project Description/Justification:

Replace 4" mainline with 8" mainline to bring up to standard.

Replace under sized 4" steel water mains, and bringing them up to current 8" standards will improve water quality and allow adequate fire protection. The current 4" water mains cannot not supply enough flow and pressure for the installation of fire hydrants to provide protection in time of need. Areas to be addressed through this project include Taylor, Johnston, Apricot, Harvard, Mayberry and Whittier.



Projected Status - June 30, 2015

Total Project Cost	\$750,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2016
Completion:	06/2019

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds		\$250,000	\$250,000	\$250,000		\$750,000
Grants/Other		TBD				\$0
Total	\$0	\$250,000	\$250,000	\$250,000	\$0	\$750,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning		\$30,000				\$30,000
Acquisitions						\$0
Construction		\$210,000	\$250,000	\$250,000		\$710,000
Administration		\$10,000				\$10,000
Total	\$0	\$250,000	\$250,000	\$250,000	\$0	\$750,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Upsizing of existing infrastructure. Maintenance costs for this section of infrastructure already exist in rate supported Water Fund operating budgets.

City of Hemet
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Project No: TBD
Title: Echo Hills Distribution Main Replacement
Category: Infrastructure Expansion
Department: Water

Project Description/Justification:

Construction of 18" Distribution Line to expand flow capacity.

Replace existing 12" Asbestos Cement Pipe (ACP) main from Stetson Ave to all three water tanks at Echo Hills site with 18" C-905 (plastic pipe) to increase volume of water flow into and out of tanks more efficiently. 12" water main will be left in place to serve as an over flow for tanks



Staff to pursue alternative funding sources prior to project start.

Projected Status - June 30, 2015

Total Project Cost	\$1,500,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2017
Completion:	06/2018

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds			\$1,500,000			\$1,500,000
Grants/Other			TBD			\$0
Total	\$0	\$0	\$1,500,000	\$0	\$0	\$1,500,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning			\$15,000			\$15,000
Acquisitions						\$0
Construction			\$1,475,000			\$1,475,000
Administration			\$10,000			\$10,000
Total	\$0	\$0	\$1,500,000	\$0	\$0	\$1,500,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)						\$0
Net Cost	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of funding sources for ongoing operations:

Ongoing maintenance is anticipated to be minor and will be absorbed through existing rate supported Water Fund operating budgets.

City of Hemet
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Project No: TBD
Title: New Well Development (FY13/14 well & FY18/19 additional well)
Category: Infrastructure Expansion
Department: Water

Project Description/Justification:

Construct a new well to meet maximum daily demands and achieve better water quality.

Over the last seven years the City has lost several wells to lease expirations, water quality issues, and structural failures. As a result, the City is unable to meet its current highest peak demand days through production. **Funding was previously appropriated in the amount of \$1.2M for the construction of a well in FY13/14.** That project has not started. *This request in addition to the 13/14 well previously approved.* Both wells will be tracked on a single CIP request.



Projected Status - June 30, 2015

Total Project Cost	\$2,585,000
Appropriations to Date	\$1,200,000
Expenditures to Date	\$0

Projected Dates:

Begin:	06/2015
Completion:	06/2019

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds				\$1,385,000		\$1,385,000
Grants/Other				TBD		\$0
Total	\$0	\$0	\$0	\$1,385,000	\$0	\$1,385,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning	\$20,000					\$20,000
Acquisitions						\$0
Construction	\$1,150,000			\$1,355,000		\$2,505,000
Administration	\$30,000			\$30,000		\$60,000
Total	\$1,200,000	\$0	\$0	\$1,385,000	\$0	\$2,585,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.		\$30,000	\$30,000	\$50,000	\$50,000	\$160,000
Capital Outlay						\$0
(Revenue)		(\$5,000)	(\$5,000)	(\$10,000)	(\$10,000)	(\$30,000)
Net Cost	\$0	\$25,000	\$25,000	\$40,000	\$40,000	\$130,000

Explanation of funding sources for ongoing operations:

Ongoing maintenance costs will be funded through rate supported Water Fund operating budgets. Completion of 1st well in Fall 2015 and second well in FY 18/19. Maintenance costs reflect anticipated energy costs, additional water quality testing and treatment materials. Revenue category represent energy savings for rotating well use.

City of Hemet
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Project No: TBD
Title: Backhoe Replacment (2)
Category: Equipment Replacement
Department: Water

Project Description/Justification:
Purchase of 2 new Back Hoes - (Place Holder)

Purchase of this equipment will replace two 2005 John Deere backhoes. This project plans for replace of equipment at the end of its useful life. As of FY 14/15 Unit 9050 has 1595 hours and unit 9051 has 1600 hours.



Prior to purchase year, staff will research alternative funding sources.

Projected Status - June 30, 2015

Total Project Cost	\$200,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2019
Completion:	TBD

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds					\$200,000	\$200,000
Grants/Other						\$0
Total	\$0	\$0	\$0	\$0	\$200,000	\$200,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions					\$200,000	\$200,000
Construction						\$0
Administration						\$0
Total	\$0	\$0	\$0	\$0	\$200,000	\$200,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.						\$0
Capital Outlay						\$0
(Revenue)					(\$4,000)	(\$4,000)
Net Cost	\$0	\$0	\$0	\$0	(\$4,000)	(\$4,000)

Explanation of funding sources for ongoing operations:

Ongoing maintenance will be funded through Equipment Maintenance internal service charges. Revenue category represents anticipated reduction in maintenance costs annually upon replacement.

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Project No: TBD
Title: CNG Dump Truck - Replacement
Category: Vehicle Replacement
Department: Water

Project Description/Justification:
 Planned Vehicle Replacement for 1992 Ford C800 - (Place Holder)

The vehicle to be replaced is a 1992 bob tail dump truck with 65,000 miles (as of February 2015). This request serves as a place holder for the future purchase of a new CNG 10 wheeler in FY19/20. Replacing the bobtail with a with the larger 10-wheeler will increase hauling capacity, while the alternative fuel will assist in lowering the City's average fleet emissions rating. This equipment is currently used on a daily basis and will require replacement to meet AQMD clean air standards, and it will have reached the end of its useful life.



Projected Status - June 30, 2015

Total Project Cost	\$280,000
Appropriations to Date	\$0
Expenditures to Date	\$0

Projected Dates:

Begin:	07/2019
Completion:	01/2020

REVENUES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
General Fund						\$0
Transportation Funds						\$0
Dev. Impact Funds						\$0
Internal Svc. Funds						\$0
Enterprise Funds					\$250,000	\$250,000
Grants/Other					\$30,000	\$30,000
Total	\$0	\$0	\$0	\$0	\$280,000	\$280,000
EXPENDITURES	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Design/Planning						\$0
Acquisitions					\$280,000	\$280,000
Construction						\$0
Administration						\$0
Total	\$0	\$0	\$0	\$0	\$280,000	\$280,000
OPERATIONS	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
Personnel						\$0
Maint./Oper.					\$1,500	\$1,500
Capital Outlay						\$0
(Revenue)					(\$2,000)	(\$2,000)
Net Cost	\$0	\$0	\$0	\$0	(\$500)	(\$500)

Explanation of funding sources for ongoing operations:

Upon purchase, ongoing maintenance will include regular CNG tank inspections and will be funded through Equipment Maintenance internal service charges. Existing maintenance charges will be reduced by approximately \$2000 annually.



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Gary Thornhill, Interim City Manager ST

DATE: July 28, 2015

RE: Ordinance Bill No 15-031, to Approve an Amendment to the Contract Between the Board of Administration California Public Employees' Retirement System and the City Council of the City of Hemet for Cost Sharing

RECOMMENDED ACTION:

That the City Council adopt Ordinance Bill No. 15-031 to allow cost sharing of the Employer Contribution to CalPERS with the 'classic' CalPERS members of the Hemet Police Officer's Association (HPOA) and the Hemet Police Management Association (HPMA).

BACKGROUND & ANALYSIS:

The City Council, at their meeting of June 23, 2015, introduced and conducted the first reading of this Ordinance. Prior to that, on May 26, 2015, Council approved a Resolution of Intention, which is required to proceed with the introduction of the attached Ordinance, to allow for cost sharing of the employer contributions to CalPERS on behalf of the classic CalPERS members of both the HPOA and HPMA.

The current Memorandums of Understanding (MOU) for both the Hemet Police Officer's Association and the Hemet Police Management Association include a provision for their members who are deemed 'classic' members by CalPERS, to contribute a total of three percent (3%) cost sharing of the employer's contribution to CalPERS by July 1, 2015. Members of each unit began contributing one percent (1%) as of July 1, 2013, an additional one percent (1%) as of July 1, 2014, and an additional one percent (1%) as of July 1, 2015, for a total of three percent (3%). This three percent (3%) is in addition to the nine percent (9%) employees' contribution that 'classic' members have been paying to CalPERS since July of 2011.

The proposed cost sharing amendment would permanently reduce the employer's contribution to CalPERS by a total of three-percent (3%) and permanently increase the employees' contribution by a total of three percent (3%) for members of the Hemet Police Officer's Association and Hemet Police Management Association. The benefit to the City is the reduced cost of providing retirement benefits to these affected members. The benefit to the member is that by making the additional percentage part of the employees' contribution, the contributions would be tax deferred and would be credited to the members' account. In the event of the death of the member, their beneficiary would be entitled to all contributions in the member's account with CalPERS.

Per Government Code Section 20474, a secret ballot election of the HPOA and HPMA members who would be affected by the contract amendment was held and the votes tallied. A majority of voting members approved the amendment by a vote of 26 to 0.

FISCAL IMPACT:

There is no additional fiscal impact with this Ordinance that has not already been presented as part of the approval process for both the Hemet Police Officer's Association and the Hemet Police Management Association MOUs.

Respectfully submitted,



Gary Thornhill
Interim City Manager

Eric S. Vail
City Attorney

Jessica Hurst
DCM/Administrative Services

Attachment(s): City Ordinance Bill No. 15-031 CalPERS Cost Sharing Ordinance



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4 **CITY OF HEMET**
5 **Hemet, California**
6 **ORDINANCE NO. 15-031**

7 **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF**
8 **HEMET AUTHORIZING AN AMENDMENT TO THE**
9 **CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY**
10 **OF HEMET AND THE BOARD OF ADMINISTRATION OF**
11 **THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT**
12 **SYSTEM.**

13
14 **WHEREAS,** The City Council of the City of Hemet does ordain as follows:

15 **SECTION 1:** That an amendment to the contract between the City Council of the City of
16 Hemet and the Board of Administration, California Public Employees' Retirement System
17 is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit,
18 and by such reference made a part hereof as though herein set out in full.

19 **SECTION 2:** The Mayor of the City Council is hereby authorized, empowered, and
20 directed to execute said amendment for and on behalf of said Agency.

21 **SECTION 3: EFFECTIVE DATE**

22 This Ordinance shall take effect thirty (30) days from its passage by the
23 City Council of the City of Hemet.
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1 **SECTION 4: PUBLICATION.**

2 The City Clerk is authorized and directed to cause this Ordinance to be published
3 within fifteen (15) days after its passage in a newspaper of general circulation and
4 circulated within the City in accordance with Government Code Section 36933(a) or, to
5 cause this Ordinance to be published in the manner required by law using the alternative
6 summary and posting procedure authorized under Government Code Section 39633(c).

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8

9 **INTRODUCED** at the regular meeting of Hemet City Council on June 23, 2015.

10 **APPROVED AND ADOPTED** this 28th day of July, 2015.

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Linda Krupa, Mayor

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14

15 **ATTEST:**

APPROVED AS TO FORM:

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Sarah McComas, City Clerk

Eric S. Vail, City Attorney

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1 State of California)

2 County of Riverside)

3 City of Hemet)

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5 I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the
6 foregoing Ordinance was introduced and first read on the day of 2014, and had its
7 second reading at the regular meeting of the Hemet City Council on the day of ,
8 2014, and was passed by the following vote:

9

10 **AYES:**

11 **NOES:**

12 **ABSTAIN:**

13 **ABSENT:**

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Sarah McComas, City Clerk

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EXHIBIT

California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Hemet

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective July 1, 1969, and witnessed May 23, 1969, and as amended effective May 1, 1977, July 1, 1980, December 31, 1984, June 17, 1985, March 10, 1986, October 14, 1993, December 9, 1994, December 26, 1997, April 27, 2002, January 17, 2005, June 19, 2006, February 24, 2012 and July 7, 2014 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 16 are hereby stricken from said contract as executed effective July 7, 2014, and hereby replaced by the following paragraphs numbered 1 through 16 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for local miscellaneous members, age 50 for local safety members entering membership in the safety classification on or prior to February 24, 2012 and age 55 for local safety members entering membership for the first time in the safety classification after February 24, 2012.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

2. Public Agency shall participate in the Public Employees' Retirement System from and after July 1, 1969 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorneys fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Employees other than local safety members (herein referred to as local miscellaneous members).

PLEASE DO NOT SIGN "EXHIBIT ONLY"

5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

NO ADDITIONAL EXCLUSIONS

6. The percentage of final compensation to be provided for each year of credited prior and current service for local miscellaneous members in employment before and not on or after January 17, 2005 shall be determined in accordance with Section 21354 of said Retirement Law, subject to the reduction provided therein for service prior to March 31, 1977, termination of Social Security, for members whose service has been included in Federal Social Security (2% at age 55 Full and Modified).
7. The percentage of final compensation to be provided for each year of credited prior and current service for local miscellaneous members in employment on or after January 17, 2005 and not entering membership for the first time in the miscellaneous classification after February 24, 2012 shall be determined in accordance with Section 21354.5 of said Retirement Law, subject to the reduction provided therein for service prior to March 31, 1977, termination of Social Security, for members whose service has been included in Federal Social Security (2.7% at age 55 Full and Modified).
8. The percentage of final compensation to be provided for each year of credited current service as a local miscellaneous member entering membership for the first time in the miscellaneous classification after February 24, 2012 shall be determined in accordance with Section 21354.4 of said Retirement Law (2.5% at age 55 Full).
9. The percentage of final compensation to be provided for each year of credited prior and current service as a local safety member entering membership in the safety classification on or prior to February 24, 2012 shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).
10. The percentage of final compensation to be provided for each year of credited current service as a local safety member entering membership for the first time in the safety classification after February 24, 2012 shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).

11. Public Agency elected and elects to be subject to the following optional provisions:

- a. Section 21571 (Basic Level of 1959 Survivor Benefits) for local police members only.
- b. Sections 21624, 21626 and 21628 (Post-Retirement Survivor Allowance).
- c. Section 20042 (One-Year Final Compensation).
- d. Section 20903 (Two Years Additional Service Credit).
- e. Section 21573 (Third level of 1959 Survivor Benefits) for local fire members only.
- f. Section 21574 (Fourth level of 1959 Survivor Benefits) for local miscellaneous members only.
- g. Section 21024 (Military Service Credit as Public Service).
- h. Section 20475 (Different Level of Benefits). Section 21354.4 (2.5% @ 55 Full formula) is applicable to local miscellaneous members entering membership for the first time in the miscellaneous classification after February 24, 2012.

Section 21363.1 (3% @ 55 Full formula) is applicable to local safety members entering membership for the first time in the safety classification after february 24, 2012.

- i. Section 20516 (Employees Sharing Additional Cost):

From and after July 7, 2014 and until the effective date of this amendment to contract, 1% for classic local police members in the Hemet Police Officers' Association and the Hemet Police Management Association.

From and after the effective date of this amendment to contract, 3% for classic local police members in the Hemet Police Officers' Association and the Hemet Police Management Association.

12. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on May 1, 1977. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
13. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.
14. Public Agency shall also contribute to said Retirement System as follows:
 - a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21573 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local fire members.
 - b. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members.
 - c. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - d. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
15. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

16. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF HEMET

BY _____
RENEE OSTRANDER, CHIEF
EMPLOYER ACCOUNT MANAGEMENT DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Employer Account Management Division

Retirement Account Services Section

P.O. Box 942709

Sacramento, CA 94229-2709

(888) CalPERS (225-7377)

CERTIFICATION OF GOVERNING BODY'S ACTION

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the

_____ of the
(governing body)

(public agency)

on _____
(date)

Clerk/Secretary

Title

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Employer Account Management Division

Retirement Account Services Section

P.O. Box 942709

Sacramento, CA 94229-2709

(888) CalPERS (225-7377)

**CERTIFICATION OF COMPLIANCE WITH
GOVERNMENT CODE SECTION 20516**

I hereby certify that in accordance with Section 20516 of the Government Code, City of Hemet and its classic local police employees have agreed in writing to:

Section 20516 (Employees Sharing Additional Cost) of an additional 2% for classic local police members in the Hemet Police Officers' Association and the Hemet Police Management Association.

Signature

Title

Witness

Date



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Steven Latino, Engineering Director/City Engineer
Gary Thornhill, Interim City Manager *GL*

DATE: July 28, 2015

RE: Ratify Change Order No. 1 and No. 2 and file Notice of Completion; Safe Routes to School Project CIP No. 5548 Intersection Improvements at Menlo Avenue and Cawston Avenue

RECOMMENDED ACTION:

- a. That the City Council authorize the Interim City Manager to Ratify Change Order No. 1 in the amount of \$42,550 for the additional costs to repair Warren Road wash-out of December 4, 2014; and
- b. Authorize the Interim City Manager to Ratify Change Order No. 2 in the amount of \$48,226 for final quantity adjustments and additional work as directed by the previous Principal Engineer for a total expenditure of \$90,776; and
- c. Authorize the Deputy City Manager/Admin. Svcs. Director to establish budget in the amount of \$48,226 in Fund No. 329-5548-5500 (to be included in the FY 2014/15 expenditures); and
- d. Authorize the City Clerk to file a Notice of Completion with the County of Riverside Recorder's Office. The 5% retention and the Labor and Materials Bond will be released after the Notice of Completion is filed with the County Recorder's Office. The Performance Bond will be maintained for, and released after, a period of one year.

See attached Change Order No. 1 and Change Order No. 2, Exhibit "A"

BACKGROUND:

Change Order Number No. 1 was approved by previous City Manager Wally Hill and was necessary to allow for the repair work to Warren Road wash-out of December 4, 2014. The work was completed under force account of this project; however, the funds paying for the work are being transferred in from the Gas Tax street repairs account. Change Order No. 2 was to adjust the quantities to the final amounts actually recorded in the field along with some minor stabilization work where unsuitable material was found and construction of a ribbon gutter to direct flow away from the intersection. All work was done under former staff and approved.

On May 30, 2015 PTM General Engineering Services completed the work for CIP No. 5548.

PROJECT DESCRIPTION:

The project included installation of install a new traffic signal at the intersection of Menlo Avenue and Cawston Avenue. The additional work was necessary to complete the project and was previously authorized by the City Manager.

FISCAL IMPACT:

No General Fund Impact.

The construction work described in Change Order No. 1 (\$42,550) will be paid for using Gas Tax funds and is available in account 221-4200-2450. The construction work described in Change Order No. 2 (\$48,226) will be paid for by the Bridges/Streets/Traffic Facilities fund and will be established in account 329-5548-5500.

Respectfully submitted,



Steven Latino
Engineering Director/City Engineer

Fiscal Review,



Jessica Hurst
Deputy City Manager/Admin. Svcs. Director

Attachment(s): Exhibit "A" Change Orders No. 1 and No. 2



Memorandum

TO: Sarah McComas, City Clerk

FROM: Gary Thornhill Interim City Manager and
Steven Latino, Director of Engineering/City Engineer

DATE: July 16, 2015

SUBJECT: Notice of Completion Directions to City Clerk

Sarah:

Attached please find the executed Notice of Completion for CIP 5548 Safe Routes to School Project – Intersection Improvements at Menlo Avenue and Cawston Avenue.

Please forward the document to the County Recorder's Office for recordation after the City Council Meeting on **July 28, 2015**; and once returned, release the Labor and Materials Bonds. Additionally, one year from the receipt of the document, release the Performance Bond to the contractor.

Thank you.

To be recorded with County Recorder
Within Fifteen (15) days after completion.
No Recording fee.

When recorded, return to:
City of Hemet, City Clerk
445 E. Florida Avenue
Hemet, CA 92543

(For Recorder's Use)

Notice of Completion

(Civil Code § 9204(a) – Public Works)

Notice is hereby given by the undersigned owner, a public entity of the State of California, that a public work improvement has been completed, as follows:

Project title or description of work:	SR2S Intersection Improvement at Menlo Avenue and Cawston Avenue City Project No. 5548
Date of Completion:	May 30, 2015
Nature of owner:	City of Hemet, Municipality
Interest or estate of owner:	Owner under contract.
Address of owner:	445 E. Florida Avenue
Name of Contractor:	PTM General Engineering Services 5943 Acorn St. Riverside, CA 92504
Address/Legal Site Description:	Menlo Avenue at Cawston in the City of Hemet.
Dated: July 16, 2015	Owner: City of Hemet



Steven Latino
Director of Engineering/City Engineer

Mr. Gary Thornhill
Interim City Manager

State of California)
County of Riverside) ss.

I am the City Clerk of the governing board of the City of Hemet, the public entity which executed the forgoing notice and on whose behalf I make this verification; I have read said notice, know its contents and the same is true. I certify under penalty of perjury that the foregoing is true and correct.

Executed at Hemet, California on July 28, 2015

Sarah McComas, City Clerk

**Safe Routes to School
Intersection Improvements**

City Project No. 5548

CONTRACT CHANGE ORDER NO. 1

Contractor: **PTM General Engineering Service, Inc.**

Date: **January 26, 2015**

Contractor is hereby directed to make the following changes from the plans and specifications:

Item	Description	Change	
		Amount	Days
1	Additional costs to repair the Warren Road wash-out of Dec. 4, 2014, and to furnish and install suitable backfill, re-grade area around pipes, compact fill, place CL II cmb, furnish and place 6 inches of Asphaltic Concrete, re-grade slopes and existing rip-rap and complete striping to match existing striping. All work to be completed in (15) calendar days from receipt of the approved and signed change order. See attached PTM proposal of Jan. 22, 2015.	\$42,550.00	15
TOTAL		\$42,550.00	15

Change Order Summary

Contract	Previous	Change	Revised
Amount	\$554,331.00	\$42,550.00	\$596,881.00
Completion Date	180 days from NTP	15 days	¹⁹⁵ 225 days from NTP* delays by Peppertree resulted in an additional 180 calendar days = ⁹⁷⁵ 405 calendar days

This change order will be effective only after the Contractor and the City have signed below.

Contractor has given careful consideration to the changes described above and hereby agrees to provide all equipment, furnish all materials, perform all services necessary for the work and accept as full payment therefor the prices shown above.

 Elizabeth H. Mendonca, J. Mendonca PRESIDENT/GEN.	Agreed By (sign and print)		
		 Mr. Wally Hill, City Manager	 Date
Date 01.26.2015	CONTRACTOR PTM General Engineering Services, Inc.	CITY OF IEMET Mr. Wally Hill, City Manager	Date 1-27-15

Fund No. 329-5548-5500 will pay for this change order in the amount of \$42,550.00.

**Safe Routes to School
Intersection Improvements**

City Project No. 5548

CONTRACT CHANGE ORDER NO. 2

Contractor: **PTM General Engineering Service, Inc.**

Date: **July 10, 2015**

Contractor is hereby directed to make the following changes from the plans and specifications:

Item	Description	Change	
		Amount	Days
1	Additional costs were added to cover the following; 1. Adjustment in actual quantities per attached Final Quantities Exhibit. 2. Additional costs to stabilize area where unsuitable material existed along the flow line of the farm ditch west to the project limits was performed on a "force account basis" where actual costs of men, equipment and materials were documented and performed at the direction of the Principal Engineer. 3. Additional work was required by the construction of a concrete ribbon gutter to direct the flow of water westward from the end of the new curb/gutter into the jurisdictional ditch.	\$48,225.76	N/A
TOTAL		\$48,225.76	N/A

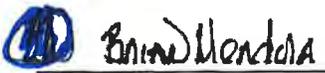
Change Order Summary

Contract	Previous	Change	Revised
Amount	\$596,881.00	\$48,225.76	\$645,106.76
Completion Date	As Established By Negotiation	N/A	May 30, 2015

This change order will be effective only after the Contractor and the City have signed below.

Contractor has given careful consideration to the changes described above and hereby agrees to provide all equipment, furnish all materials, perform all services necessary for the work and accept as full payment therefor the prices shown above.

Agreed By (sign and print):

 Brian Mendora 7-10-15

CONTRACTOR
PTM General Engineering Services, Inc.

Date

CITY OF HEMET
Gary Thornhill, Interim City Manager

Date

Fund No. - - will pay for this change order in the amount of \$48,225.76.

**Safe Routes to School
Intersection Improvements**

City Project No. 5548

CONTRACT CHANGE ORDER NO. 2

Contractor: **PTM General Engineering Service, Inc.**

Date: **July 10, 2015**

Contractor is hereby directed to make the following changes from the plans and specifications:

Item	Description	Change	
		Amount	Days
1	Additional costs were added to cover the following; 1. Adjustment in actual quantities per attached Final Quantities Exhibit. 2. Additional costs to stabilize area where unsuitable material existed along the flow line of the farm ditch west to the project limits was performed on a "force account basis" where actual costs of men, equipment and materials were documented and performed at the direction of the Principal Engineer. 3. Additional work was required by the construction of a concrete ribbon gutter to direct the flow of water westward from the end of the new curb/gutter into the jurisdictional ditch.	\$48,225.76	N/A
TOTAL		\$48,225.76	N/A

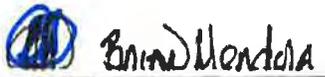
Change Order Summary

Contract	Previous	Change	Revised
Amount	\$596,881.00	\$48,225.76	\$645,106.76
Completion Date	As Established By Negotiation	N/A	May 30, 2015

This change order will be effective only after the Contractor and the City have signed below.

Contractor has given careful consideration to the changes described above and hereby agrees to provide all equipment, furnish all materials, perform all services necessary for the work and accept as full payment therefor the prices shown above.

Agreed By (sign and print):

 7-10-15

CONTRACTOR
PTM General Engineering Services, Inc.

Date

CITY OF HEMET
Gary Thornhill, Interim City Manager

Date

Fund No. - - will pay for this change order in the amount of \$48,225.76.

Final Quantites Exhibit

Bid Item Number	Item Description		
		Bid QTY	Final QTY
1	Mobilization	1.00	1.00
2	Construct 0.33' A.C.	365.00	420.78
3	Construct 0.83' C.A.B.	675.00	997.79
4	Construct 8" B-type Curb	55.00	55.00
5	Construct mono sidewalk	6,500.00	4991.00
6	Construct cross-gutter	700.00	700.00
7	Construct spandrel	650.00	650.00
8	Sawcut exist. pavement	800.00	800.00
9	R/D exist. pavement	800.00	800.00
10	G/O exist. Pavement	1,600.00	1600.00
11	Adjust to finished grade	2.00	2.00
12	R/D exist. PVC riser	2.00	2.00
13	R/D ex. 8" pvc drain pipe	300.00	300.00
14	F/I 8" C-900 S.D. f.m.	100.00	100.00
15	F/I 8" 45-elbo	3.00	3.00
16	R/I ex. 8"HDPE pipe	125.00	125.00
17	F/I reflective delineators	44.00	5.00
18	R/D tree	1.00	1.00
19	Relocate signs	3.00	3.00
20	R/D ex. S.D. f.m.-HDPE	1.00	1.00
21	R/D exist. 24" cmp	60.00	60.00
22	Construct rip-rap	1,125.00	1125.00
23	Construct 8" A.C. berm	375.00	375.00
24	R/R exist. Driveway	775.00	775.00
25	R/D ramp & hardscape	2,050.00	2050.00
26	Construct curb ramp	6.00	6.00
27	Relocate c.l. fence	50.00	50.00
28	Relocate mailbox	1.00	1.00
29	Roadway excavation	1,425.00	1425.00
30	Remove ex. Street light	3.00	3.00
31	Traffic Signal system	1.00	1.00
32	Signing and striping	1.00	1.00
33	Construct curb @ Menlo	120.00	120.00
34	Traffic Control Plan	1.00	1.00
35	F/I Edison conduit	1.00	1.00
36	SWPPP	1.00	1.00



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Steven Latino, Engineering Director/City Engineer
Gary Thornhill, Interim City Manager *ST*

DATE: July 28, 2015

RE: Final Acceptance and file Notice of Completion; CDBG/SB 821 CIP No. 5591
Gilbert Street Ramps

RECOMMENDED ACTION: It is recommended that the City Council accept CIP No. 5591 Gilbert St Ramps and instruct the City Clerk's Office to file a Notice of Completion with the County Recorder's Office. The 5% retention and the Labor and Materials Bond will be released after the Notice of Completion is filed and 30 days after receipt by the County Recorder's Office. The Performance Bond will be maintained for and released after a period of one year.

BACKGROUND: The Engineering Department proposed and was awarded a \$66,500 SB 821 Grant from RCTC for the Gilbert Street ADA Ramps in May of 2014. As a condition of the SB 821 Grant, the City matched funds of 50% of the construction costs and utilized its' allocation of CDBG funds for FY 14/15 in the amount of \$66,500. The 329 Street DIF has been used to cover the City's costs in excess of the two grant awards.

On July 10, 2015 CT & T, Inc completed the work for CIP No. 5591.

PROJECT DESCRIPTION: The project removed 30 existing non-conforming concrete ramps and constructed 30 new access curb ramps to comply with the most current ADA design guidelines on Gilbert Street from Stetson Avenue north to Central Avenue.

FISCAL IMPACT: No General Fund Impact. Adequate funds exist in the FY 2014-2015 CDBG grant, SB 821 Grant Program and Street DIF funds. The total cost includes ADA access ramp construction, staff administration, construction engineering and inspection.

The construction work described will be paid for by CDBG 2014/15 budget and SB 821 20104/2015 budget established in accounts 240-3993-5500 and 223-5591-5500.

Respectfully submitted,



Steven Latino
Engineering Director/City Engineer

Fiscal Review,



Jessica Hurst
Deputy City Manager/Admin. Svcs. Director



Memorandum

TO: Sarah McComas, City Clerk

FROM: Gary Thornhill Interim City Manager and
Steven Latino, Director of Engineering/City Engineer

DATE: July 16, 2015

SUBJECT: Notice of Completion Directions to City Clerk

Sarah:

Attached please find the executed Notice of Completion for CIP 5591 Gilbert St Ramps.

Please forward the document to the County Recorder's Office for recordation after the City Council meeting on July 28, 2015 and once returned, release the Labor and Materials Bonds. Additionally, one year from the receipt of the document, release the Performance Bond to the contractor.

Thank you.

To be recorded with County Recorder
Within Fifteen (15) days after completion.
No Recording fee.

When recorded, return to:
City of Hemet, City Clerk
445 E. Florida Avenue
Hemet, CA 92543

(For Recorder's Use)

Notice of Completion

(Civil Code § 9204(a) – Public Works)

Notice is hereby given by the undersigned owner, a public entity of the State of California, that a public work improvement has been completed, as follows:

Project title or description of work:	Gilbert St ADA Ramps City Project No. 5591
Date of Completion:	July 10, 2015
Nature of owner:	City of Hemet, Municipality
Interest or estate of owner:	Owner under contract.
Address of owner:	445 E. Florida Avenue
Name of Contractor:	CT & T Inc. 324 S. Diamond Bar Blvd., Diamond Bar, CA 91765
Address/Legal Site Description:	Gilbert St from Acacia Ave to Stetson Ave in the City of Hemet.
Dated: July 16, 2015	Owner: City of Hemet



Steven Latino
Director of Engineering/City Engineer

Mr. Gary Thornhill
Interim City Manager

State of California)
County of Riverside) ss.

I am the City Clerk of the governing board of the City of Hemet, the public entity which executed the forgoing notice and on whose behalf I make this verification; I have read said notice, know its contents and the same is true. I certify under penalty of perjury that the foregoing is true and correct.

Executed at Hemet, California on July 28, 2015

Sarah McComas, City Clerk



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Scott Brown, Fire Chief
Gary Thornhill, City Manager *GT*

DATE: July 28, 2015

RE: Acceptance of the 2014 State Homeland Security Program (SHSP)

RECOMMENDED ACTION:

1. Accept the grant through the Riverside County Operational Area from the Homeland Security Grant Program (HSGP) in the amount of \$10,863 for the period of October 1, 2014 through February 28, 2016.
2. Amend the budget in the Public Safety Grant Fund #232 to reflect the award amount of \$10,863 to cover the cost of the purchase of Tactical Response/Active Shooter equipment.

BACKGROUND:

- The Fire Department does not currently have the appropriate safety gear and EMS supplies that have been outlined in the Riverside County Fire Chief's Association – Operations Manual, Standard Operating Guideline S.O.G – Tactical Response to Violent Incidents.
- This need was identified in the FEMA report "Fire/Emergency Medical Services Department Operational Considerations and Guide for Active Shooter and Mass Casualty Incidents", September 2013.

PROJECT DESCRIPTION:

- Upon acceptance of the SHSP Grant funding the City of Hemet Fire Department agrees to adhere to the spending plan.

ANALYSIS:

The grant funding will be used to purchase PPE and EMS equipment to assist the Fire Department to safely respond to and perform patient stabilization on an Active Shooter incident.

CONSISTENCY WITH ADOPTED GOALS, PLANS, AND PROGRAMS:

- The City of Hemet's Fire Department, utilizes these funds for equipment to be prepared to meet the needs of the citizens of Hemet in a public health emergency.

FISCAL IMPACT:

None, no additional matching funds are required.

Respectfully submitted,

Scott Brown
 Scott Brown
 Fire Chief

Fiscal Review:

Jessica A. Hurst
 Jessica A. Hurst
 Deputy City Manager/Administrative Services



RIVERSIDE COUNTY FIRE DEPARTMENT
IN COOPERATION WITH
THE CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION

John R. Hawkins ~ Fire Chief
210 West San Jacinto Avenue ~ Perris, CA 92570
(951) 940-6900 ~ www.rvcfire.org

PROUDLY SERVING THE
UNINCORPORATED AREAS
OF RIVERSIDE COUNTY
AND THE CITIES OF:

BANNING
BEAUMONT
CALIMESA
CANYON LAKE
COACHELLA
DESERT HOT SPRINGS
EASTVALE
INDIAN WELLS
INDIO
JURUPA VALLEY
LAKE ELSINORE
LA QUINTA
MENIFEE
MORENO VALLEY
PALM DESERT
PERRIS
RANCHO MIRAGE
RUBIDOUX CSD
SAN JACINTO
TEMECULA
WILDOMAR

BOARD OF
SUPERVISORS:

BOB BUSTER
DISTRICT 1
JOHN TAVAGLIONE
DISTRICT 2
JEFF STONE
DISTRICT 3
JOHN BENOIT
DISTRICT 4
MARION ASHLEY
DISTRICT 5

November 14, 2014

Chief Bryan
City of Hemet

RE: FY14 State Homeland Security Program (SHSP)
Award – Tactical Response/Active Shooter Equipment- \$10,863
Grant #: 2014-SS-00093 CFDA#: 97.067

Riverside County Operational Area (OA) has received state approval to move ahead with projects for FY14 Homeland Security Grant Program (HSGP). Please use this letter as approval of the award amount as stated above for the Tactical Response/Active Shooter Equipment. The overall performance period of this grant is October 10, 2014 – February 30, 2015.

Authorization for expenditures is subject to my receipt and approval of the completed workbook which includes your completed and signed face-sheet, the completed project ledger and Equipment tab, which is your itemized budget, and the signed grant assurances. Riverside County OA does require you to provide these completed documents within 15 days of date of this letter. 50% of your expenditures must be completed by 8/1/15. Please remember that all subsequent changes to your grant will require the approval of the OA prior to incurring any costs.

By accepting this award it will be understood that you are agreeing to conform to the requirements of the grant as put forth in the FY14 Grant Assurances, the Federal Single Audit Act of 1984 and amendment of 1996. Any funds found owed as a result of a final review or audit must be refunded to the County within 15 days upon receipt of an invoice from Riverside County Fire/OES.

As always, please feel free to contact us with any questions you may have. I look forward to working with you and appreciate your cooperation and support.

Regards,

Kim Dana

Kim Dana and Laronte Groom
Administrative Services Analyst II
Riverside County Fire/OES
951-955-0419, 951-955-8517



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Scott Brown, Fire Chief; Gary Thornhill, Interim City Manager *BT*

DATE: July 28, 2015

Subject: Approval of Second Amendment to Contract Services between City of Hemet and CSG Inc., for Plan Review, inspection and code services.

RECOMMENDED ACTION:

It is respectfully recommended that the City Council:

- Approve the Second Amendment to Contract Agreement with CSG Consultants, Inc. maintaining the original contract pricing and extending the term of the agreement to October 31, 2015, and
- Authorize the Interim City Manager to execute the Second Amendment to Contract Agreement with CSG Consultants, Inc. The Second Amendment amends Section 4(a) and Exhibit "B" from \$91,000, increasing total compensation by \$25,000 to \$116,000 which reflects the extension period of the contract.

BACKGROUND:

The City of Hemet Fire/EMS Services Department contracts for the provisions of fire/ life safety inspection services, including but not limited to plan review, inspection and code services as well as weed abatement inspection services. One contract Fire Inspector supports this effort two days a week (Tues/Thursday). The extension of the contract agreement with CSG will enable staff to assess current and future workload requirements, as well as ensuring adequate capacity to meet current service delivery requirements. Concurrently, the extension will afford staff the opportunity to conduct a comprehensive RFP process to select a future contractor at the conclusion of the extension period.

CONSISTENCY WITH ADOPTED GOALS, PLANS, AND PROGRAMS:

The use of CSG Consultants is consistent with the City Council goal for Fire Prevention and Weed Abatement Services.

- Minimize fire related property damage through cost effective fire prevention/ risk reduction strategies such as weed abatement;
- Complete 100% of scheduled new development/ new business inspections.

FISCAL IMPACT:

Extension of the current contract will not result in additional General Fund or Special District costs. Fiscal Year 12/15 operating budget has been identified for contract inspection services.

Respectfully submitted,

Approved as to form:

Fiscal Review:



Scott Brown
Fire Chief



Eric S. Vail
City Attorney



Jessica Hurst
Deputy City Manager/
Admin Services Director

Attachment: Second Amendment to Agreement for Services; CSG Consultants

**SECOND AMENDMENT TO
AGREEMENT FOR SERVICES**

by and between

the

CITY OF HEMET

and

CSG CONSULTANTS, INC.

Dated July 1, 2015

SECOND AMENDMENT TO AGREEMENT FOR SERVICES

This Second Amendment to Agreement for Services ("Second Amendment"), which is dated for reference as indicated on the cover page, is hereby entered into by and between the CITY OF HEMET, a California general law city ("City"), and CSG Consultants, Inc., a California corporation ("Service Provider"), as follows:

RECITALS

- A. City and Service Provider entered in an agreement for services on July 1, 2014 ("Agreement"). The Agreement provides that Service Provider will perform plan review, inspection and code services.
- B. On April 23, 2015, the City and Service Provider entered into a First Amendment to the Agreement to include an hourly rate for weed abatement inspection services.
- B. Section 1 of the Agreement provides that the term of the Agreement shall expire on June 30, 2015.
- C. This Second Amendment amends Section 1 to extend the term to October 31, 2015.
- D. Section 4(a) and Exhibit "B" of the Agreement provide that the compensation to Service Provider shall not exceed \$91,000.
- E. This Second Amendment amends Section 4(a) and Exhibit "B" to increase the total compensation by \$25,000 to \$116,000.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the promises made and recited herein, the parties do hereby enter into this Second Amendment which modifies and amends the Agreement as follows:

1. **AMENDMENT.** The Agreement is hereby modified and amended as follows:
 - 1.1 **SECTION 1.** Section 1 of the Agreement is hereby amended to read as follows:

"Subject to the provisions of Section 20 "Termination of Agreement" of this Agreement, the Term of this Agreement commences on the date this Agreement is fully executed and shall expire on October 31, 2015."
 - 1.2 **SECTION 4(A).** Section 4(a) of the Agreement is hereby amended to read as follows:

“(a) Subject to any limitations set forth in this Agreement, City agrees to pay Service Provider the amounts specified in Exhibit “B” “Compensation” and made a part of this Agreement by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed One Hundred and Sixteen Thousand dollars (\$116,000), unless additional compensation is approved in writing in accordance with Section 26 “Administration and Implementation” or Section 28 “Amendment” of this Agreement.”

1.3 **EXHIBIT “B”.** Paragraph IV of Exhibit “B” to the Agreement is hereby amended to read as follows:

“The total compensation for the Services shall not exceed \$116,000, as provided in Section 4 “Compensation and Method of Payment” of this Agreement.”

2. GENERAL PROVISIONS.

2.1 **Remainder Unchanged.** Except as specifically modified and amended in this Second Amendment, the Agreement remains in full force and effect and binding upon the parties.

2.2 **Integration.** This Second Amendment consists of pages 1 through 4 inclusive, which constitute the entire understanding and agreement of the parties and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the transaction discussed in this Second Amendment.

2.3 **Effective Date.** This Second Amendment shall not become effective until the date it has been formally approved by the City Council and executed by the appropriate authorities of the City and Service Provider.

2.4 **Applicable Law.** The laws of the State of California shall govern the interpretation and enforcement of this Second Amendment.

2.5 **References.** All references to the Agreement include all their respective terms and provisions. All defined terms utilized in this Second Amendment have the same meaning as provided in the Agreement, unless expressly stated to the contrary in this Second Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to the Agreement on the date and year Second written above.

CITY:

THE CITY OF HEMET

By: _____
Gary Thornhill, Interim City Manager

ATTEST:

Sarah McComas, City Clerk

APPROVED AS TO FORM

Eric S. Vail, City Attorney

SERVICE PROVIDER:

CSG CONSULTANTS, INC.

By: _____
Name: Cyrus Kianpour
Title: President

By: _____
Name: Charles D Rider
Title: SECRETARY

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of SAN MATEO

On 6-25-2015 before me, W.M.R. SMITH, Notary Public
(insert name and title of the officer)

personally appeared CYRUS KANFOER AND CHARLES RIDER,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

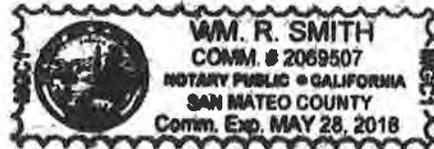
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

W.M.R. Smith

(Seal)





Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Gary Thornhill, Interim City Manager ³⁻²
Deanna Elliano, Community Development Director; *DE*

DATE: July 28, 2015

RE: Approval of Second Amendment to the Consultant Services Agreement between the City of Hemet and BMLA, Inc. for Contract Planning Services

RECOMMENDED ACTION:

It is respectfully requested that the City Council:

1. *Approve the Second Amendment to the Consultant Services Agreement between the City of Hemet and BMLA, Inc., maintaining the original contract pricing and extending the term of the Agreement in Section 1 to December 31, 2015; and*
2. *Authorize the Interim City Manager to execute the Second Amendment to Contract Agreement with BMLA, Inc. The Second Amendment amends Section 4(a) and Exhibit "B" to increase compensation by \$50,000 on a Time and Materials basis, resulting in a total not-to-exceed contract amount of \$118,000 which reflects the extension period of the contract.*

BACKGROUND:

The City originally entered into a one-year contract with the consulting firm BMLA on November 1, 2014 for contract planning services that have been provided to the City by the assigned planning consultant, Mr. Ron Running. The original contract specified a maximum amount of \$48,000 unless additional services and compensation were subsequently authorized by the City Council. A major portion of the consultant's time and services are associated with assisting the Community Development Director in processing complex development projects that are still on-going, and include the implementation of the Sun Edison Project, the Ramona Creek Specific Plan Development Agreement, updates to the Scenic Highway Setback manual, the MSHCP coordination efforts in West Hemet, and the City's Master Plan of Drainage Update. In addition, the consultant's expertise and knowledge of the City enables the Department to use his skills to assist the Community Development Director on city-initiated work programs including grant proposals and the Downtown Hemet Specific Plan.

On April 28, 2015 the First Amendment to the contract was approved which extended the contract period to the end of the Fiscal Year 2014-2015 (June 30, 2015) and allowed for an additional \$20,000 in compensation.

The Planning Division is seeking an amendment to the term and associated compensation in order to continue the various ongoing projects, pursuant to the Second Amendment to the Contract (see Attachment 1). Funding for the Second Amendment is currently available under existing developer

deposit accounts and through the allocation of funding for special projects within the Planning Division budget for FY 15/16.

BMLA's services have consistently provided exceptional and timely professional expertise to the Planning Division, and continue to meet all elements of the contract and the Division's customer service objectives. The contract has provided the City with a high degree of planning expertise, knowledge of the City, and professionalism at a very reasonable cost.

FISCAL IMPACT:

The Planning Division has available funds for the additional consultant services in Developer- Paid Deposit Accounts created for those projects to which the contract planner is assigned, and in its departmental budget to cover the costs associated with the contract planner's participation in City-initiated special planning projects, such as the Downtown Specific Plan. Therefore, there is no impact or additional allocation from the City's general fund required as a result of this request. The Department's use of contract planning consultants on a limited basis for specialized projects enables us to achieve quality results at the lowest possible cost to the City.

Respectfully submitted,



Deanna Elliano
Community Development Director

Fiscal Review:



Jessica Hurst
Deputy City Manager/Admin Services Director

Attachment:

- 1) Proposed Second Amendment to Agreement for Consultant Services with BMLA, Inc.

I:\COMMON\PLAN\Consultants\BMLA\Contracts\CC report 07.28.2015 - 2nd Amendment to Consultant Contract - BMLA.doc

**SECOND AMENDMENT TO
CONSULTANT SERVICES AGREEMENT**

by and between

the

CITY OF HEMET

and

BMLA, Inc.
A California Corporation

Dated _____, 2015

SECOND AMENDMENT TO CONTRACT AGREEMENT

This Second Amendment to Contract Agreement (“Second Amendment”), which is dated for reference as indicated on the cover page, is hereby entered into by and between the CITY OF HEMET, a California general law city (“City”), and BMLA, Inc. a California Corporation (“Consultant”), as follows:

RECITALS

- A. City and Consultant entered in an agreement for planning and landscape consultant services on November 1, 2014 (“Agreement”). The Agreement provides that Consultant will provide contract planning services and complete tasks associated with the review and coordination of special projects, preparation of written reports, plans and drawings for various City of Hemet projects and Scenic Highway Setback, participate in MSHCP review and studies, participate in the City’s Master Drainage Plan review and coordination, review and comment on project Environment Impact reports, traffic studies, acoustical studies, biological reports and associated documentation, coordination of graphic and map production associated with development projects, grant proposals and long range studies, and prepare staff reports and attend public hearings as requested by the Community Development Director; and,
- B. City and Consultant entered into an amended agreement for planning and landscape consultant services on April 28, 2015 for an additional amount.
- C. Due to the amount and complexity of the planning projects assigned to Consultant, the parties wish to add additional services and associated compensation to continue completion of the work products, pursuant to Section 2 of the Agreement and the Scope of Services provided in Exhibit A; and,
- D. The Consultant has been performing satisfactory planning services for the City and is in the process of finalizing several of the contracted tasks. For reasons of efficiency, effectuality, and economy, it is in the City’s best interest to retain the services of the Consultant; and,
- E. Funding for the additional services is available within the Planning Division’s adopted budget for FY 15-16 and from developer deposit accounts established to compensate for the work performed, and will therefore not require any additional allocation from the City’s General Fund for this contract amendment; and,
- F. The Parties have negotiated pricing and the Consultant has agreed to hold to the initial hourly rates.
- G. This Second Amendment amends Sections 1 and 4 to include an expiration date and increase the compensation as identified in the attached Exhibits A and B.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the promises made and recited herein, the parties do hereby enter into this Second Amendment which modifies and amends the Agreement as follows:

1. **AMENDMENT.** The Agreement is hereby modified and amended as follows:

1.1 **Section 1.** Section 1 of the Agreement is hereby amended to read as follows:

“Subject to the provisions of Section 20 “Termination of Agreement” of this Agreement, the Term of this Agreement shall end on December 31, 2015.”

1.2 **Section 4.** Section 4(a) of the Agreement is hereby amended to increase the total compensation by an additional Fifty Thousand Dollars (\$50,000), up to a total compensation of \$118,000. Compensation shall be on a Time and Materials basis.

1.3 **Exhibit B.** Section IV of Exhibit B of the Agreement is hereby amended to increase the total compensation not to exceed amount to (Fifty Thousand Dollars (\$50,000

2. **GENERAL PROVISIONS.**

2.1 **Remainder Unchanged.** Except as specifically modified and amended in this Second Amendment, the Agreement remains in full force and effect and binding upon the parties.

2.2 **Integration.** This Second Amendment consists of pages 1 through 4 inclusive, which constitute the entire understanding and agreement of the parties and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the transaction discussed in this Second Amendment.

2.3 **Effective Date.** This First Amendment shall not become effective until the date it has been formally approved by the City Council and executed by the appropriate authorities of the City and Consultant.

2.4 **Applicable Law.** The laws of the State of California shall govern the interpretation and enforcement of this First Amendment.

2.5 **References.** All references to the Agreement include all their respective terms and provisions. All defined terms utilized in this First Amendment have the same meaning as provided in the Agreement, unless expressly stated to the contrary in this First Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the date and year first written above.

CITY OF HEMET

By: _____
Gary Thornhill, Interim City Manager

Date: _____

ATTEST:

By: _____
Sarah McComas, City Clerk

Date: _____

APPROVED AS TO FORM:

Eric S. Vail, City Attorney

By: _____
Baxter Miller,
President

By: _____
Debra L. Dematteis-Miller,
CFO/Treasurer

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF _____

On _____, ____ before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL	_____
<input type="checkbox"/> CORPORATE OFFICER	TITLE OR TYPE OF DOCUMENT

TITLE(S)	
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED	_____
<input type="checkbox"/> <input type="checkbox"/> GENERAL	NUMBER OF PAGES
<input type="checkbox"/> ATTORNEY-IN-FACT	
<input type="checkbox"/> TRUSTEE(S)	_____
<input type="checkbox"/> GUARDIAN/CONSERVATOR	DATE OF DOCUMENT
<input type="checkbox"/> OTHER _____	

SIGNER IS REPRESENTING:	_____
(NAME OF PERSON(S) OR ENTITY(IES))	SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF _____

On _____, _____ before me, _____, personally appeared _____,

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(SIGNATURE OF NOTARY)

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL
- CORPORATE OFFICER

TITLE(S)
- PARTNER(S) LIMITED
 GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER _____

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT "A"
EXTENDED SCOPE OF SERVICES

- I. Consultant will perform the following Services as maybe directed by the City of Hemet Community Development Director:**
- A. Review and participation regarding the Ramona Creek Specific Plan Development Agreement, and associated implementation tasks as assigned.
 - B. Assist in project management for the Downtown Hemet Specific Plan grant project and its public outreach process and environmental review.
 - C. Project review assistance for other major development projects as may include: the Stetson Crossing Specific Plan project, Rancho Diamante/Page Ranch development project and its planning applications, future M.W.D. development projects, the Hemet 55 Specific Plan project, and/or other projects as assigned by the Community Development Director.
 - D. Project management and coordination of the HANS applications for the Riverside Multiple Species Habitat area in West Hemet and participation in coordination meetings with RCA and the City.
 - E. Continued participation in the review and coordination efforts for the West Hemet Master Plan of Drainage.
 - F. Continued coordination and management of the Tres Cerritos Vernal Pool Conservation easement with wildlife and Indian agencies.
 - G. Attendance at staff meetings, Planning Commission, City Council and other meetings required for project review and management.
 - H. Preparation of written reports, as required, for development project review or City-initiated planning cases, as may be assigned.
 - I. Preparation of plans and drawings, as required, for façade improvements for various downtown Hemet properties, and review of architectural and design treatments.
 - J. Review of landscape plans and specifications, as required for the Sun Edison Solar project and updates of plans and plant pallets to the Scenic Highway Setback Manual.
 - K. Review and comment on project Environmental Impact reports, traffic studies, acoustical studies, biological reports, and other associated documentation, as may be directed.

II. As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:

- A. Written staff reports and analysis for the review of development projects.
- B. Letters and memoranda, on the City's behalf, concerning the development projects.
- C. Drawings and renderings for various façade improvement projects, landscape, streetscape and gateway plans.
- D. Schematic digital modeling of public plazas and other areas.
- E. Photo simulation of roadways, public plaza and other areas.

III. During performance of the Services, Consultant will keep the City apprised of the status of performance by delivering the following status reports:

- A. Monthly invoice justification.
- B. Weekly status meetings or conference calls with the Community Development Director or her designee.

IV. The tangible work products and status reports will be delivered to the City pursuant to the following schedule:

- A. Staff reports for development projects will be provided 10 days prior to public hearing.
- B. Letters and memoranda will be provided 10 days prior to signature.

V. Consultant will utilize the following personnel to accomplish the Services:

- A. Ronald K. Running
- B. Jeff Trojanoski
- C. Baxter Miller

VI. Consultant will utilize the following subcontractors to accomplish the Services:

- A. None

VII. AMENDMENT

The Scope of Services, including services, work products, and personnel, are subject to change by mutual Agreement, and authorization by the Community Development Director and City Manager. In the absence of mutual Agreement regarding the need to change any aspects of performance, Consultant shall comply with the Scope of Services as indicated.

EXHIBIT "B"
COMPENSATION

I. Consultant shall use the following fees in the performance of the Services:

Developer Applications and City-initiated Projects: \$115.00 per hour on a Time and Materials Basis, not to exceed an additional \$50,000 to the total contract compensation of \$118,000.

II. The City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:

- A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
- B. Line items for all supplies properly charged to the Services.
- C. Line items for all travel properly charged to the Services.
- D. Line items for all equipment properly charged to the Services.
- E. Line items for all materials properly charged to the Services.
- F. Line items for all subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

IV. The total compensation for the Services under this Second Amendment shall not exceed an additional \$50,000.00, to the total contract amount unless subsequently authorized by the City Council and upon determination of available funding



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Gary Thornhill, Interim City Manager. *GT*
Deanna Elliano, Community Development Director *DE*

DATE: July 28, 2015

RE: Approval of Second Amendment to the Agreement for Consultant Services between the City of Hemet and Moore Iacofano Goltsman, Inc. (MIG) for Contract Planning Services

RECOMMENDED ACTION:

It is respectfully recommended that the City Council:

1. *Approve the Second Amendment to the Consultant Services Agreement between the City of Hemet and Moore Iacofano Goltsman, Inc. (MIG), maintaining the original contract pricing and extending the term of the Agreement in Section 1 to December 31, 2015; and*
2. *Authorize the Interim City Manager to execute the Second Amendment to Contract Agreement with MIG, Inc. The Second Amendment amends Section 2 and Exhibit A, expanding the scope of services, and Section 4(a) and Exhibit "B" to increase compensation by \$48,000 on a Time and Materials basis, resulting in a total not-to-exceed contract amount of \$120,000 which reflects the extension period of the contract.*

BACKGROUND:

On November 1, 2014, the City entered into a one-year agreement with Moore Iacofano Goltsman, Inc. (MIG) for advanced planning services, and assigned the contract planner Ms. Nancy Gutierrez. The original contract specified a maximum amount of \$48,000, unless additional services and compensation were subsequently authorized by the City Council.

On April 28, 2015 the First Amendment to the contract was approved which extended the contract period to October 30, 2015 and allowed for an additional \$24,000 in compensation to the original contract. The proposed Second Amendment would continue the contract period to December 31, 2015 and add to the scope of services and compensation an additional \$48,000, for an overall total contract amount not to exceed of \$120,000.

The Consultant primarily assists the Community Development Director and the department in performing Advanced Planning projects such as the Southwest Hemet Annexation efforts, bringing the City's zoning ordinance and zoning map into compliance with the City's General Plan (General Plan Consistency Program), updating the zoning ordinance, updating the Planning Department applications and procedures, and participating with the Director in review and preparation of the SCAG Growth Forecast and Regional Transportation Plan to help ensure Hemet's best interests are addressed. The

necessary completion of these tasks will extend beyond the current contract term and authorization amount.

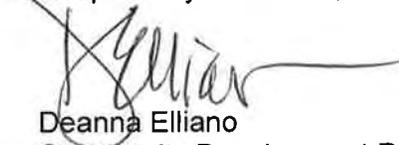
The Planning Division is seeking an amendment to the contract term and compensation in order to complete the various ongoing projects, pursuant to the Second Amendment to the Contract (Attachment 1). Funding for the contract amendment is currently available under existing developer deposit accounts and through the allocated funding for these special projects within the FY 15/16 Planning Division budget.

Moore, Iacofano, Goltsman, Inc. (MIG) has consistently provided exceptional and timely service to the Planning Division, and continues to meet all elements of the contract. The Consultant has provided the City with a high degree of planning expertise, professionalism, and responsiveness to the City's project applicants, at a very reasonable cost.

FISCAL IMPACT:

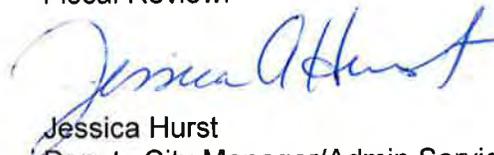
The Planning Division has available funds for the additional consultant services in Developer- Paid Deposit Accounts created for those projects to which the contract planner is assigned, and in its departmental budget to cover the costs associated with the contract planner's participation in City-initiated projects special planning projects, such as the General Plan Consistency project. Therefore, there is no impact or additional allocation from the City's general fund required as a result of this request. The Department's use of contract planning consultants on a limited basis for specialized projects enables us to achieve quality results at the lowest possible cost to the City.

Respectfully submitted,



Deanna Elliano
Community Development Director

Fiscal Review:



Jessica Hurst
Deputy City Manager/Admin Services Director

Attachment:

- 1) Proposed Second Amendment to Agreement for Consultant Services with Moore, Iacofano, Goltsman, Inc. (MIG)

**SECOND AMENDMENT TO
CONSULTANT SERVICES AGREEMENT**

by and between

the

CITY OF HEMET

and

MOORE IACOFANO GOLTSMAN, INC
a California Corporation

Dated ____, 2015

SECOND AMENDMENT TO CONSULTANT SERVICES AGREEMENT

This Second Amendment to the Consultant Services Agreement (“Second Amendment”), which is dated for reference as indicated on the cover page, is hereby entered into by and between the CITY OF HEMET, a California general law city (“City”), and MOORE IACOFANO GOLTSMAN, a California Corporation (“Contractor”), as follows:

RECITALS

- A. City and Consultant entered in an agreement for planning consultant services on November 1, 2014 (“Agreement”).
- B. Section 1 set the term of the agreement as June 30, 2015 and Section 4 established compensation through the end of the term in an amount of \$72,000 as amended by the First Amendment.
- C. This Second Amendment amends Section 1 to extend the term of the contract, Section 2 to specify the extended planning services, and Section 4 to increase the compensation accordingly by an additional \$48,000, for a total contract amount not to exceed of \$120,000.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the promises made and recited herein, the parties do hereby enter into this Second Amendment which modifies and amends the Agreement as follows:

- 1. **AMENDMENT.** The Agreement is hereby modified and amended as follows:
 - 1.1 **Section 1 Term of Agreement.** Consultant agrees to perform the extended planning services through December 31, 2015.
 - 1.2 **Section 2 Scope of Services.** Consultant agrees to perform extended planning services, as set forth in EXHIBIT “A”, Scope of Services.
 - 1.3 **Section 4 Compensation and Method of Payment.** Consultant shall be compensated for the extended planning services as set forth in EXHIBIT “B”, Compensation.

2. **GENERAL PROVISIONS.**

2.1 **Remainder Unchanged.** Except as specifically modified and amended in this Second Amendment, the Agreement remains in full force and effect and binding upon the parties.

2.2 **Integration.** This Second Amendment consists of pages 1 through 4 inclusive, which constitute the entire understanding and agreement of the parties and supersedes

all negotiations or previous agreements between the parties with respect to all or any part of the transaction discussed in this Second Amendment.

2.3 **Effective Date.** This Second Amendment shall not become effective until the date it has been formally approved by the City Council and executed by the appropriate authorities of the City and Consultant.

2.4 **Applicable Law.** The laws of the State of California shall govern the interpretation and enforcement of this Second Amendment.

2.5 **References.** All references to the Agreement include all their respective terms and provisions. All defined terms utilized in this Second Amendment have the same meaning as provided in the Agreement, unless expressly stated to the contrary in this Second Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to the Agreement on the date and year first written above.

CITY:

THE CITY OF HEMET

By: _____
Gary Thornhill, Interim City Manager

Date: _____

ATTEST:

Sarah McComas, City Clerk

Date: _____

APPROVED AS TO FORM

Eric S. Vail, City Attorney

CONTRACTOR:

MOORE IACOFANO GOLTSMAN, INC.

By: _____

Name: Daniel Iacofano

Title: CEO

By: _____

Name: Susan Goltsman

Title: President

EXHIBIT "A"

EXTENDED SCOPE OF SERVICES

I. Consultant will perform the following Services as directed by the City of Hemet Community Development Director:

- A. Continue with the work effort associated with the updating of the City's zoning ordinance and zoning map to establish consistency with the recently updated General Plan. Each of the 48 articles of Chapter 90 (Zoning) must be reviewed for consistency with the General Plan and updated as necessary. Upon completion of the remaining zone ordinance amendments, the consultant will finalize the associated zone map amendments and ordinances, and prepare staff reports for Planning Commission and City Council meetings as directed.
- B. Continue with the work effort of updating and streamlining of the Planning Division's development review process to enhance opportunities for cost recovery of staff time and resources. Tasks include updating applications and procedures in other jurisdictions, researching and critiquing internal procedures both within the Division and between other Divisions and Departments, preparing draft procedures and applications for review and consideration by City staff, revising and updating as directed, and working with staff to implement the new procedures and documentation.
- C. Complete the processing of the annexation application to LAFCO for the 995-acre pre-zone area located within the City's sphere of influence. Tasks include responding to LAFCO comments, attendance at LAFCO public hearings, and assisting in implementation of the adopted annexation area.
- D. Assist in providing technical review and data coordination for regional plans including the WRCOG GHG Inventory and the SCAG RTP/SCS plan.
- E. Assist in the selection and management of a consultant to prepare a City of Hemet Climate Action Plan based on the WRCOG Sub-regional CAP.
- F. Attend staff, Planning Commission, City Council and other meetings as requested by City staff.

II. As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:

- A. Research data and analysis, maps, meeting minutes, project management memos, draft documents, and other written work as requested by the Director.
- B. Written staff reports as requested by the Director.
- C. Letters and memoranda, on the City's behalf, as assigned by the Director.

III. During performance of the Services, Consultant will keep the City apprised of the status of performance by delivering the following status reports:

- A. Monthly invoice justification.
- B. Weekly status meetings or conference calls with the Community Development Director or her designee.

IV. The tangible work products and status reports will be delivered to the City pursuant to the following schedule:

- A. Staff reports for development or City-initiated projects will be provided 10 days prior to public hearing.
- B. Letters and memoranda will be provided 10 days prior to signature.

V. Consultant will utilize the following personnel to accomplish the Services:

- A. Nancy G. Gutierrez

VI. Consultant will utilize the following subcontractors to accomplish the Services:

- A. None

VII. AMENDMENT

The Scope of Services, including services, work products, and personnel, are subject to change by mutual Agreement. In the absence of mutual Agreement regarding the need to change any aspects of performance, Consultant shall comply with the Scope of Services as indicated.

EXHIBIT "B"

COMPENSATION

- I. Consultant shall use the following fees in the performance of the Services:**
 - A. City Initiated Projects: \$85/hr on a Time and Materials basis, not to exceed an additional \$48,000, for a total contract amount of \$120,000.

- II. The City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:**
 - A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
 - B. Line items for all supplies properly charged to the Services.
 - C. Line items for all materials properly charged to the Services.

- III. The total compensation for the Extended Services under the Second Amendment to the Contract shall not exceed \$48,000, as provided in Section 4 of this Agreement unless an amendment to the contract is authorized by the City Council.**



AGENDA # 29

Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Gary Thornhill, Interim City Manager *GT*
Deanna Elliano, Community Development Director *DE*

DATE: July 28, 2015

RE: **ZONING ORDINANCE AMENDMENT (ZOA) NO. 15-008** A city-initiated ordinance amending various sections of Chapter 90 (Zoning Ordinance) of the Hemet Municipal Code to correct minor typographical errors related to the City's development application processes.

RECOMMENDED ACTION:

That the City Council:

1. *Introduce by title only, and waive further reading of **Ordinance Bill No. 15-032** approving Zoning Ordinance Amendment No. 15-008 as recommended by the Planning Commission.*

BACKGROUND

On April 14, 2015, the City Council adopted Ordinance No. 1900 approving Zoning Ordinance Amendment 15-001, which amended certain sections of the Chapter 90 (Zoning Ordinance) to update, clarify, and improve the City's development review process. Subsequently, staff found a minor, yet important, typographical error in Ordinance No. 1900 and also identified references to zoning code sections that were deleted by Ordinance No. 1900. The purpose of the proposed ordinance amendment, ZOA15-008, is to correct those typographical errors, as described in this staff report.

SUMMARY OF PROPOSED ZONING ORDINANCE AMENDMENTS

1) Typographical Error

Ordinance No. 1900 (ZOA15-001) created a new streamlined conditional use permit process with a reduced fee that could be considered in certain circumstances in which the amount of staff time required to process an application is less than the typical conditional use permit process such as for projects that do **not** have a community sensitivity such as an adult business, alcohol sales, live entertainment, pawn shop, smoke shop, massage parlor, or tattoo/piercing shop. However, the text in the adopted ordinance inadvertently omitted the word "not" resulting in a requirement that uses under consideration for streamlined review must include a use determined to have a community sensitivity, which was clearly not the intent of the original amendment as evidenced by the associated staff report.

Therefore, as shown below and in Attachment 1, ZOA15-008 proposes to add the word “not” to Section 90-41.1 (b)(4), as shown below:

A streamlined conditional use permit with a reduced application fee may be considered in certain circumstances in which the amount of staff time required to process an application is less if the applicant can demonstrate to the satisfaction of the director that:

- (1) The use is proposed to occupy an existing building or tenant space in a legally constructed building and tenant improvements or additions do not increase the existing square footage by more than 30 percent;*
- (2) The use meets all development standards of the zone, including providing for adequate parking;*
- (3) The use is not detrimental to public health and safety;*
- (4) The use does **not** include any uses determined to have a community sensitivity such as an adult business, alcohol sales, live entertainment, pawn shop, smoke shop, massage parlor, or tattoo/piercing shop;*
- (5) The use is not specifically listed in other chapters of the code as requiring a conditional use permit with additional application submittal requirements or findings;*
- (6) The environmental effects of the use do not require the preparation of a mitigated negative declaration or environmental impact report.*

2) Reference Errors

Ordinance No. 1900 (ZOA15-001) also included the reorganization of various code sections for improved clarity. However, some of sections in the zoning ordinance continue to reference the old sections and need to be updated to reflect the current code provisions location in Sections 90-48, 90-42, and 90-44, respectively. Therefore, ZOA15-008 establishes the correct section references for Site Development Review, Conditional Use Permits, and Variances in the zoning ordinance.

COORDINATION AND PUBLIC REVIEW

On June 26, 2015, the City published a notice in the Press Enterprise of the holding of a public hearing before Planning Commission on July 7, 2015 at which the amendments to the City's zoning ordinance would be considered. No comments were received in response to the notice or at the Planning Commission public hearing. The Planning Commission unanimously adopted Resolution No. 15-014, recommending approval of the ZOA to the City Council (Attachment 2).

On July 17, 2015, the City published a notice in the Press Enterprise of the holding of a public hearing before City Council at which the amendments to the City's zoning ordinance would be considered. To date, staff has not received any public comments on the draft ordinance.

CONSISTENCY WITH ADOPTED GOALS, PLANS, AND PROGRAMS

ZOA15-008 implements General Plan Implementation Program LU-P-16 (Development Review Process) to evaluate and improve the development review process for increased efficiency and effectiveness.

CEQA REVIEW AND COMPLIANCE

The City has analyzed this proposed project and has determined that it is exempt from the California Environmental Quality Act (CEQA) under section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. ZOA15-008 does not relate to any physical project and will not result in any physical change to the environment. Therefore, it can be seen with certainty that there is no possibility that this Ordinance may have a significant adverse effect on the environment, and therefore, the adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

ANALYSIS

The purpose of ZOA15-008 is to ensure that the municipal code is correct and consistent. The proposed amendment corrects minor text errors made inadvertently by staff in the final drafting of the original ordinance. Without approval of the proposed revisions, the streamlined permit process does not accurately reflect the original intent of the amendment as previously set forth in the staff report, project presentation materials, and legislative history.

FISCAL IMPACT:

There is no fiscal impact resulting from the adoption of Ordinance Bill No. 15-032 and the implementation of ZOA15-008.

Respectively Submitted,



Deanna Elliano
Community Development Director**ATTACHMENTS:**

1. Proposed City Council Ordinance Bill No. 15-032 (ZOA15-008)
2. Planning Commission Resolution No. 15-014 (without attachments) recommending approval of Ordinance Bill No. 15-032 (ZOA15-008.)

Attachment 1



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2
3
4 **CITY OF HEMET**
5 **Hemet, California**
6 **ORDINANCE BILL NO. 15-032**

7 **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF**
8 **HEMET CALIFORNIA AMENDING CERTAIN SECTIONS**
9 **OF CHAPTER 90 (ZONING ORDINANCE) OF THE HEMET**
10 **MUNICIPAL CODE TO CORRECT MINOR**
11 **TYPOGRAPHICAL ERRORS RELATED TO THE CITY'S**
12 **DEVELOPMENT APPLICATION PROCESSES.**

13 **WHEREAS**, Ordinance No. 1900 (ZOA15-001) adopted by the City Council on
14 April 14, 2015, updated the City's development review process to improve and increase
15 efficiency and effectiveness; and

16 **WHEREAS**, subsequent to adoption of Ordinance No. 1900 a text error and
17 references to sections deleted by Ordinance No. 1900 were identified; and

18 **WHEREAS**, the proposed amendment corrects the text error which had changed
19 the intended purpose of the code provision; and

20 **WHEREAS**, the proposed amendment updates zoning code section references to
21 ensure accuracy; and

22 **WHEREAS**, approval of these zoning ordinance amendments will not
23 detrimentally affect the health, safety, or welfare of residents of the City of Hemet; and

24 **WHEREAS**, on July 7, 2015, the Planning Commission was presented with a draft
25 of this Ordinance Bill No. 15-032 and, after conducting a duly noticed public hearing,
26 voted to recommend that the City Council approve Ordinance Bill No. 15-032.

27 **WHEREAS**, on July 28, 2015, the City Council considered the Ordinance, the
28 Planning Commission's findings, and the record of information regarding ZOA 15-008 at
a duly noticed public hearing, at which time interested persons had an opportunity to

1 provide testimony on this matter.

2 **NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF HEMET DOES HEREBY**
3 **ORDAIN AS FOLLOWS:**

4 **SECTION 1: SECTION 90-42.1(b)(4) (CONDITIONAL USE PERMITS)**

5 Chapter 90 (Zoning) of the Hemet Municipal Code is amended as shown in
6 Exhibit 1 hereto, to ensure that the original intent of the code provision is met.

7 **SECTION 2: AMENDMENT OF SECTIONS 90-76, 90-102, 90-183, 90-187, 90-316, 90-**
8 **620, 90-621, 90-622, 90-654, 90-812, 90-834, 90-897, 90-902, and 90-1246.**

9 Chapter 90 (Zoning) of the Hemet Municipal Code is amended as shown in
10 Exhibit 1 hereto, to ensure that references to development review processes for Site
11 Development Review, Conditional Use Permits, and Variances reflect the correct code
12 sections in Chapter 90 (Zoning).

13 **SECTION 3: CEQA FINDINGS.**

14 The City has analyzed this proposed project and has determined that it is exempt
15 from the California Environmental Quality Act ("CEQA") under section 15061(b)(3) of the
16 CEQA Guidelines, which provides that CEQA only applies to projects that have the
17 potential for causing a significant effect on the environment. The proposed text changes
18 do not relate to any physical project and will not result in any physical change to the
19 environment. Therefore, it can be seen with certainty that there is no possibility that this
20 Ordinance may have a significant adverse effect on the environment, and therefore the
21 adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the
22 CEQA Guidelines.

23 **SECTION 4: SEVERABILITY.**

24 If any section, subsection, subdivision, sentence, clause, phrase, or portion of this
25 Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any
26 court of competent jurisdiction, such decision shall not affect the validity of the remaining
27 portions of this Ordinance. The City Council hereby declares that it would have adopted
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this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 5: EFFECTIVE DATE.

This Ordinance shall take effect thirty (30) days from its passage by the City Council of the City of Hemet.

SECTION 6: PUBLICATION.

The City Clerk is authorized and directed to cause this Ordinance to be published within fifteen (15) days after its passage in a newspaper of general circulation and circulated within the City in accordance with Government Code Section 36933(a) or, to cause this Ordinance to be published in the manner required by law using the alternative summary and pasting procedure authorized under Government Code Section 39633(c).

INTRODUCED at the regular meeting of Hemet City Council on the 28th day of July, 2015.

APPROVED AND ADOPTED this 11th day of August, 2015.

Linda Krupa, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

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State of California)
County of Riverside)
City of Hemet)

I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing Ordinance was introduced and first read on the 28th day of July, 2015, and had its second reading at the regular meeting of the Hemet City Council on the 11th day of August, 2015, and was passed by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk

ZOA15-008 proposes the following amendments, as shown in red underline, to Chapter 90 (Zoning) of the Hemet Municipal Code. No other section in the referenced articles is affected by the proposed ordinance amendment.

Article II (Administrative Regulations), Division 1 (Applications)

Sec. 90-42. - Conditional Use Permits, Sec. 90-42.1 - Application fees and refunds

- (b) A streamlined conditional use permit with a reduced application fee may be considered in certain circumstances in which the amount of staff time required to process an application is less if the applicant can demonstrate to the satisfaction of the director that:
- (1) The use is proposed to occupy an existing building or tenant space in a legally constructed building and tenant improvements or additions do not increase the existing square footage by more than 30 percent;
 - (2) The use meets all development standards of the zone, including providing for adequate parking;
 - (3) The use is not detrimental to public health and safety;
 - (4) The use does **not** include any uses determined to have a community sensitivity such as an adult business, alcohol sales, live entertainment, pawn shop, smoke shop, massage parlor, or tattoo/piercing shop;
 - (5) The use is not specifically listed in other chapters of the code as requiring a conditional use permit with additional application submittal requirements or findings;
 - (6) The environmental effects of the use do not require the preparation of a mitigated negative declaration or environmental impact report

Article III (Special Uses and Conditions)

Sec. 90-76. - Commercial coach as business, industrial, or institutional facility.

- (b) *Site development plan review required.* If the land use has received previous approval, the use of a commercial coach on the site shall require a miscellaneous project application and approval, pursuant to ~~article XLII~~ article II, sec. 90-48 of this chapter.

Article IV Conversion of Residences to Office or Commercial

Sec. 90-102. - Conditional use permit required.

A conditional use permit shall be filed pursuant to ~~article XLIV~~ article II, sec. 90-42 of this chapter for the conversion of any residence to office or commercial use.

Article VII (Agriculture Zones)

Sec. 90-183. - Permitted uses

	Land Use	A-1	A-2-5	A-2-10	Requirements
5.	Produce processing (canning, drying, freezing, packing) of food grown on the premises	X	P	P	Article XLII <u>Sec. 90-48</u>
6.	Produce stands				
	a. Permanent	P	P	P	Article XLII <u>Sec. 90-48</u>

Sec. 90-187 Site development review requirements

Principal buildings, structures, or uses, or a significant alteration or enlargement of an existing building, structure, or use may be subject to the requirements of ~~article XLI~~ article II, sec. 90-48 (site development review) of this chapter.

Article XI Single Family Residential Zones

Sec. 90-316. - Hillside development.

(e)

Submittals. Applications for development of property within the R-1-H (Hillside) zones shall be submitted for site development plan review pursuant to ~~article XLI~~ article II, sec. 90-48 of the Hemet Code. In addition to the items specified in ~~article XLI~~ article II, sec. 90-48, the applicant shall submit the following:

Article XIX (PCD Planned Community Development Zone

Sec. 90-620. - Approval of development plan—Application.

The owner or his authorized agent, or the purchaser with the consent of the owner, may submit an application for development plan approval for development in the PCD zone. Development plan approval shall be pursuant to ~~article XLI~~ article II, sec. 90-48 of this chapter, pertaining to plot plan review.

Sec. 90-621. - Same—Public hearing and appeals.

Public hearing and appeal procedures for development plans for the PCD zone shall be as prescribed in ~~article XLIV~~ article II, sec. 90-42 of this chapter, pertaining to conditional use permits and applications.

Sec. 90-622. - Same—Application fee.

An application for approval of a development plan for the PCD zone shall be accompanied by a fee as prescribed in ~~article XLV~~ article II, sec. 90-44 of this chapter, pertaining to variances.

Article XX Mobile Home Parks

Sec. 90-654. - Criteria for granting of conditional use permit.

Before granting a conditional use permit for a mobile home park, the commission shall make the following determinations, in addition to those specified in ~~article XLIV~~ article II, sec. 90-42 of this chapter, pertaining to conditional use permits:

Article XXIV TTPD Travel Trailer Planned Development Zone

Sec. 90-812. - Permitted uses.

(a)

If a conditional use permit has first been obtained as provided in ~~article XLIV~~ article II, sec. 90-42 of this chapter, property in the TTPD zone may be used for a travel trailer planned development subject to approval by the planning commission as provided in section 90-832.

Sec. 90-834. - Same—Authority to grant exceptions.

Exceptions may be granted with respect to dimensional requirements for lots, setbacks and other development standards of the TTPD zone for conversion of existing travel trailer parks where the planning commission finds as follows, in addition to the required findings of section 90-832 and ~~article XLIV~~ article II, sec. 90-42 of this chapter, pertaining to conditional use permits:

Article XXVI Commercial Zones**Sec. 90-897. - Special development requirements.**

(3)

Permit required. Notwithstanding any other provisions of chapter 90 of the Hemet Municipal Code, any person seeking to convert a large retail commercial building to any use other than a major retail commercial use must apply for and obtain a conditional use permit pursuant to ~~article XLIV~~ **article II, sec. 90-42** of chapter 90 of the Hemet Municipal Code prior to making any modifications to the large retail commercial building and/or occupancy of the large retail commercial building. All of the procedures contained in ~~article XLIV~~ **article II, sec. 90-42** shall apply to conditional use permits applied for or obtained pursuant to this section.

Sec. 90-902. - Same—Site development requirements.

(9)

Conditional use permit regulations as set for in ~~article XLIV~~ **article II, sec. 90-42**.

Article XXXVI Signs Generally**Sec. 90-1246. - Administration.**

(4)

Variations. The planning commission may grant variances from the provisions of this article for the erection and maintenance of signs when difficulties, unnecessary hardship or results inconsistent with the general purpose of this article would otherwise occur and would deprive the owner of rights enjoyed by others. The application and review process for a sign variance will follow the applicable procedures set forth in ~~article XLV~~ **article II, sec. 90-44** of chapter 90 of this Code.

Article II Administrative Regulations, Division 1 Applications**Sec. 90-41.6. - Final action.**

Decisions of the planning commission on a zoning ordinance amendment **or zone map change** are automatically scheduled for city council action. The council may affirm, modify or reverse the planning commission decision, making any findings required by this chapter and/or state law. The decision of the city council shall be final.

ZOA15-008 proposes the following amendments, **as shown in red**, to Chapter 70 (Subdivisions) of the Hemet Municipal Code. No other section in the referenced articles is affected by the proposed ordinance amendment.

Sec. 70-3. - Variances.

Variances to the provisions of articles II, streets and article III, alleys and easements of this chapter may be approved by the planning commission concurrently with or after the consideration of the tentative map or tentative parcel map when the required findings under chapter 90, ~~article XLV~~ **article II, sec. 90-44** can be made. An application for a variance shall be on the prescribed forms by the director and shall be accompanied by submittal requirements. Fees for a variance application shall be the same fee as for a variance of chapter 90.

Attachment 2



**CITY OF HEMET
Hemet, California**

**PLANNING COMMISSION
RESOLUTION NO. 15-014**

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HEMET, CALIFORNIA, RECOMMENDING THAT THE CITY COUNCIL ADOPT ZONING ORDINANCE AMENDMENT NO. 15-008, AN ORDINANCE AMENDING CERTAIN SECTIONS OF CHAPTER 90 (ZONING ORDINANCE) OF THE HEMET MUNICIPAL CODE TO CORRECT MINOR TYPOGRAPHICAL ERRORS RELATED TO THE CITY'S DEVELOPMENT APPLICATION PROCESSES.

WHEREAS, pursuant to Government Code sections 65854 and 65855, the Planning Commission has the authority to review and make recommendations to the City Council regarding amendments to the City's zoning ordinances; and

WHEREAS, on June 26, 2015, the City gave public notice by publishing notice in the Press Enterprise of the holding of a public hearing at which the amendment to the City's zoning ordinances would be considered; and

WHEREAS, on July 7, 2015, the Planning Commission held the noticed public hearing at which interested persons had an opportunity to testify in support of, or opposition to, the proposed amendment to the City's zoning ordinance and at which time the Planning Commission considered the proposed amendment to the City's zoning ordinance; and

WHEREAS, the City has analyzed this proposed project and has determined that it is exempt from the California Environmental Quality Act ("CEQA") under section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect of the environment; and

WHEREAS, attached as Exhibit "A" is the proposed Ordinance Bill No. 15-032; and

NOW, THEREFORE, the Planning Commission of the City of Hemet does Resolve, Determine, Find and Order as follows:

1 **SECTION 1: ENVIRONMENTAL FINDINGS**

2
3 The Planning Commission, in light of the whole record before it, including but not limited
4 to, the City's Local CEQA Guidelines and Thresholds of Significance, the direction of
5 the Planning Commission at its meeting on July 7, 2015 and documents incorporated
6 therein by reference, and any other evidence (within the meaning of Public Resources
7 Code Sections 21080(e) and 21082.2) within the record or provided at the public
8 hearing of this matter, hereby finds and determines as follows:
9

- 10 1. **CEQA:** The City has analyzed this proposed project and has determined that it is
11 exempt from the California Environmental Quality Act ("CEQA") under section
12 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to
13 projects that have the potential for causing a significant effect on the
14 environment. The amendments proposed by this Ordinance do not relate to any
15 physical project and will not result in any physical change to the environment.
16 Therefore, it can be seen with certainty that there is no possibility that this
17 Ordinance may have a significant adverse effect on the environment, and
18 therefore the adoption of this Ordinance is exempt from CEQA pursuant to
19 Section 15061(b)(3) of the CEQA Guidelines.
20

21 **SECTION 2: ZONING ORDINANCE AMENDMENT FINDINGS**

22
23 Pursuant to Hemet Municipal Code Section 90-41.5(a), the Planning Commission
24 makes the following findings with respect to this zoning ordinance amendment:
25

- 26 1. *The zoning ordinance amendment is in conformance with the latest adopted*
27 *general plan for the City.*
28

29 The zoning ordinance amendment is in conformance with the latest adopted
30 general plan for the City because it implements General Plan Implementation
31 Program LU-P-16 (Development Review Process) to evaluate and improve the
32 development review process for increased efficiency and effectiveness.
33

- 34 2. *The zoning ordinance amendment will protect the public health, safety and*
35 *welfare.*
36

37 The zoning ordinance amendment protects the public health, safety and welfare
38 because improving the City's development review process results in better
39 practices, compliance, and effectiveness.
40
41

1 **SECTION 3: PLANNING COMMISSION ACTIONS**

2
3 The Planning Commission hereby takes the following actions:

- 4
5 1. The Planning Commission approves Resolution No. 15-014 recommending that
6 the City Council adopt the proposed Ordinance which is attached hereto and
7 incorporated herein by reference as Exhibit "A."
8

9 **PASSED, APPROVED AND ADOPTED** this 7th day of July, 2015, by the
10 following vote:

11
12 **AYES:** Chairman Gifford, Vice Chair Perciful, Commissioners Overmyer, Wilhelm
13 and Vasquez

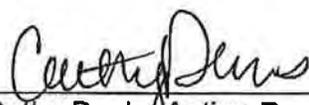
14 **NOES:**

15 **ABSTAIN:**

16 **ABSENT:**

17
18
19
20 
21 _____
22 John Gifford, Chairman
23 Hemet Planning Commission

24 **ATTEST:**

25
26 
27 _____
28 Cathy Davis Acting Records Secretary
Hemet Planning Commission



AGENDA # 30

Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Gary Thornhill, Interim City Manager 
Deanna Elliano, Community Development Director 

DATE: July 28, 2015

RE: **ZONING ORDINANCE AMENDMENT (ZOA) NO. 15-004**: A city-initiated ordinance amending section 90-77 (Animal regulations and keeping requirements) of Chapter 90 (Zoning) of the Hemet Municipal Code to update the regulations on residential chicken keeping.

RECOMMENDED ACTION:

That the City Council:

1. *Introduce by title only, and waive further reading of **Ordinance Bill No. 15-020** approving Zoning Ordinance Amendment No. 15-004 as recommended by the Planning Commission.*

BACKGROUND

The proposed amendment was initiated by the City Council at its meeting of March 13, 2014 during a discussion of ZOA14-001, which updated the zoning regulations pertaining to the agricultural zones and the animal keeping regulations. On January 27, 2015, the City Council directed staff to re-examine the regulations pertaining to chicken keeping to determine whether opportunities for residential backyard chicken keeping could be expanded to a greater number of residents. In response to the directive, staff compiled the regulations of a variety of cities, researched the potential impacts on the community, discussed options with the Ramona Humane Society, the City's Code Enforcement Division, and other interested parties, and prepared proposed amendments to the zoning ordinance (ZOA15-004) for consideration by the Planning Commission and City Council.

On May 19, 2015, the Planning Commission considered ZOA15-004 (chicken keeping), which recommended that Section 90-77 (Animal Regulations and Keeping Requirements) of the Hemet Municipal Code be amended to increase the number of zoning districts in which backyard chickens would be permitted and to establish regulations for the care and maintenance of the birds. The Planning Commission and residents who spoke at the public hearing expressed both support and concern about the proposed amendment. At the conclusion of the hearing, the Planning Commission requested additional information from staff and continued the public hearing to June 2, 2015.

On June 2, 2015, the Planning Commission re-opened the public hearing, took additional testimony, and after a thorough discussion decided on a 3-1 vote to recommend approval of ZOA15-004 to the City Council with modifications. The proposed ordinance as amended by the

Planning Commission is attached as Attachment 1 to this report. The minutes of the two Planning Commission hearings are included as Attachment 3 and provide a summary of the Commission's deliberations and the comments expressed by members of the public.

Existing Regulations

Currently, chicken keeping is permitted only in the agriculture zones and in the larger lot single family residential zones. The Hemet Municipal Code Section 90-77 (Animal regulations and keeping requirements) establishes separate minimum lot size and maximum number of chickens permitted for the agricultural zones (A-1, A-2) and for certain single family residential zones (RA, R1-40, and R-20), as shown in the table below.

HMC Section 90-77						
Existing Regulations for Chicken Keeping						
	Type of Animal Use		Allowable Zoning District	Minimum Lot Size	Maximum Number Allowed	Supplemental Regulations
11	Poultry and other domesticated birds kept for their eggs, meat, or feathers	Chickens	A-1, A-2	1 acre	12 hens and 1 rooster per acre to a maximum of 50 hens and 2 roosters.	No poultry or any pen, coop, stable or barn shall be kept within 50 feet of a residentially zoned property line
			RA, R1-40, R1-20	20,000 Sq. ft.	2 hens, no rooster	

ANALYSIS

Interest in urban backyard chicken farming is growing throughout the nation, including in the City of Hemet, as families search for healthier and safer food choices. Staff has received several phone calls from residents wanting to raise chickens in their backyards. Chickens fit well into a backyard food production model by offering a sustainable and less expensive option for eggs. Bookstores and retailers as diverse as Williams Sonoma, Tractor Supply, and Costco are expanding their inventory to include books, coops, and supplies supporting backyard homesteading and farming.

In preparing the proposed ordinance, staff compiled the regulations of a variety of cities, researched the potential impacts on the community, discussed options with the Ramona Humane Society, the City's Code Enforcement Division and other interested parties, and proposed amendments that allow chicken keeping in a broader range of single family zones, pursuant to specified conditions and regulations.

Review of City Ordinances

The standards and regulations proposed by staff and recommended by the Planning Commission are based on the review and analysis of numerous local jurisdictions as well as recognition of resident interest in urban backyard chicken keeping. A summary of the chicken keeping regulations for eight cities within Western Riverside County and the County of Riverside are shown in Attachment 4. Additionally, Attachment 7 is a research paper prepared by a student at the University of New Mexico entitled, "Residential Urban Chicken Keeping: An Examination of 25 Cities." The study compares the ordinances pertaining to chicken keeping for 25 diverse communities throughout the United States and makes several recommendations for cities that might be considering urban chicken keeping ordinances. Staff relied on the conclusions of this paper as well as discussions with residents who have kept chickens in the past, and discussions

with code enforcement and animal control officers. The approach taken by each jurisdiction is not identical, but each provided options for consideration by the City of Hemet.

PROPOSED ORDINANCE AMENDMENT

ZOA15-004 does not propose any changes to the regulations pertaining to the A-1 and A-2 zones. The ordinance amendment would only affect chicken keeping regulations in the single family residential zones; therefore, staff uses the term “residential backyard chicken keeping” in this staff report to clarify the scope of the proposed amendments.

Zoning Districts

The proposed ordinance amendment, as modified by the Planning Commission, recommends permitting backyard chicken keeping in two additional single family residential zones: R1-10 (minimum lot size 10,000) and R1-7.2 (minimum lot size 7,000 square feet). Staff originally proposed also permitting backyard chicken keeping in the R1-6 (minimum lot size 6,000 square feet) zone, but the majority of the Planning Commissions felt that 6,000 square feet was too small of a lot size to be able to effectively manage the noise, odor, and other potentially negative impacts of raising chickens.

The proposed regulations apply only to the conventional R-1 zones, and specifically exclude mobile home parks and RV parks. Residential properties located within specific plan zones are subject to the development standards of their specific plan. To ensure clarification of applicability, the Planning Commission added language that specifies that chicken keeping is prohibited in the planned developments unless determined otherwise by an established homeowners association. In addition, as stated in the proposed ordinance, the regulations do not supersede the Covenants, Conditions, or Restrictions (CC&Rs) of an active Homeowners Association.

To demonstrate visually the applicability of the proposed ordinance, two maps are attached to this staff report. Attachment 5 is the zoning map, which shows the location of territory zoned Specific Plan, Planned Community Development, or Planned Unit Development (in a tan color). Residents within these zones would comply with the standards and regulations established by the governing Plan and/or homeowners association. If there is no Specific Plan or homeowners association, the regulations of Section 90-77 would apply. Attachment 6 highlights the location of the Agriculture and RA zones, (in which chicken keeping is currently permitted); and the R1-10, R1-7.2, and R1-6 zones, in which residential backyard chicken keeping was considered. There are currently no properties within the City zoned R1-20 or R1-40.

Number of Permitted Chickens

Roosters are currently prohibited in the residential zones and the ordinance specifies that they remain prohibited in all residential zones. Currently, the code permits two female chickens or hens in the RA, R1-40, and R1-20 zones. As discussed at the public hearings, two chickens would not produce enough eggs to meet the needs of the average family. Additionally, chickens have a communal approach to the incubation of eggs and raising of young. Riverside County and the City of Wildomar allow up to 4 chickens on lots from 7,200 to 39,999 square feet and neither receives complaints regarding hens, according to their Planning and Code Enforcement Divisions. Other jurisdictions allow for 1 additional chicken for every 1,000 square feet of lot area or by distance to a residence.

Nuisance Factors and Distance Requirements

Opposition to residential backyard chicken keeping centers on the appropriateness of chickens in an urban environment because of their potential to generate odors and noise, attract flies and rodents, bring diseases, escape from backyard pens and coops, and be adopted by urban families who do not know how to care for livestock. To address these concerns, staff added provisions to the ordinance that require owners to keep chickens within a suitable pen or enclosure, maintain the premises in a clean and sanitary condition, not subject the chickens to suffering, cruelty or abuse, and keep all feed in a vermin proof container. Complaints regarding odor, cleanliness, treatment, or noise would be investigated and handled by the City's Code Enforcement Division or the Ramona Humane Society Animal Control, as applicable depending upon the nature of the violation.

ZOA15-04 does not include distance separation requirements because they are difficult to monitor and do not address the nuisance considerations incorporated into the development standards. Staff believes that concerns regarding noise, smells, disease, attracting flies and rodents, and the potential of chickens running loose or being treated cruelly are better addressed through regulations that help ensure the proper care and maintenance of backyard chickens than through distance requirements.

The proposed ordinance includes the following operational standards and requirements for residential chicken keeping:

(h) Chicken keeping in the residential zones is subject to the following:

- (1) Chicken keeping is prohibited in any zone not listed in Sec. 90-77(g)(11), and within any mobile home park or RV park community.*
- (2) Residential properties located within a specific planned area, planned unit development overlay district, or planned community development zone are subject to the development standards of the respective zone. If the development standards do not address chicken keeping, chicken keeping is prohibited unless determined otherwise by an established homeowners association or CC&Rs. If there is no homeowners association, the provisions of this section shall apply.*
- (3) The regulations of this section do not supersede any Covenants, Conditions, or Restrictions (CC&Rs) established by a homeowners association.*
- (4) Chickens permitted to be kept per this section shall not be permitted to run at large on the lot or off the lot. Chickens shall be kept at all times within a suitable pen, coop, or enclosure with features such as an indoor or outdoor runway, a nesting box for eggs, and an area that provides protection from the weather and from predators.*
- (4) All pens, coops, and enclosures are subject to the size and setback requirements for accessory buildings of the zone in which the property is located.*
- (5) All feed must be stored in a vermin proof container.*
- (6) Eggs produced by chickens permitted pursuant to this section are for personal use only and may not be sold commercially.*
- (7) The premises where the chickens are kept shall be maintained in a clean and sanitary condition and free from offensive odors. Chicken excreta must be disposed of in the manner prescribed by the property's waste collection company.*

-
- (8) *The chickens shall not be subject to suffering, neglect, cruelty or abuse. Clean potable water and food receptacles shall be accessible to the chickens, and shall be located so as to minimize contamination by excreta.*
- (9) *The slaughtering of chickens is prohibited on residential properties.*
- (10) *It is the responsibility of owners to maintain their animals so that they do not disturb the neighbors. Complaints regarding odor, cleanliness, treatment, or noise shall be investigated by city code enforcement or animal control officers and may result in citation if the provisions of this section are not being met.*

PLANNING COMMISSION PUBLIC HEARINGS

The Planning Commission took public testimony on ZOA15-004 at two noticed public hearings: May 19, 2015 and June 2, 2015. Three members of the public spoke on this item. Two of the speakers were residents and backyard chicken keepers who supported the proposed ordinance amendment. The third resident spoke against backyard chicken keeping in 6,000 square foot lots and recommended incorporating a distance requirement to try to “prevent problems and protect neighbors from the beginning.”

Proponents of residential backyard chicken keeping highlighted the benefits of fresh, non-factory eggs and expressed support for the “farm-to-table” movement and for extending opportunities to participate in a healthier life style to all residents in Hemet. Opponents expressed concerns about the potential negative impacts of residential backyard chicken keeping on residential neighborhoods. The discussion, which centered on how to mitigate the impact without over-regulation, focused on the following areas: zoning and lot size, distance requirements, number of permitted chickens, Community Development Director authority to issue adjustments to the regulations, and General Plan consistency.

The Planning Commissioners discussed the proposed amendment in detail. Commissioner Vasquez was adamantly opposed to reducing the minimum lot size for chicken keeping from 20,000 square feet due to concerns about health and nuisance. He questioned the General Plan land use goals and policies that were referenced in the Planning Commission resolution and presented other goals and policies that in his opinion would prohibit approval of the proposed ordinance amendment, and subsequently voted against the recommended ordinance.

The other Commissioners present voted to support the proposed amendment with modifications after a thorough discussion on how to balance a resident’s choice of healthier and safer food options with the impact on the neighbors. Commissioner Overmyer researched the topic on his own and reported that many jurisdictions in the nation are struggling with the same issue as the “farm-to-table” movement gains momentum. The majority of the Commissioners determined that it would be appropriate to amend Hemet’s lot size and maximum number of chickens to mirror those of the County of Riverside, which borders the City on the south, east, and west. (Staff checked with County Code Enforcement regarding complaints on chicken keeping in the unincorporated areas surrounding Hemet and was informed that the only complaints received were about roosters, not chickens.) Additionally, the Planning Commission noted that the areas within the City that are zoned R1-10 and R1-7.2 and would be permitted backyard chickens under ZOA15-004 generally about the A (Agriculture) and RA (Residential Agriculture) zones in which chicken keeping is currently allowed. Therefore, with the incorporation of development standards intended to ensure proper care of chickens and to minimize the nuisance impacts, the Planning Commission majority felt the balance between those residents interested in backyard chicken keeping and their neighbors was achievable through ZOA15-004.

CONSISTENCY WITH ADOPTED GOALS, PLANS, AND PROGRAMS

All zoning ordinance amendments must demonstrate consistency with the General Plan. The adopted Planning Commission Resolution supporting the ordinance (Attachment 2) concludes that ZOA15-004 is consistent with the latest adopted general plan for the City because it conforms with General Plan Policy LU-15.9 regarding “increasing accessibility to healthy food choices” and “reducing barriers to the production and distribution of locally grown food”; and with General Plan Goal LU-1 to “achieve a balanced and sustainable pattern of land uses, community services, and amenities that provide for the needs of residents and businesses and enhance the overall quality of life in the community.”

COORDINATION AND PUBLIC REVIEW

In preparation for this proposed amendment, staff spoke with the City’s Code Enforcement Officers and with Mr. Hitchcock, the Director of Animal Control of the Ramona Humane Society. The Code Enforcement Division does not receive many complaints about chickens, only about roosters, which are prohibited in residential zones under ZOA15-004. Mr. Hitchcock opposes allowing chickens in residential zones because of concerns regarding potential cruelty, maintenance, and neighborhood compatibility. However, if the City does decide to approve the proposed amendment, Mr. Hitchcock recommends prohibiting roosters, limiting the number of chickens to 3, and not allowing free roaming because chickens can fly and escape over backyard fencing.

On July 17, 2015, the City published a notice in the Press Enterprise of the holding of a public hearing before the City Council on July 28, 2015 at which the amendments to the City’s zoning ordinance would be considered. At the time of the writing of this staff report, no comments had been received.

CEQA REVIEW AND COMPLIANCE

The City has analyzed this proposed project and has determined that it is exempt from the California Environmental Quality Act (CEQA) under section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. ZOA15-004 does not relate to any physical project and will not result in any physical change to the environment. Therefore, it can be seen with certainty that there is no possibility that this Ordinance may have a significant adverse effect on the environment, and therefore, the adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

CONCLUSION

The proposed amendment responds to the increased interest in backyard chicken keeping in Hemet and attempts to achieve a balance between residents seeking home-based organic foods and their neighbors, subject to the inclusion of regulations that ensure proper care and maintenance. However, the decision regarding amending the current animal keeping regulations to expand opportunities for backyard chicken keeping to any or all residential zones is discretionary, and the Council may wish to add or modify the ordinance as recommended by the Planning Commission.

FISCAL IMPACT:

There is no direct fiscal impact resulting from the adoption of Ordinance Bill No. 15-020 and the implementation of ZOA15-004.

Respectively Submitted,



Deanna Elliano
Community Development Director

ATTACHMENTS:

1. Proposed City Council Ordinance Bill No. 15-020
 - a. Proposed amendments to Sec. 90-77 (Animal regulations and keeping requirements) (Exhibit 1 to Ordinance Bill No. 15-020)
2. Planning Commission Resolution No. 15-011 (without attachment)
3. Planning Commission Minutes from the May 19 and June 2, 2015 meetings
4. Comparison of chicken keeping regulations in Western Riverside County
5. Official zoning map showing location of planned communities
6. Zoning map outlining the agriculture and single-family residential zones in which backyard chicken keeping is under consideration.
7. "Residential Urban Chicken Keeping: An Examination of 25 Cities", KT LaBadie, CRP 580 Spring 2008, University of New Mexico, May 7th, 2008

Attachment 1



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2
3
4 **CITY OF HEMET**
5 **Hemet, California**
6 **ORDINANCE BILL NO. 15-020**

7 **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF**
8 **HEMET CALIFORNIA AMENDING SECTION 90-77**
9 **(ANIMAL REGULATIONS AND KEEPING**
10 **REQUIREMENTS) OF CHAPTER 90 (ZONING**
11 **ORDINANCE) OF THE HEMET MUNICIPAL CODE TO**
12 **UPDATE THE REGULATIONS ON CHICKEN KEEPING.**

13 **WHEREAS**, the proposed zoning ordinance amendment (ZOA15-004) responds
14 to the increased local interest in backyard chicken farming while ensuring that land use
15 conflicts are mitigated and adjacent residential neighborhoods are protected; and

16 **WHEREAS**, the proposed amendment conforms with Goal LU-1 of the Hemet
17 General Plan to achieve a balanced and sustainable pattern of land uses, community
18 services, and amenities that provide for the needs of the City's residents and businesses
19 and enhance the overall quality of life in the community; and

20 **WHEREAS**, approval of these zoning ordinance amendments will not
21 detrimentally affect the health, safety, or welfare of residents of the City of Hemet; and

22 **WHEREAS**, on May 19, 2015 and June 2, 2015, the Planning Commission was
23 presented with a draft of this Ordinance Bill No. 15-020 and, after conducting a duly
24 noticed public hearing, voted to recommend that the City Council approve Ordinance Bill
25 No. 15-020; and

26 **WHEREAS**, on July 28, 2015, the City Council considered the Ordinance, the
27 Planning Commission's findings, and the record of information regarding ZOA 15-004 at
28 a duly noticed public hearing, at which time interested persons had an opportunity to
provide testimony on this matter.

1 **NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF HEMET DOES HEREBY**
2 **ORDAIN AS FOLLOWS:**

3 **SECTION 1: AMENDMENT OF SECTION 90-77 (ANIMAL KEEPING)**

4 Section 90-77 (Animal Regulations and Keeping Requirements) of Chapter 90
5 (Zoning) of the Hemet Municipal Code is amended as shown in Exhibit 1 hereto, to
6 expand the number of zones in which chicken keeping is allowed and to establish
7 regulations for the proper care, maintenance, and enforcement of backyard chicken
8 farming.

9 **SECTION 2: CEQA FINDINGS.**

10 The City has analyzed this proposed project and has determined that it is exempt
11 from the California Environmental Quality Act ("CEQA") under section 15061(b)(3) of the
12 CEQA Guidelines, which provides that CEQA only applies to projects that have the
13 potential for causing a significant effect on the environment. The proposed text changes
14 do not relate to any physical project and will not result in any physical change to the
15 environment. Therefore, it can be seen with certainty that there is no possibility that this
16 Ordinance may have a significant adverse effect on the environment, and therefore the
17 adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the
18 CEQA Guidelines.

19 **SECTION 3: SEVERABILITY.**

20 If any section, subsection, subdivision, sentence, clause, phrase, or portion of this
21 Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any
22 court of competent jurisdiction, such decision shall not affect the validity of the remaining
23 portions of this Ordinance. The City Council hereby declares that it would have adopted
24 this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or
25 portion thereof, irrespective of the fact that any one or more sections, subsections,
26 subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or
27 unconstitutional.
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SECTION 4: EFFECTIVE DATE.

This Ordinance shall take effect thirty (30) days from its passage by the City Council of the City of Hemet.

SECTION 5: PUBLICATION.

The City Clerk is authorized and directed to cause this Ordinance to be published within fifteen (15) days after its passage in a newspaper of general circulation and circulated within the City in accordance with Government Code Section 36933(a) or, to cause this Ordinance to be published in the manner required by law using the alternative summary and pasting procedure authorized under Government Code Section 39633(c).

INTRODUCED at the regular meeting of Hemet City Council on the 28th day of July, 2015.

APPROVED AND ADOPTED this 11th day of August, 2015.

Linda Krupa, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

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State of California)
County of Riverside)
City of Hemet)

I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing Ordinance was introduced and first read on the 28th day of July, 2015, and had its second reading at the regular meeting of the Hemet City Council on the 11th day of August, 2015, and was passed by the following vote:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

Sarah McComas, City Clerk

Ordinance Bill No. 15-020 proposes the following amendments, **as shown in red** to the zoning ordinance sections of Chapter 90 (Zoning) listed below. No other provisions in Sec. 90-77 are affected by the proposed ordinance amendment.

Sec. 90-77. - Animal regulations and keeping requirements.

- (a) The regulation and keeping of animals is additionally subject to the provisions of HMC Chapter 10 Animals.
- (b) Offspring of animals shall not be counted toward the maximum allowed number of animals until they have reached the age of four months for cats, dogs and other small animals, six months for large animals, and 12 months for horses.
- (c) Animals shall not be kept in any required front or side yard setback.
- (d) The conditions under which animals are kept must meet all applicable local, state, and federal laws and regulations.
- (e) Animals and/or conditions under which animals are kept shall not create a public nuisance and shall protect the public health and safety and the health and safety of the animals.
- (f) The raising, training, breeding, or keeping of allowed animals in residential zones for commercial purposes shall require a conditional use permit.
- (g) Animals permitted in each zone shall be as listed within the Animal Regulations and Keeping Requirements Matrix.

Animal Regulations and Keeping Requirements Matrix					
	Type of Animal Use	Allowable Zoning District	Minimum Lot Size	Maximum Number Allowed	Supplemental Regulations
11	Poultry and other domesticated birds kept for their eggs, meat, or feathers Chickens	A-1, A-2	Per-zone 1 acre	12 hens and 1 rooster per acre to a maximum of 50 hens and 2 roosters.	No poultry or any pen, coop, stable or barn shall be kept within 50 feet of a residentially zoned property line
		RA, R1-40, R1-20, R1-10, R1-7.2	20,000 sq ft 7,200 sf	2 4 hens, no rooster	Pursuant to Sec. 90-77(h)
12	Turkeys, geese, ducks, peacocks,	Other domesticated birds including turkeys, geese, ducks, peacocks, RA, A-1, A-2	1 acre	6	No poultry or any pen, coop, stable or barn shall be kept within 50 feet of a residentially

	pigeons, emu, and other domesticated birds	pigeons, and emu				zoned property line
12 13	Sheep and/or goats-all types		RA, A-1, A-2	1 acre	4 per acre to a maximum of 15	No sheep, goats or any pen, coop, stable or barn shall be kept within 50 feet of a residentially zoned property line
			All zones	None	No maximum	With a Temporary Use Permit per Sec. 90-73, goats and/or sheep may be used for cleaning vacant sites of plant materials for no more than four weeks per six-month period
13 14.	Small animals	Including but not limited to chinchilla, hamsters, guinea pigs, rats, mice, rabbits and non-venomous reptiles	All residential	None	10	No small animal pen or coop shall be kept within 10 feet of a residentially zoned property line
			A-1, A-2	Per zone	20	

(h) Chicken keeping in the residential zones is subject to the following:

- (1) Chicken keeping is prohibited in any zone not listed in Sec. 90-77(g)(11), and within any mobile home park or RV park community.
- (2) Residential properties located within a specific planned area, planned unit development overlay district, or planned community development zone are subject to the development standards of the respective zone. If the development standards do not address chicken keeping, chicken keeping is prohibited unless determined otherwise by an established homeowners association or CC&Rs. If there is no homeowners association, the provisions of this section shall apply.
- (3) The regulations of this section do not supersede any Covenants, Conditions, or Restrictions (CC&Rs) established by a homeowners association.
- (4) Chickens permitted to be kept per this section shall not be permitted to run at large on the lot or off the lot. Chickens shall be kept at all times within a suitable pen, coop, or enclosure with features such as an indoor or outdoor runway, a nesting box for eggs, and an area that provides protection from the weather and from predators.

- (4) All pens, coops, and enclosures are subject to the size and setback requirements for accessory buildings of the zone in which the property is located.
- (5) All feed must be stored in a vermin proof container.
- (6) Eggs produced by chickens permitted pursuant to this section are for personal use only and may not be sold commercially.
- (7) The premises where the chickens are kept shall be maintained in a clean and sanitary condition and free from offensive odors. Chicken excreta must be disposed of in the manner prescribed by the property's waste collection company.
- (8) The chickens shall not be subject to suffering, neglect, cruelty or abuse. Clean potable water and food receptacles shall be accessible to the chickens, and shall be located so as to minimize contamination by excreta.
- (9) The slaughtering of chickens is prohibited on residential properties.
- (10) It is the responsibility of owners to maintain their animals so that they do not disturb the neighbors. Complaints regarding odor, cleanliness, treatment, or noise shall be investigated by city code enforcement or animal control officers and may result in citation if the provisions of this section are not being met.

Attachment 2



CITY OF HEMET
Hemet, California

PLANNING COMMISSION
RESOLUTION NO. 15-011

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HEMET, CALIFORNIA, RECOMMENDING THAT THE CITY COUNCIL ADOPT ZONING ORDINANCE AMENDMENT NO. 15-004, AN ORDINANCE AMENDING SECTION 90-77 (ANIMAL REGULATIONS AND KEEPING REQUIREMENTS) OF CHAPTER 90 (ZONING ORDINANCE) OF THE HEMET MUNICIPAL CODE TO UPDATE THE REGULATIONS ON CHICKEN KEEPING.

WHEREAS, pursuant to Government Code sections 65854 and 65855, the Planning Commission has the authority to review and make recommendations to the City Council regarding amendments to the City's zoning ordinances; and

WHEREAS, on May 9, 2015, the City gave public notice by publishing notice in the Press Enterprise of the holding of a public hearing at which the amendment to the City's zoning ordinances would be considered; and

WHEREAS, on May 19, 2015 and June 2, 2015, the Planning Commission held the noticed public hearing at which interested persons had an opportunity to testify in support of, or opposition to, the proposed amendment to the City's zoning ordinance and at which time the Planning Commission considered the proposed amendment to the City's zoning ordinance; and

WHEREAS, the City has analyzed this proposed project and has determined that it is exempt from the California Environmental Quality Act ("CEQA") under section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect of the environment; and

WHEREAS, attached as Exhibit "A" is the proposed Ordinance Bill No. 15-020; and

NOW, THEREFORE, the Planning Commission of the City of Hemet does Resolve, Determine, Find and Order as follows:

1 **SECTION 1: ENVIRONMENTAL FINDINGS**

2
3 The Planning Commission, in light of the whole record before it, including but not limited
4 to, the City's Local CEQA Guidelines and Thresholds of Significance, the direction of
5 the Planning Commission at its meetings on May 19, 2015 and June 2, 2015 and
6 documents incorporated therein by reference, and any other evidence (within the
7 meaning of Public Resources Code Sections 21080(e) and 21082.2) within the record
8 or provided at the public hearing of this matter, hereby finds and determines as follows:
9

- 10 1. **CEQA:** The City has analyzed this proposed project and has determined that it is
11 exempt from the California Environmental Quality Act ("CEQA") under section
12 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to
13 projects that have the potential for causing a significant effect on the
14 environment. The amendments proposed by this Ordinance do not relate to any
15 physical project and will not result in any physical change to the environment.
16 Therefore, it can be seen with certainty that there is no possibility that this
17 Ordinance may have a significant adverse effect on the environment, and
18 therefore the adoption of this Ordinance is exempt from CEQA pursuant to
19 Section 15061(b)(3) of the CEQA Guidelines.
20

21 **SECTION 2: ZONING ORDINANCE AMENDMENT FINDINGS**

22
23 Pursuant to Hemet Municipal Code Section 90-41.5(a), the Planning Commission
24 makes the following findings with respect to this zoning ordinance amendment:
25

- 26 1. *The zoning ordinance amendment is in conformance with the latest adopted*
27 *general plan for the City.*
28

29 The zoning ordinance amendment is in conformance with the latest adopted
30 general plan for the City because it conforms with the following goals of the
31 Hemet General Plan:
32

- 33 a. LU-1: Achieve a balanced and sustainable pattern of land uses, community
34 services, and amenities that provide for the needs of the City's residents and
35 businesses and enhance the overall quality of life in the community.
36 b. LU-15.9: Increase access to healthy foods by encouraging a mix of food
37 establishments that offer healthy food choices, supporting neighborhood and
38 community gardens, promoting farmers markets, and reducing barriers to the
39 production and distribution of locally grown food.
40

- 41 2. *The zoning ordinance amendment will protect the public health, safety and*
42 *welfare.*
43

44 The zoning ordinance amendment protects the public health, safety and welfare
45 because updating zoning requirements for chicken-keeping responds the

1 increased local interest in backyard chicken farming while ensuring that land use
2 conflicts are mitigated and adjacent residential neighborhoods are protected.
3

4 **SECTION 3: PLANNING COMMISSION ACTIONS**
5

6 The Planning Commission hereby takes the following actions:
7

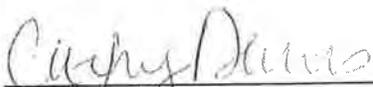
- 8 1. The Planning Commission approves Resolution No. 15-011 recommending that
9 the City Council adopt the proposed Ordinance Bill No. 15-020 which is attached
10 hereto and incorporated herein by reference as Exhibit "A".
11

12 **PASSED, APPROVED AND ADOPTED** this 2nd day of June, 2015, by the
13 following vote:
14

15 AYES:
16 NOES:
17 ABSTAIN:
18 ABSENT:
19

20
21 
22 _____
23 John Gifford, Chairman
Hemet Planning Commission

24 ATTEST:
25

26
27 
28 _____
29 Cathy Davis, Interim Records Secretary
30 Hemet Planning Commission

Attachment 3

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PLANNING COMMISSION

MEETING MINUTES

DATE: MAY 19, 2015

CALLED TO ORDER: 6:00 P.M.

MEETING LOCATION: City Council Chambers
450 East Latham Avenue
Hemet, CA 92543

1. CALL TO ORDER:

PRESENT: Chairman John Gifford, Vice Chairman Michael Perciful, and Commissioners Vince Overmyer, Tami Wilhelm, and Greg Vasquez

ABSENT: None

Invocation and Flag Salute: Chairman John Gifford

2. OATH OF OFFICE FOR NEW COMMISSIONER WILHELM

CDD Elliano administered the oath of Office to Commissioner Tami Wilhelm, and Chair Gifford welcomed her, noting the work she has done in the community.

3. APPROVAL OF MINUTES:

A. Minutes for the Planning Commission Meeting of April 7, 2015

It was **MOVED** by Commissioner Vince Overmyer and **SECONDED** by Vice Chairman Michael Perciful to approve the Minutes of Planning Commission Meeting of April 7, 2015.

The **MOTION** was carried by the following vote:

AYES: Chairman John Gifford, Vice Chair Michael Perciful, Commissioners Vince Overmyer, Tami Wilhelm and Greg Vasquez

NOES: None

ABSTAIN: Wilhelm

4. PUBLIC COMMENTS:

There were no members of the public who wished to address the commission regarding items not on the agenda.

1
2 It was **MOVED** by Commissioner Vince Overmyer and **SECONDED** by Tami Wilhelm
3 to **ADOPT** Planning Commission Resolution Bill No. 15-011 approving CUP 15-002
4 subject to the Conditions of Approval and direct staff to file a Notice of Exemption with
5 the County Clerk.

6
7 The **MOTION** was carried by the following vote:

8
9 **AYES:** Chairman John Gifford, Vice Chair Michael Perciful, Commissioners
10 Vince Overmyer, Tami Wilhelm and Greg Vasquez

11 **NOES:** None
12

13 **8. ZONING ORDINANCE AMENDMENT (ZOA) NO. 15-004** – A city-initiated
14 ordinance amending Section 90-77 (Animal Regulations and Keeping
15 Requirements) of Chapter 90 (Zoning Ordinance) of the Hemet Municipal Code to
16 update the regulations on chicken keeping.
17

18 **Project Information:**

19
20 Applicant: City of Hemet
21 Location: Citywide
22 Presented by: Nancy Gutierrez, Contract Planner
23

24 **Recommended Action:**

25
26 That the Planning Commission:

27
28 *A. Adopt Planning Commission Resolution Bill No. 15-010*
29 *recommending APPROVAL of Zoning Ordinance Bill No. 15-020 to*
30 *the City Council, and;*
31

32 *B. Direct Staff to file a Notice of Exemption with the County Clerk.*
33

34 (PowerPoint presentation by Planner Nancy Gutierrez)
35

36 Chairman Gifford asked if roosters would be allowed in the residential zones and if the
37 eggs could be sold as a cottage business.
38

39 Planner Gutierrez stated no roosters would be permitted in any residential zone. The
40 proposed ordinance amendment does not address the selling of eggs in a residential
41 zone, but the Planning Commission could offer an amendment to clarify the prohibition.
42

43 Vice Chair Perciful expressed his opinion that the city is moving in the right direction by
44 rolling back some of the regulations. The concerns expressed about chickens are the
45 same as for dogs and cats, which are permitted by right. Animal cruelty should be less
46 of an issue because people who own chickens do so for egg production so have a
47 vested interest in their wellbeing. He also felt the maximum number of chickens should
48 be increased from four to six.
49
50

1 Commissioner Wilhelm asked if there is a restriction on distance between neighboring
2 residential dwellings and chicken coops and if there is a restriction on containers for
3 feeding, not just food storage.
4

5 Planner Gutierrez said the proposed distance restriction is the setback requirement for
6 the zone for accessory structures. The amendment only addresses food storage
7 containment.
8

9 Commissioner Wilhelm also asked about provisions for administrative changes and
10 how complaints are handled.
11

12 CDD Elliano explained that the administrative provisions in the proposed amendment
13 would allow her to impose additional requirements like additional setbacks for those
14 areas where they're asking for more than the minimum number of chickens. If people
15 have complaints, they have the ability to call us and Code Enforcement will check out
16 what the situation is and what needs to be done to correct it.
17

18 Commissioner Wilhelm also wanted to know if free-ranging would be permitted in the
19 Ag zone.
20

21 Planner Gutierrez stated that there are no restrictions in the Ag zone regulating free
22 range chickens. CDD Elliano further explained as to free-ranging, the owner has to
23 have a fenced yard so they can't be in the street or loose in the front yard, but they
24 don't have to be in the coop the entire time.
25

26 Commissioner Vasquez questioned why this issue was back to the Planning
27 Commission as a previous zone ordinance amendment had been approved recently
28 that updated the standards on raising chickens.
29

30 Ms. Gutierrez stated that the City Council had requested that staff to reexamine this
31 issue and directed staff to initiate the Zoning Ordinance Amendment. In addition, there
32 had been about half a dozen inquiries in the past year about the City's chicken keeping
33 policies. The City has received complaints about roosters, but not chickens.
34

35 Commissioner Vasquez questioned the General Plan land use goals and policies that
36 were referenced in the Planning Commission resolution (LU-15.9) to support approval
37 of the proposed ordinance amendment. He didn't think they were applicable and
38 presented other goals and policies that in his mind would prohibit approval of the
39 proposed zone ordinance amendment, and suggested General Plan policies LU-3.2,
40 LU-3.3, LU-3.9, and LU-6.7.
41

42 He also asked about the State Proposition dealing with cruelty to animals and concerns
43 about manure that brought in rodents and became a safety hazard.
44

45 CDD Elliano explained that the State Prop had to do with commercial production and
46 the space allocated to chickens within enclosures. She felt that the proposed
47 regulations regarding coops and pens in residential zones are in alignment with the
48 State proposition. The proposed ordinance states that waste has to be disposed of in
49 a manner outlined by the waste management company and could not be a nuisance.
50

1 Commissioner Vasquez had questions about how the proposed 6,000 square foot lot
2 minimum was determined and expressed his opposition to proposed amendment. He
3 also recommended eliminating the section that gives the Community Development
4 Director flexibility in administering the development standards.
5

6 Chairman Gifford opened the public hearing.
7

8 Dianne May, 1020 Madison Place, Hemet, CA has been a chicken keeper for 20 years
9 and outlined what needs to be done to prudently raise chickens. She said most people
10 don't realize that you don't have to have a rooster to have eggs. She stated there are
11 more pros than cons to raising chickens.
12

13 Commissioner Vasquez reiterated that his concern was the size of the lots being
14 allowed and the number of chickens.
15

16 Brian Ruben (no address given) said he felt that 6,000 square feet was too small a lot
17 and there needs to be more restrictions as to distance from neighboring houses. He
18 stated he was at the City Council meeting where the issue was sent back to staff and
19 he said he thought one of the City Council members wanted to raise chickens.
20

21 Chairman Gifford closed the public hearing seeing no other audience participants
22 wanting to speak. He then stated that the Commission needs to come up with
23 recommendations to the City Council and cite remedies to the nuisance issues.
24

25 Vice Chair Perciful reminded Commissioners that the proposed ordinance states that
26 these regulations do not supersede any covenants, conditions or restrictions
27 established by an active Homeowners Association. He then asked for the City
28 Attorney to opine on the Community Development Director's ability to grant exceptions
29 to the adopted development standards.
30

31 City Attorney explained that the Commission could add clarifying language for
32 determining when it is appropriate to grant exceptions.
33

34 Commissioner Overmyer stated he's the guy to stand up for the chickens. He
35 applauded the farm-to-table movement in the United States now, not only for health
36 reasons but also for energy savings because of the reduced need to truck food
37 products. He said he would like to see a comparison of dog complaints to chicken
38 complaints and thinks there would be a huge disparity.
39

40 Commissioner Wilhelm stated she tends to lean on the side of less regulation and she
41 is siding with the chickens. She does think, however, there needs to be regulation
42 about how far the coops should be from neighboring houses. This would help chicken
43 keepers be good neighbors by giving them parameters on where to place their coops.
44 She felt raising chickens was a wonderful way to teach children about agriculture.
45

46 Commissioner Vasquez restated his concern about reducing the minimum lot size and
47 his opposition to reconsidering an issue that he felt was appropriately decided last
48 year.
49

50 Chairman Gifford stated he would like more information before he's prepared to make
a recommendation to the City Council and would like staff to do more research. He

1 would like to have staff discuss the options and conditions under which the Community
2 Development Director would have the the flexibility to make changes to the
3 development standards and to provide data on the average sized development lot in
4 the City. Therefore, he wanted to make a motion to continue this item.
5

6 It was **MOVED** by Chairman John Gifford and **SECONDED** by Commissioner Greg
7 Vasquez to **CONTINUE** this item to the next Planning Commission meeting and direct
8 staff to address the issues brought up by the Commission.
9

10 The **MOTION** was carried by the following vote:
11

12 **AYES:** Chairman John Gifford, Vice Chair Michael Perciful, Commissioners
13 Vince Overmyer, Tami Wilhelm and Greg Vasquez

14 **NOES:** None
15
16

DEPARTMENT REPORTS

17
18
19
20 **9. CITY ATTORNEY REPORTS:** (Nothing to report.)
21

22
23 **10. COMMUNITY DEVELOPMENT DIRECTOR REPORTS:**

24 **A.** Report on actions from the April 14, April 28 and May 4, 2015 City Council
25 Meetings.
26

27
28 CDD Elliano reported that at the April 14th meeting an at-will agreement for the interim
29 City Manager, Gary Thornhill was approved. The Fire chief, Chief Brown, was
30 promoted to the permanent position. Over the course of the following two meetings,
31 there was considerable discussion about the city's water system, rates, and the
32 governor's new orders and recommendations. An efficiency study on the water
33 department was recommended.
34

35 There was a May 4th meeting relating to an issue that needs a General Plan
36 consistency finding which will be coming to the Commission at the next meeting. The
37 April 28th meeting had nothing directly related to planning, but the Council had a work
38 study on the budget which will continue to the June 9th and June 23rd meetings.
39

40 **B.** Inland Empire Quarterly Economic Report
41

42 CDD Elliano reported that included in their packet was an article by John Husing, who
43 reported on a more stable economic condition for the Inland Empire. There is also an
44 article by Rick Bishop relating to issues that come before the local government in
45 different venues, which include big public policy issues such as gas tax and allocation
46 of funds. There were also updates from SCAG on the Regional Air Quality Plan, the
47 Regional Transportation Plan and the Sustainable Community Plan. Finally, the
48 California drought and what that mandates from a local planning perspective.
49
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PLANNING COMMISSION

MEETING MINUTES

DATE: JUNE 2, 2015

CALLED TO ORDER: 6:00 P.M.

MEETING LOCATION: City Council Chambers
450 East Latham Avenue
Hemet, CA 92543

1. CALL TO ORDER:

PRESENT: Chairman John Gifford, Vice Chairman Michael Perciful,
Commissioners Vince Overmyer,

ABSENT: (Absent with notice) Tami Wilhelm

Invocation and Flag Salute:

2. APPROVAL OF MINUTES: None

3. PRESENTATION OF CERTIFICATE OF APPRECIATION TO FORMER COMMISSIONER RICK CRIMENI

Chairman Gifford expressed his sincere appreciation for the work of Commissioner Rick Crimeni, who had to leave his position for health reasons. Mr. Crimeni was given a certificate from the City of Hemet, noting his distinction and service to the City.

4. PUBLIC COMMENTS:

There were no members of the public who wished to address the commission regarding items not on the agenda.

PUBLIC HEARING ITEMS

5. ZONING ORDINANCE AMENDMENT (ZOA) NO. 15-004 Continued Public Hearing - A city-initiated ordinance amending Section 90-77 (Animal Regulations and Keeping Requirements) of Chapter 90 (Zoning Ordinance) of the Hemet Municipal Code to update the regulations on chicken keeping.

Project Information:

Applicant: City of Hemet
Location: Citywide
Presented by: Nancy Gutierrez, Contract Planner

1
2 **Recommended Action:**
3

4 That the Planning Commission:
5

- 6 1. *Adopt Planning Commission Resolution Bill No. 15-010*
7 *recommending **APPROVAL** of Zoning Ordinance Bill No. 15-020 to*
8 *the City Council, as amended; or*
9
10 2. *Adopt Planning Commission Resolution Bill No. 15-010*
11 *recommending **APPROVAL** of Zoning Ordinance Bill No. 15-020 to*
12 *the City Council, subject to modifications to the proposed ordinance*
13 *as determined by the Planning Commission; or*
14
15 3. *Continue the public hearing on ZOA 15-004 and direct staff to return*
16 *with a resolution recommending **DENIAL** of Ordinance Bill No.*
17 *15-020 to the City Council based upon findings as determined by the*
18 *Planning Commission.*
19

20 (PowerPoint presentation by Planner Gutierrez.)
21
22

23 Planner Gutierrez explained that the proposed ordinance amendment under
24 consideration had been revised subsequent to the May 19, 2015 Planning
25 Commission meeting to delete the provision regarding Community Development
26 Director administrative adjustment authority and to add a provision prohibiting the
27 commercial sale of eggs produced by residential backyard chickens.
28

29 Chairman Gifford reminded the Commission that the final decision will be made by the
30 City Council. The Commission recommends changes, but will not be deciding on the
31 ordinance amendment. He also noted that as shown on the map provided by staff,
32 chicken keeping is currently allowed in the Ag zones and the RA zones, but two hens
33 only in the RA zones.
34

35 Vice Chair Perciful commented that the map indicates that the zones in which
36 backyard chicken keeping is being considered are probably only ten percent of the
37 city. The areas with homeowners associations or specific plans would decide
38 separately whether they wanted to allow chicken keeping.
39

40 Commissioner Overmyer noted that he had listened to an online debate on this issue
41 at a City Council meeting for a city in the mid-west and realized there must be
42 thousands of cities where this issue was being considered. He listened to the whole
43 thing and found it informative.
44

45 Chairman Gifford opened the continued public hearing.
46

47 Luke Parker (no address given) said he had lived in the valley all his life and reminded
48 the Commissioners that this area had started out as an agricultural community. He
49 recommended chicken keeping as an educational opportunity and a positive
50 experience as well as a means to provide fresh eggs. He noted that further limiting
chicken keeping could possibly hurt those businesses dealing with chicken feed and

1 related items. Mr. Parker indicated that he thinks of his chickens as pets and has
2 names for them.

3
4 Commissioner Vasquez and Mr. Parker had an extended conversation regarding the
5 keeping of chickens.

6
7 Seeing no more speakers on this topic, Chairman Gifford closed the public hearing.

8
9 Vice Chair Perciful commented that he felt that less regulation is better. He said that
10 the residential areas in the planned community development or specific planned areas
11 that aren't governed by a homeowners association should be afforded the same
12 opportunity to raise chickens as residents who live within the R-1 zones. It should,
13 however, remain at the minimum lot size of 6,000 or greater.

14
15 Commissioner Overmyer stated that the way the recommendation is worded is fine.
16 He felt it should be approved the way it is.

17
18 Commissioner Vasquez stated that an ordinance should satisfy the needs of most
19 stakeholders and that he didn't think the proposed ordinance amendment would
20 satisfy the majority of the residents of Hemet. It only satisfies a handful. For that
21 reason, he would go on record as opposing this ordinance. He felt strongly that a lot
22 size of 6,000 square feet is too small to raise chickens. Even in the County of
23 Riverside and City of Wildomar, the lot size minimums were 7,200 square feet.
24 Additionally, he felt that his concerns about health and nuisance were not addressed
25 by staff.

26
27 Chairman Gifford asked staff for clarification concerning nuisance and health issues.
28 CDD Elliano said that staff felt the previous report addressed the salient issues and
29 that the proposed development standards would regulate the health and nuisance
30 concerns. She stated that lot size minimums are a policy decision; there is no
31 absolute in terms of right and wrong. Animal keeping, whether chickens or dogs,
32 depends on the behavior of the people keeping the animals. Ms. Elliano said she
33 suspects that more residents keep chickens than staff is aware, but the City does not
34 get code complaints on hens, only on roosters, which are prohibited in the proposed
35 ordinance amendment.

36
37 Commissioner Vasquez reiterated that the 6,000 square-foot lot size was much too
38 small. He said he might be amenable to something in the 10,000 square foot range as
39 a modification.

40
41 Vice Chair Perciful asked if there was a compromise on mirroring what the County
42 does regarding lot size and number of chickens because they're our bordering
43 neighbors. A minimum lot size of 7,200 square feet would be a compromise.

44
45 Commissioner Vasquez stated he thought it best to recommend denial to the City
46 Council because the present law is fine the way it's written.

47
48 Chairman Gifford said looking at the benefit of chicken keeping versus the potential
49 impact gets down to what lot size minimum makes the most sense. The 7,200
50 square-foot requirement matches the County, which is important, and it makes logical
sense because it focuses on those areas of the City which have the least potential of

1 having an adverse impact on the neighbors while offering an alternative to a maximum
2 number of residents.

3
4 Following the discussion, CDD Elliano clarified that the Planning Commission
5 suggested proposal was to establish a 7,200 square foot lot minimum, which would
6 also apply to any planned community development or specific planned area that does
7 not have an active homeowners association. In areas with a homeowners
8 association, the homeowners association would establish the regulations and
9 restrictions on residential backyard chicken keeping. The amendment would not
10 supersede any CC&Rs established by a homeowners association.

11
12 Commissioner Vasquez asked to again go on record stating that the suggested lot
13 size of 7,200 square feet is still too small.

14
15 It was **MOVED** by Commissioner Vince Overmyer and **SECONDED** by Vice Chair
16 Michael Perciful to **ADOPT** Planning Commission Resolution Bill No. 15-010 to the
17 City Council **APPROVING** ZOA 15-002, subject to modification of the minimum lot
18 square footage to 7,200 and the stipulation that these regulations would also apply to
19 any specific plans, planned unit development, or planned community development
20 with 7,200 square foot lots that do not have an established Homeowner's Association.

21
22 The **MOTION** was carried by the following vote:

23
24 **AYES:** Chairman John Gifford, Vice Chair Michael Perciful, and Commissioner
25 Vince Overmyer.

26 **NOES:** Commissioners Greg Vasquez

27 **ABSENT:** Commissioner Tami Wilhelm
28
29

30
31 **6. FIVE YEAR CAPITAL IMPROVEMENT PLAN (CIP)** - A request for the Planning
32 Commission review and recommendation to the City Council regarding the
33 consistency of the proposed Five Year Capital Improvement Plan (CIP) for Fiscal
34 Years 2015/16 through 2019/20 with the City's General Plan.

35
36 **Project Information:**

37 Applicant: City of Hemet
38 Location: Citywide
39 Presented by: Deanna Elliano, Community Development Director
40

41
42 **Recommended Action:**

43
44 That the Planning Commission:

- 45
46 1. *Adopt Planning Commission Resolution Bill No. 15-013 finding the*
47 *Draft Capital Improvement Plan for Fiscal Years 2015/2016 through*
48 *2019/2020 to be consistent with the City's General Plan.*
49

50 CDD Elliano explained the Planning Commission's role is a determination pursuant to
state law to make sure the proposed draft CIP is consistent with the city's General
Plan.

Attachment 4

CHICKEN REGULATIONS COMPARISON: SOUTHWEST RIVERSIDE COUNTY

Jurisdiction	Allowable Zones	Lot Size Minimum	Maximum Number	Required Setback	Additional Requirements/ Comments
Hemet	A-1, A-2	Per Zone (1, 5 or 10 acres)	50	50 feet from property line	12 hens per acre to a maximum of 50; 1 rooster per acre to a maximum of 2.
	RA, R-1-40, R-1-20	20,000 sf	2	50 feet from property line	No roosters.
Corona	Single Family	10,000 sf	2	50 feet of any dwelling; 100 feet of any school, hospital, hotel, or similar institution	Must be contained. No roosters. Requires a license issued by Animal Control Board.
		15,000 sf	3		
		20,000 sf	4		
		25,000 sf	5		
Lake Elsinore	Rural Residential	1 acre	12. More with CUP.	35 ft from du on site; 50 ft from du on neighboring lot; 10 ft from ROW or trail	Enclosure required. Permitted in rear yard only.
	Estate Residential	½ acre			
	Single-Family Residential	½ acre	12		
Moreno Valley	RR, HR, R1, RA2, AG	20,000 sf	15 per 20,000 sf	20 feet from habitable dwelling	No roosters.
Murrieta	RR, RE	½ acre	30/acre	50 feet from habitable dwelling	
Riverside, City	RR	20,000 sf	5	50 ft from adjacent residence	Must be penned – all zones. No rooster.
			50	100 ft from adjacent residence	7 roosters
	Rural Ag 5	5 acres	5	50 ft from adjacent residence	No roosters
			50	100 ft from adjacent residence	7 roosters
	Res Conservation	Varies/hillside	5	50 ft from adjacent residence	No roosters
			50	100 ft from adjacent residence	7 roosters
Riverside, Co	R1, RA, R2, R2A, R3	7,200 – 39,999	4	Enclosed area in backyard. 20 feet from property line; 50 feet from any residence. Permit available to increase the permitted number of fowl.	Permit available to increase the permitted number of fowl with 600 foot notification and public hearing
		1 acre or more	12		
	RR, RA, A1, RD	20,000 – 39,999	12		
		1 acre or more	50		
	AD, A2	20,000 – 39,999	50		
		1 acre or more	100		
San Jacinto	RR, Rural Estate	20,000 sf	100/ac	50 ft from property line	No roosters
Temecula	RR, Very Low, Low	Less than 1 acre	12	70 feet from any adjacent residence, day care center, educational institution, hospital, church	Must be confined
		1 acre+	50/ac		
	Low Med; Medium	½ acre	4		
Wildomar	Rural Residential	20,000-39,999	12	20 ft from property line; 50 ft from any residence	Enclosure required. Must be in rear portion of lot. Permit available to increase the permitted number of fowl.
	Residential Ag	40,000+	50; 10 ros.		
	General Residential	7,200-39,999 sf	4		
	Limited Multi-Family Multi-Family	40,000+	12		

Attachment 5



OFFICIAL ZONING MAP CITY OF HEMET

- CITY BOUNDARY
- SPECIFIC PLAN BOUNDARY, SP 12-001
- HIGHWAYS
- WATERBODIES
- PRE-ZONING AREA BOUNDARY
- PARCELS
- A-1 = LIGHT AGRICULTURAL (1 ACRE MIN.)
- A-2 = HEAVY AGRICULTURAL (2 ACRE MIN.)
- A-5 = HEAVY AGRICULTURAL (5 ACRE MIN.)
- A-10 = HEAVY AGRICULTURAL (10 ACRE MIN.)
- R-1A = RESIDENTIAL AGRICULTURAL
- R-1 = SINGLE FAMILY RESIDENTIAL
- R-2 = TWO FAMILY RESIDENTIAL
- TR-20 = INDEPENDENT MOBILE HOME SUBDIVISION
- R-3 = MULTIPLE FAMILY RESIDENTIAL
- SLR = SMALL LOT RESIDENTIAL
- R-4 = MULTIPLE FAMILY RESIDENTIAL
- R-P = RESIDENTIAL PROFESSIONAL
- D-1 = DOWNTOWN
- D-2 = DOWNTOWN
- C-1 = NEIGHBORHOOD COMMERCIAL
- C-3 = GENERAL COMMERCIAL
- CM = COMMERCIAL MANUFACTURING
- BP = BUSINESS PARK
- M-1 = LIMITED MANUFACTURING
- M-2 = HEAVY MANUFACTURING
- NZ = NO ZONE
- OS = OPEN SPACE
- POD = PLANNED COMMUNITY DEVELOPMENT
- PUD = PLANNED UNIT DEVELOPMENT OVERLAY
- SP = SPECIFIC PLAN
- S-1 = CHURCH
- I = INSTITUTIONAL

In compliance with Chapter 50, Article 1, Section 56-6 of the Hemet Municipal Code, this map represents the official zoning of the City of Hemet, together with all amendments, and shows the locations and the boundaries of the various zones established by Chapter 50, with all notations, references, dates and other information shown thereon.

Latest Amendment:
Ordinance No. 1889 June 24, 2014

I, Deanna Ellano, Community Development Director of the City of Hemet, hereby certify that this is the Official Zoning Map for the City of Hemet, California.

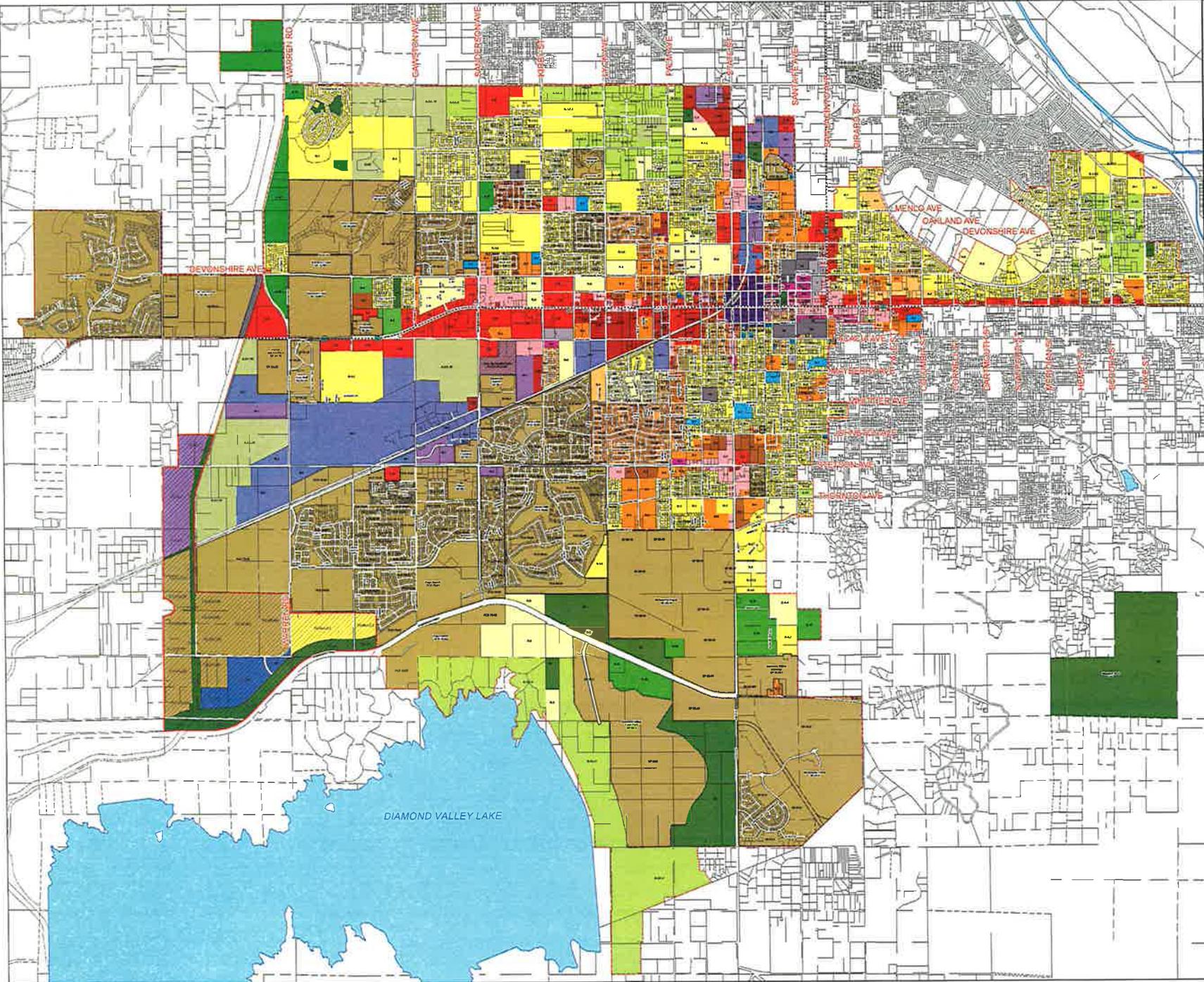
Deanna Ellano
Community Development Director



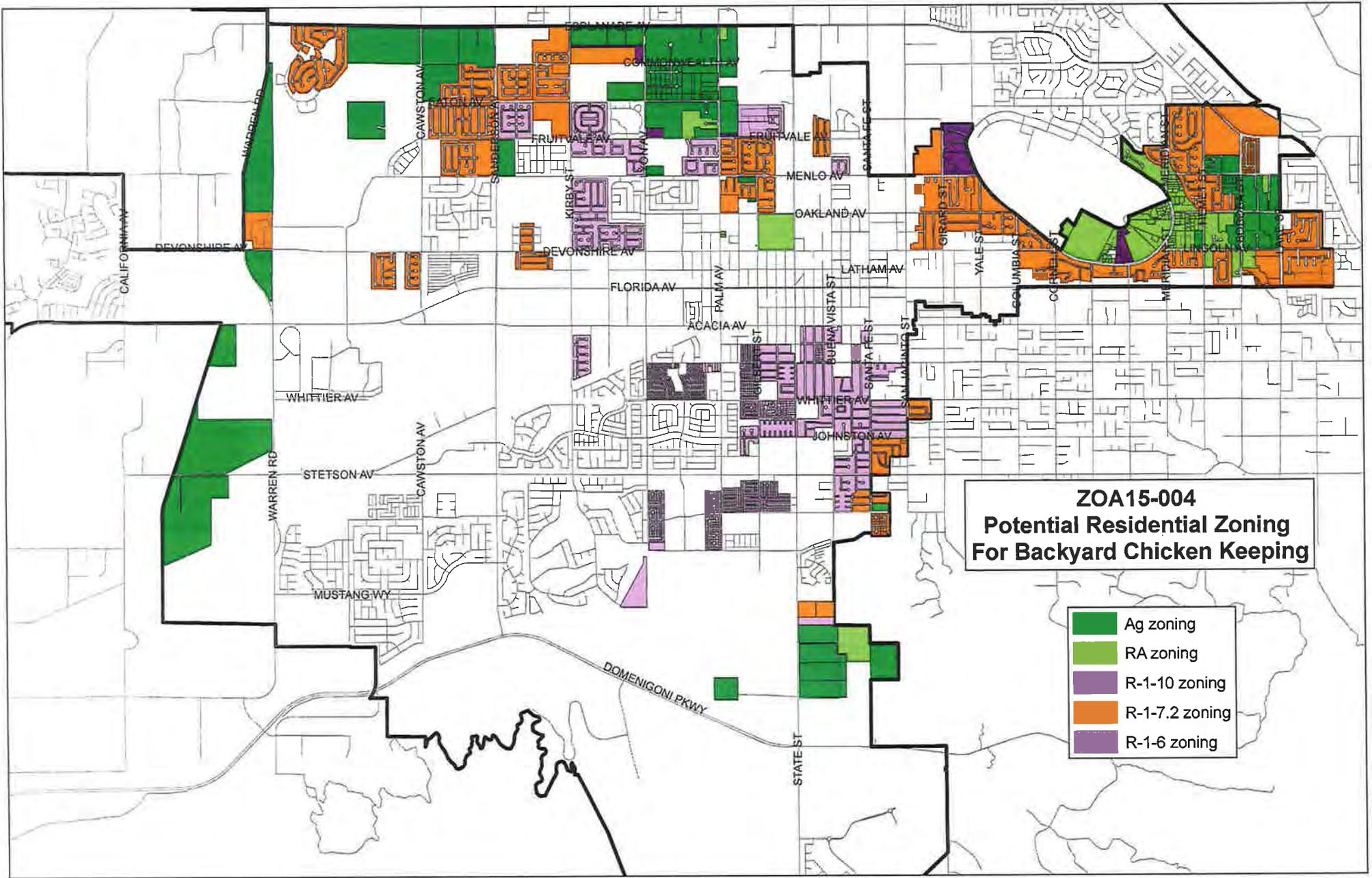
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Attachment 6



ZOA15-004
Potential Residential Zoning
For Backyard Chicken Keeping

- Ag zoning
- RA zoning
- R-1-10 zoning
- R-1-7.2 zoning
- R-1-6 zoning

Attachment 7

Residential Urban Chicken Keeping: An Examination of 25 Cities



Missoula Residents with their backyard chickens.
Source: <http://www.missoula.com/news/node/226>

KT LaBadie

**CRP 580 Spring 2008
University of New Mexico
May 7th 2008**

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Abstract

City councils across the United States and Canada are increasingly being faced with the task of deciding whether or not to allow chicken keeping in residential backyards. In many cases this issue has two opposing sides: those citizens who want to keep chickens for egg production and those citizens who are concerned about the effects of chickens on their communities. This paper provides an analysis of pro-chicken ordinances from 25 cities in an effort to define the components of a just and well functioning chicken ordinance. Of the 25 ordinances, no two were identical but a variety of common regulatory themes were found across cities. Based on these findings, some considerations are suggested when forming an urban chicken keeping ordinance.

Introduction

*"I can't say that I would have envisioned chickens as an issue, but I've heard from a lot of people about them, and it seems like it's something maybe we ought to pay a little attention to."*¹

- Stacy Rye, Missoula City Councilwoman

It's happening right now in cities across the United States and Canada. Community members are organizing themselves into groups and approaching their city councils about an important urban planning issue: chicken keeping in the city.

This question of whether or not cities should allow backyard chicken keeping has increased substantially over the past 5 years as citizens become more interested in participating in their own food production. The issue has appeared recently before city councils in Missoula², Halifax³, and Madison⁴, and a case is currently pending in Ann Arbor, Michigan⁵. In many cases this interest in backyard chicken keeping has been met with much opposition and city councils often do not know how to begin approaching the issue.

The recent increase in urban backyard chicken keeping has come about for three main reasons. First, the local food movement itself has become very popular which has sparked a new interest for many in backyard food production. Since chickens are one of the smaller protein producers, they fit well into a backyard food production model. Second, rising energy and transportation costs have caused concern over increases in food costs, and backyard eggs offer a cheaper solution as they do not have to travel far to reach the plate. Lastly, many citizens are becoming increasingly concerned about food safety, and with meat recalls and other animal industry issues in the news, backyard chickens offer many a safer solution. For these reasons, backyard chickens have become

¹ Moore, Michael. Urban Chickens Scratching up a Controversy in Missoula. . Available online at <http://www.missoula.com/news/node/226>

² Medley, Ann and Jonathan Stumph. Video: Missoula Squabbles Over Urban Chickens. Available online at http://www.newwest.net/city/article/missoulas_urban_chicken_squabble/C8/L8/

³ CBC News. Halifax to Study Chickens in Cities. Available online at <http://www.cbc.ca/consumer/story/2008/02/12/chicken-report.html>

⁴ Harrison-Noonan, Dennis. Urban chicken keeper, Madison, Wisconsin. Interviewed on April 8, 2008.

⁵ Kunselman, Steve. City Councilor (ward 3) Ann Arbor, Michigan. Interviewed on April 29, 2008.

increasingly popular, but not everyone likes the idea of chickens living in their neighborhood.

There are generally two sides to the chicken keeping issue: those who are for allowing *Gallus domesticus* in residential backyards, and those who are opposed. There are a variety of reasons why people want to keep chickens, ranging from having a safe source of protein to gaining a closer relationship to the food they consume. Those who are opposed to backyard chickens however, often express concerns about noise, smells, diseases, or the potential for chickens running loose. There is also debate between the two sides as to the appropriateness of chickens in a city environment and if chickens qualify as pets or livestock.

Chicken keeping in urban environments is nothing new, but it is now something that needs to be planned for in all major cities and small towns across the United States. As the interest in the local food movement continues to increase, and as citizens become more interested in growing their own food, municipalities will eventually be faced with the issue of regulating backyard chicken keeping within their city limits. Planning for chickens can either be pro-active on the part of the city council and planning staff, or reactionary as citizens will eventually bring the issue to city hall. Municipalities often do not know how to approach the chicken keeping issue, and this paper serves to provide some insight through an analysis of urban chicken ordinances from across the United States.

Research Methods

The main goal of this paper was to analyze how residential backyard chicken keeping is regulated through the examination of chicken ordinances from a variety of cities. To achieve this, data was gathered through the examination of residential chicken ordinances, as well as through a variety of interviews, newspaper articles, video footage, and other resources.

Residential chicken ordinances from over 30 cities were gathered, however only 25 of the cities allowed the keeping of chickens, so only those were used in the analysis (see

Appendix A). The ordinances were sourced from city web sites, online web ordinance databases, and other online sources (see Appendix B). In a few instances calls were made to city planning departments to verify language in the ordinances.

Interviews were conducted with the following city officials, urban chicken keepers, and urban food/gardening community organizations:

- Steve Kunselman, City Councilor (ward 3) Ann Arbor, Michigan. He proposed pro-chicken ordinances for Ann Arbor, which are being voted on in May of 2008.
- Thomas Kriese: An urban chicken keeper in Redwood, CA and writer about urban chickens at <http://myurbanchickens.blogspot.com/>
- Dennis Harrison-Noonan, urban chicken keeper, Madison, Wisconsin. He was involved in the adoption of pro-chicken ordinances for Madison.
- Debra Lippoldt, Executive Director of Growing Gardens, Portland, OR

These interviews served to provide personal insights into urban chicken keeping, stakeholder positions, and the urban chicken movement. The interviews were also crucial in receiving feedback about chicken ordinances and the process involved in legalizing chicken keeping.

Analysis

Of the 25 cities evaluated, no two were identical in their restrictions and allowances (see chart of detailed findings in Appendix A). There were, however, common regulatory themes that emerged from the set evaluated. These common themes are as follows:

- The number of birds permitted per household
- The regulation of roosters
- Permits and fees required for keeping chickens
- Chicken enclosure/containment restrictions
- Nuisance clauses related to chickens
- Slaughtering restrictions
- Coop distance restrictions in relation to homes or property lines

The findings of the above commonalities, as well as unique regulations that emerged, are discussed in detail below. The ease and accessibility of finding the ordinances is also discussed.

Number of Birds Permitted

Of the 25 cities evaluated, only 6 had unclear (or not specifically stated) regulations on the numbers of birds permitted, while 13 stated a specific number of birds. Of the remaining, 3 cities used lot size to determine the number of chickens permitted, 2 cities used distance from property lines as a determining factor, and 1 city placed no limit on the number of chickens allowed. Over half of the cities evaluated stated a specific number of allowable chickens, which ranged from 2 to 25 birds. The most common number of birds permitted was either 3 or 4 birds, which occurred in 8 cities.

The most common number of birds permitted was 3 or 4, which will supply on average between 1 and 2 dozen eggs per week. Depending on the size of the family in the household, this may be sufficient. In some cases however, 3 to 4 birds may not be enough for larger family sizes or allow for giving away eggs to neighbors. In cities where it is legal to sell your eggs at farmers markets, 3 or 4 birds would not be sufficient. So what is a good number of chickens to allow in residential backyards for home consumption? Thomas Kriese, an urban chicken keeper who writes online about chicken keeping and ordinances, feels that no more than 6 birds should be permitted. “That’s approximately 3 dozen eggs a week which is a LOT of eggs to consume, plus that’s a lot of food to go through, and excrement to clean up,” he stated in a personal correspondence.⁶

The answer of how many birds to allow is not an easy one, as other factors such as average property sizes and controlling for nuisances should be considered. A good example of how to address the issue surrounding the number of birds is Portland, Oregon’s chicken ordinance. Portland allows the keeping of 3 birds per household; however you are allowed to apply for a permit to keep more (See Appendix A). In this case the ordinance is flexible, as a sufficient number of birds are permitted outright, and those wishing to keep more can apply to do so.

⁶ Kriese, Thomans. Urban chicken keeper, Redwood City, CA. Personal correspondence on April 28, 2008. His coverage of urban chicken ordinances is available online at <http://myurbanchickens.blogspot.com/>

Regulation of Roosters

The regulations regarding roosters were unclear in 14 cities and in 7 cities the keeping of roosters was not permitted. Of the remaining 4 in which the keeping of roosters was permitted, 1 city allowed roosters if kept a certain distance from neighbors residences, 1 allowed roosters only under 4 months of age, 1 allowed a single rooster per household, and 1 placed no restrictions.

Many cities choose to not allow the keeping of roosters, as neighbors often complain about the crowing which can occur at any hour of the day. Since one of the main reasons people choose to keep chickens is for the eggs, which roosters do not provide, it is generally accepted to only allow hens. In the case of Albuquerque, New Mexico, 1 rooster is allowed per household but it is still subject to noise ordinances (see Appendix A). So in this case, you can keep your rooster if your neighbors do not mind the crowing. This does allow people to have more choice, however it can also increase the costs associated with enforcing noise complaints.

Permits and Fees

The regulation of chickens through city permits and fees was unclear in 11 of the cities evaluated, while 4 required no permits or associated fees, and 10 required permits, fees, or both. The fees ranged from \$5.00 to \$40.00, and were either 1 time fees or annual fees. Of the 10 that required permits/fees, 3 required permits *only if* the number of birds exceeded a set amount which ranged from 3 to 6 birds. In two instances, it is also required that the birds be registered with the state department of agriculture.

Requiring a permit for chickens is no different than requiring one for dogs and cats, which is the case in most cities. From the perspective of affordable egg production however, attaching a large fee to the permit undermines that purpose. If a fee is too steep in price, it can exclude lower income populations from keeping chickens by increasing the costs of egg production. Fees may be necessary however to cover the associated costs for the municipality to regulate chickens. Another option, which was the approach of 3 cities, was to allow a certain number of birds with no permit/fee required, and anything

above that required a permit/fee. This allows equal participation and lowered costs, while still providing revenue for the regulation of larger bird populations.

Enclosure Requirements

In 9 cities the ordinances were unclear in regards to enclosure requirements or the allowance of free roaming chickens. Of the remaining, 2 had no restrictions and 14 required that chickens be enclosed and were not permitted to “run at large”. In one case, the approval of a coop building plan and use of certain materials was required.

Over half of the cities evaluated required that chickens be enclosed, and this regulation can help to alleviate the concerns of neighbors. Many chicken keepers want to keep their chickens confined in a coop and outdoor run, as this helps to protect them from predators. However, it is very restrictive to require confinement of chickens at all times, as many keepers enjoy watching their chickens free range about the yard. Just as there are regulations for leashing your dog, so too could there be regulation for only allowing chickens to roam in their own yard.

Requiring a building permit with specific material requirements, is also restrictive to lower income populations, and takes away from the sustainability of keeping chickens for eggs. In many cases, chicken coops are built with scrap materials and suit the design needs of the owner. Requiring a specific design or materials takes those choices away from the chicken keeper. Coops should be treated similar to dog houses, which are generally not subject to this type of regulation.

Nuisance Clauses

There were a variety of nuisance regulations stated in 17 of the cities evaluated, while the remaining 8 cities had unclear nuisance regulations. The nuisances that were stated in the 17 ordinances included one or more of the following: noise, smells, public health concerns, attracting flies and rodents, and cleanliness of coops/disposal of manure. Chicken keeping alone does not cause the nuisances listed above, but rather they result from improper care and maintenance which can sometimes occur.

A properly shaped ordinance can prevent potential nuisances by establishing clear guidelines for chicken care and maintenance, such as only allowing smaller sized flocks and not permitting roosters. An active community led education campaign, such as chicken keeping classes and coop tours, is another way in which to educate the public to ensure proper care and reduce the potential for nuisances. In many cities, chicken keeping community organizations have helped to educate the public on how to properly keep chickens within the limits of the law, thereby reducing nuisances and complaints.

Slaughtering Restrictions

Regulations regarding the slaughtering of chickens in residential areas were unclear in 19 of the cities evaluated. Of the remaining, 4 allowed slaughtering of chickens while 2 stated it was illegal to do so. This regulatory theme had the highest level of unknowns, most likely due to the issue not being included in the ordinance, or it being stated in another section of the general animal ordinances, and not referring specifically to chickens.

Although slaughtering chickens within city limits seems gruesome to some, others may wish to slaughter their birds for meat. Rogers, Arkansas for example, only allows the slaughtering to take place inside (Appendix C), which could help prevent neighbor complaints about the process. Allowing for slaughtering however, may also have its benefits, such as being a solution to aging urban chickens that no longer produce eggs.

Distance Restrictions

Distance restrictions between the location of the chicken coop and property lines, or coop and nearby residences, were stated in 16 of the ordinances evaluated. There were no restrictions in 3 of the ordinances and 5 were unclear. Of the 16 with distance restrictions, 12 were distances required from residences, while 3 were distances required from property lines. The distance required from property lines ranged from 10 to 90 feet, while the distances from residences ranged from 20 to 50 feet.

If a city chooses to have distance restrictions, the average lot sizes need to be taken into consideration. For example, Spokane, WA has a property line distance restriction of 90

feet (see Appendix A), which may be impossible to achieve in many residential yards. This large of a requirement would prevent many people from keeping chickens. The lower distance requirements, such as 10 or 20 feet are more feasible to achieve for those with smaller lot sizes. Distance requirements to neighboring homes (vs. property lines) are also easier to achieve as the distance considers part of the neighbors property in addition to the chicken keepers property.

Unique Regulations

All 25 ordinances evaluated had some combination of the above common themes, but there were also some unique regulations that one (or a few) cities had related to residential chicken keeping. These unique regulations are as follows:

- Chicken feed must be stored in rat proof containers
- Pro-chicken regulations are on a 1-year trial basis with only a set number of permits issued until the yearly re-evaluation.
- For every additional 1,000 sq. feet of property above a set minimum, 1 additional chicken may be added to the property.
- The allowance of chickens in multi-family zoned areas (allowance in single family zoning is most common)
- Coops must be mobile to protect turf and prevent the build up of pathogens and waste.
- Chickens must be provided with veterinary care if ill or injured
- Minimum square footage requirements per bird for coop/enclosure

The unique regulations listed offer some innovative solutions to possible issues such as pests and waste, as well as defining minimum space and health care standards for chickens. Some of these regulations also allow for more flexibility, such as extending the right to keep chickens to those living in multi-family dwelling units or allowing more birds on larger property sizes. In the case of Portland, ME, the permitting of chickens is on a trial basis, which may be a good option if a city wants to reevaluate residential chicken keeping after a certain time frame.

Locating and Understanding the Ordinances

Of the 25 pro-chicken ordinances, very few were actually easy to locate. In most cases, pages of code had to be searched in order to find the regulation and even then the chicken ordinances were often vague, incomplete, or regulations were spread throughout multiple sections of the code. This is an issue that should be considered, as unclear or hard to find ordinances can only lead to increased non-compliance.

The most easily accessible chicken ordinances were those specifically stated on city web pages, and those found through websites and literature from urban gardening organizations or community groups. One example of easily accessible ordinances is that of Rogers, Arkansas (Appendix C). Their chicken ordinance is not only easily accessible directly from the city website, but it is also clear and comprehensive. A clearly stated and easily accessible ordinance allows resident to know how they can keep chickens within the limits of the law, which can reduce complaints and other issues related to non-compliance.

Findings and Recommendations

“Issues such as rodent control are a real concern and the ordinance can have a positive influence on keeping an already urban issue from being exacerbated any more than it already is”.

- Debra Lippoldt, Executive Director of Growing Gardens, Portland, OR⁷

The original question for this paper was “What is a good urban chicken ordinance?” This was based on the idea of examining a variety of ordinances and then singling out those that were better than most and could serve as an example. After having conducted the analysis however, the question was changed to “What are the good components and considerations that make up a just and functional urban chicken ordinance?” There is no superior “one size fits all” ordinance to regulate urban chickens, as each city has different physical, environmental, social, and political needs.

Although each ordinance will be different from one city to the next, a pro-chicken ordinance should be built upon the following considerations:

⁷ Lippoldt, Debra. Executive Director of Growing Gardens, Portland, OR. Personal Correspondence on April 8, 2008.

- It satisfies the needs of most stakeholder groups and acknowledges that some stakeholders on both sides of the issue will be unwilling to compromise
- It does not discriminate against certain populations, such as those of lower incomes who can not afford high permitting fees, or those with smaller property sizes
- It allows for flexibility and provides choice, such as giving chicken keepers the right to choose their own coop design and building materials
- It allows for citizen input and participation in the ordinance forming process to assure that the ordinance fits the needs of , and is supported by the community
- It recognizes the role chickens can play in developing a more sustainable urban environment
- It recognizes the importance of the ordinance being clearly stated and easily accessible to the public, which will help ensure compliance and reduce violations.

The general considerations above are a good compliment to the specific allowances that each municipality chooses to fit its needs and that of its citizens. These specifics however can be more difficult to choose and looking to other cities as examples can provide insight into the best possible choices.

The evaluation of 25 different chicken ordinances showed a wide spectrum of choices that municipalities have made in the regulating of chickens. Looking at the number of chickens permitted, for example, cities ranged anywhere from 2 chickens to unlimited chickens. Only allowing for 2 chickens may not be an ideal choice, as they are social creatures and if one were to become ill and die, only one chicken would be left. Two chickens also do not produce enough eggs for a larger sized family. On the other hand, allowing for unlimited chickens may mean increased nuisance enforcement, or allowing for that many chickens may be met with increased public opposition. Often the average allowances found (not the most extremes) are the best choices of an example regulation for other cities to look to when considering the formation of their own chicken ordinance. In the case of the cities evaluated, the most common allowance was 4 to 6 birds, which can provide enough eggs for a family and does not highly increase the potential for nuisances. It also allows for a more sustained population if a bird becomes ill and dies.

Another example of the middle ground being a good option would be permitting and fees for keeping chickens. In some cities there were high fees for permitting, while in others no fee or permit was required. A few cities, which only required permits and fees if you have over a certain number of birds, show a good middle ground for how to permit chickens. That model allows for citizens to keep a certain number of chickens without added costs, while also creating revenue for enforcement and regulation when people choose to exceed that amount. Many cities are concerned over increased costs if chicken keeping is legalized, and this is one way to alleviate those concerns while still allowing citizens to keep chickens.

In some of the regulatory themes, such as in the examples above, the middle ground does provide a choice which can alleviate concerns while still allowing for the keeping of chickens. Other regulatory themes, such as the slaughtering of chickens, may come down to more of a yes or no answer, as was seen in many of the cities. In either case, if a city is going to adopt a pro-chicken ordinance, the most important part is to first allow for the keeping of chickens, with the understanding that the ordinance can be revisited and changed at a future time. Allowing for the keeping of chickens is the best way to see if the concerns surrounding chicken keeping ever come to fruition, and the ordinance can then be adjusted accordingly. In many cases, cities adopt a more restrictive ordinance as that is what will pass public approval and city council. Then as time passes with few complaints or nuisances, those regulations become more relaxed and tailored specifically to the needs of the city and its residents.

Conclusions

"It seems that if we want to be a town that does its part for sustainability, this is something we ought to consider. I think we want to allow folks to use their good judgment and move toward more sustainable food practices."
- Mayor John Engen, Missoula, MT⁸

Many cities and towns are now looking at how they can be more sustainable, and allowing urban chickens is one step towards that goal of increased sustainability. Not

⁸ Moore, Michael. Urban Chickens Scratching up a Controversy in Missoula. Available online at <http://www.missoula.com/news/node/226>

only can backyard chickens provide residents with a fresh and important food source, but they also bring about an increased awareness of our relationship to the food cycle. By forming a just and well thought out pro-chicken ordinance, cities can allow citizens the right to keep chickens while also addressing the concerns of other stakeholder groups. With that said, city councils should approach the issue of urban chicken keeping with a “how” rather than a “yes” or “no”, as a growing list of pro-chicken cities across the nation shows that it can be done successfully.

References

(References for 25 City Ordinances: See Appendix B)

CBC News. Halifax to Study Chickens in Cities. Available online at <http://www.cbc.ca/consumer/story/2008/02/12/chicken-report.html>

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Moore, Michael. Urban Chickens Scratching up a Controversy in Missoula. . Available online at <http://www.missoula.com/news/node/226>

Appendix A

25 Ordinances Analyzed

City/State	# of birds permitted	Roosters allowed	Permit/ permit cost	Enclosure required	Nuisance clause	Slaughter permitted	Property line restrictions	Details or unique regulations
Los Angeles, CA	unclear	only if 100 ft from neighbors	unclear	unclear	Yes	unclear	20 ft from owners home, 35 ft from neighbors	
Rogers, AK	4	No	\$5/yr	Yes	Yes	inside only	25 ft from neighbors house	
Keywest, FL	unclear	Yes	None	Yes	Yes	No	No	Can't use droppings as fertilizer, feed must be stored in rat proof containers
Topeka, KS	unclear	unclear	unclear	Yes	Yes	unclear	50 ft from neighbors house	
South Portland, ME	6	No	\$25/yr	Yes, building permit required	Yes	unclear	Yes	On trial basis till November 2008, only 20 permits issued till yearly evaluation
Madison, WI	4	No	\$6/yr	Yes	Yes	No	25 ft from neighbors house	
New York, NY	No limit	No	Yes	No	Yes	unclear	No	
Albuquerque, NM	15	1 per household	None	No	Yes	Yes	No	
Portland, OR	3 without permit	unclear	\$31 one time fee for 4 +	Yes	Yes	unclear	unclear	
Seattle, WA	3	unclear	unclear	unclear	Yes	unclear	10 ft from property line	1 additional chicken per 1,000 sq ft of property above minimum
Spokane, WA	1 per 2,000 sq ft of land	unclear	unclear	unclear	unclear	unclear	90 ft from property line	Chickens allowed in multi-family zoned areas
San Antonio, TX	property line dependent	unclear	unclear	unclear	unclear	unclear	20 ft minimum from another dwelling	5 birds allowed 20 ft from home, 12 birds at 50 ft, 50 birds at 150 ft
Honolulu, HI	2	unclear	unclear	unclear	unclear	unclear	unclear	
Oakland, CA	unclear	No	unclear	unclear	unclear	unclear	20 ft minimum from another dwelling	
St. Louis, MO	4 max. without permit	unclear	\$40 permit for more than 4 birds	unclear	unclear	unclear	unclear	
San Diego, CA	25	unclear	unclear	unclear	Yes	unclear	50 ft from neighbors house	Feed must be stored in rat proof container
San Jose, CA	dependent on coop to property line	only roosters < 4 months old	permit needed for 6 or more birds	Yes	unclear	unclear	Ranges from 0 to 50 ft, determines # of birds	<15 ft = 0 birds allowed, 15 to 20 ft = 4 birds, etc, up to 50 ft = 25 birds
Austin, TX	unclear	unclear	unclear	unclear	unclear	Yes	50 ft from neighbors house	
Memphis, TN	unclear	unclear	unclear	Yes	Yes	Yes	unclear	Feed must be stored in rat proof container
Ft. Worth, TX	based on lot size	unclear	No	Yes	Yes	unclear	50 ft from neighbors house	<1/2 acre = 12 birds, >1/2 acre = 25 birds
Baltimore, MD	4	unclear	Must register with animal control and Dept of Ag.	Yes	Yes	unclear	25 ft from neighbors house	Coops must be mobile to prevent waste build up, minimum 2 sq ft/bird.
Charlotte, NC	based on lot size	unclear	\$40/yr	Yes	Yes	unclear	25 ft from property line	minimum 4 sq. ft/bird, no more than 20/acre
Missoula, MT	6	No	\$15 permit	Yes	Yes	unclear	20 ft from neighbors house	Feed must be stored in rat proof container
Boise, ID	3	No	unclear	Yes	unclear	unclear	unclear	
San Francisco, CA	4	Unclear	No	Yes	Yes	unclear	20 feet from door or window of residence	



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Gary Thornhill, Interim City Manager *GT*
Kris Jensen, Public Works Director

DATE: July 28, 2015

RE: Approval of Water/Sewer Rates and Authorization to Proceed with Proposition 218 Notification

RECOMMENDED ACTION:

It is respectfully recommend that the City Council:

- Approve the methodology used in the development of the adjusted water and sewer rates; and,
- Approve the form of the Proposition 218 Notice to property owners and rate payers within the service area; and,
- Authorize staff to mail the Proposition 218 Notice as required by law and advertise for the Public Hearing / Protest Hearing as required by law; and,
- Set a Date for the Public Hearing / Protest Meeting at which the City Council will consider public testimony and property owner / rate payer objections to the project increase and will act on the recommendation.

BACKGROUND:

The City owns and operates the City of Hemet Water and Sewer Departments. The Water Department provides service to approximately 9,700 residential, commercial and industrial connections for potable water. The Sewer Department services over 11,000 connections. The cost of operation and maintenance of the departments are supported through separate rates charged to customers for services provided. Water and Sewer rates were last adjusted in 2008 and 2006, respectively.

Rate adjustments are once again necessary to cover the increased cost of labor, electricity, and equipment. They are also necessary to fund capital improvement projects that address aging infrastructure (water and sewer), water quality issues, to expand existing water storage capacity, and support replenishment of the local aquifers.

In November, 2014, Council approved an agreement for staff to work with a consultant, Bartle Wells Associates, to conduct a Water and Sewer Rate Study, in an effort to bring rates in line with current costs of services. Over the last seven months, the rate studies have taken on multiple changes due to the State mandated conservation goal of 32% and the San Juan Capistrano cast that changed the law regarding tiered rates occurred. Staff has engaged in multiple discussions with Council to review rate structure approach. The outcome of those discussions resulted in direction to staff to move forward with the following approach:

Water Rate Study:

1. Ensure rate structure reflects costs of services as required by state law.
2. Use a debt financing model for funding water capital improvement projects
3. Fund all capital projects needed to ensure the long-term safe and sustainable storage and delivery of water to our customers.
4. Transition from and inefficient bimonthly to a more efficient monthly billing.
5. Phase in proposed rate increase over several years

Sewer Rate Study

1. Utilize a pay-as-you-go financial model for financing infrastructure replacement.
2. Phase in proposed rate increase over several years

Over the past several months, staff, the City Attorney, and Bartle Wells Associates have collaborated to ensure that adjustments reflected in the proposed water and sewer rates reflect the actual cost of service, are fair and equitable to our customers, encourage conservation, are in line with Council direction, and meet the intent of recent Proposition 218 court case decisions related to rate setting. The final Water Rate Study and Sewer Rate Study documents are included in this report as Attachments “A” and “B”, and provide a detailed review of the rate creation methodology and related costs of service.

PROPOSED WATER RATES SUMMARY:

The water rate study provides a five year plan for rate adjustments to ensure that revenues adequately meet future expenditures, that ongoing financial support is in place for capital projects, and that the Water Department remains solvent into the future. Below is a breakdown of the major components of the Water Rate Study.

- **Fixed Costs** – These costs include components of the water department budgets that do not fluctuate due to water needs of the community. They include costs related to management, administration, customer service, equipment and vehicle costs. Fixed costs are recovered through “ready-to-serve” charges and incorporated in the meter charge.
- **Variable costs** - These are costs that may fluctuate based on the amount of water the department needs to produce to meet demand. They include costs related to electricity, water treatment, supplies, purchase of replenishment water, pumping, treatment and water quality improvements. Variable costs are recovered through the rate charged per unit of water used by each customer.
- **Capital Improvements** – Capital improvements for the Water Department include projects for infrastructure replacement and expansion, storage expansion, water quality treatment, major equipment replacements, and planned mainline upgrades. These projects may be funded through available reserves, financed through a loan, or rate supported in the year of the project. The proposed rates use available reserves in the first year and propose obtaining loans for the remaining years of capital project needs.
- **Ground Water Management Plan (GWMP)** – Through participation in the GWMP, the City gains and reliable source of replenishment water, and storage for that water, that creates a long term sustainable solution for emergency water needs and local basin recharge. There are long term annual costs associated with payment for the physical facilities installed to deliver that water, and costs related to the purchase of the water, itself. The proposed rates include projected GWMP costs for the next five years and assume a 5% annual increase in costs. Staff is recommending that a pass through surcharge be included in the rate structure

that would allow the City to recover GWMP costs that exceed the costs established in the proposed rates **Information regarding GWMP costs currently incorporated into the water rate adjustments can be found in Attachment "A" on pages 16-18**

- **Single Tier Consumption Rate Structure** – The existing three tier rate structure for water charge more to customers per unit of water as they use is proposed to be replaced with a single tier in which a unit of water costs the same for every user.
- **Monthly billing** -- Currently the City bills its water (and sewer) customers on a bimonthly cycle. Moving to a monthly billing cycle is proposed in order to smooth the receipt of revenue throughout the year, as well as, ease customer transition to the new rates.
- **"Drought" and "Non-drought" Consumption Rates** – Separate consumption rates are proposed to encourage conservation and provide flexibility in sustaining operational funding needs during times of reduced water use. Drought rates would be in effect during State mandated conservation periods or other water related emergencies as determined by the City. "Non-drought" rates would be in effect at all other times. Staff recommendation is to implement the proposed "Drought" rates effective October 1, 2015, due to the current State mandated conservation requirement for the City of Hemet Water Department to reduce water consumption by 32% as compared to 2013 water use. **The Schedule of Proposed Water Rates can be found in Attachment "A" on page 4.**

The proposed rates do not include any offset for the sale of excess stored recharge water, or sale of excess water rights, although the City may choose to consider both as a potential for additional revenue in the future.

Separate from the rate studies, the City previously established Utility Billing Service Charges, adopted through Resolution 4059, which provide cost recovery for items such as new account set up fees, return check fees, additional or after business hours service requests, and meter purchase pricing. The City's costs associated with these services are passed through directly to the customer making the request. Staff reviewed the existing list of service charges and found the pricing for the purchase of water meters to be out of date. In order to recover the full cost of meters purchased by customers, staff is recommending that the meter purchase pricing be updated to reflect current pricing shown in the table below.

Meter Description	Purchase Price
5/8" Meter	\$ 194.27
3/4" Meter	\$ 228.60
1" Meter	\$ 265.22
1 1/2" Meter	\$ 479.49
2" Meter Purchase	\$ 630.88
Interpreter Registers	\$ 155.00
2" Ultra Sonic Meter	\$ 1,487.40
3" Ultra Sonic Meter	\$ 1,713.42
4" Ultra Sonic Meter	\$ 2,316.66
6" Ultra Sonic Meter	\$ 3,633.33
8" Ultra Sonic Meter	\$ 4,586.74
10" Ultra Sonic Meter	\$ 8,117.35

Staff obtains new meter pricing annually through competitive bid processes. The City will charge the requesting customer the actual price paid by the City for the meter at the time of the purchase request. Pricing may fluctuate due to market price adjustments.

PROPOSED SEWER RATES SUMMARY:

The sewer rate study also closely examined costs of service. Because the City of Hemet does not treat wastewater, the majority of costs for the department are related to maintenance of the infrastructure.

- **Operating Costs** – These costs include costs related to management, administration, customer service, equipment, supply and vehicle costs.
- **Capital Improvements** – Replacement of the aging infrastructure is the single most important project for the Sewer Department. The proposed rates support the department in implementing a planned preventative maintenance program for replacement or relining of one mile of sewer main per year. The proposed rates fully fund each year’s project and do not rely on loans for financing.
- **Sewer Rate Structure** – The sewer rate structure is was not recommended for change in the current study.
- **Monthly billing** -- Currently the City bills its water (and sewer) customers on a bimonthly cycle. Moving to a monthly billing cycle is proposed in order to smooth the receipt of revenue throughout the year, as well as, ease customer transition to the new rates.
- **Sewer Rates** – The proposed rates continue to charge a flat rate per sewer unit and increases have been phased in over a five year period.. A single sewer unit is charged to each residential customer monthly, while multiple units may be charged to commercial customers depending on the size of the business. **A Schedule of Proposed Sewer Rates can be found in Attachment “B” on page 9.**
- **Eastern Municipal Water District (EMWD) Sewer Impact Fee** - The City of Hemet also collects an EMWD Sewer Impact Fee, which was established through the adoption of Resolution 4057. The fee is the result of an interagency agreement between the City and EMWD in which EMWD collects an impact fee from customers it services in the city limits. The fee is intended to provide costs equity for sewer service among City residents and has not been updated since the last sewer rate adjustment in 2006. The updated impact fee is included with the proposed sewer rate adjustments.

Staff recommendation is to approve the methodology used to develop the water and sewer rate adjustments and to approve of the rates proposed in the Water Rate Study and Sewer Rate Study documents.

PROPOSITION 218 REQUIREMENTS:

Adjustments to water and sewer rates are subject to Proposition 218 notification requirements. To meet the requirements notice will be mailed to all property owners of record and utility rate payers (account holders) that may be affected by the rate changes. The Proposition 218 Notice provides details of the proposed rates for both water and sewer services, the date, place and time of the public hearing/protest hearing, and instructions for responding to the notice. The proposed

Proposition 218 notice is included in this report as Attachment "C". This notice has been reviewed for completeness and approved by the City Attorney.

In order to meet the proposed rates implementation date of October 1, 2015, staff is recommending that Council approve the form of the Proposition 218 notice, set a public hearing date of September 22, 2015, and authorize staff to proceed with mailing the notices. Staff has confirmed that if rates are adopted following the public hearing on September 22, they can be updated in the financial system for an effective date of October 1, 2015.

FISCAL IMPACT:

No General Fund Impact. Costs associated with public hearing mailings are estimated at \$15,000 and will be absorbed in existing Water Fund No. 571 and Sewer Fund No. 254 Operating budgets. Additional revenues related to the adjusted rate implementations have been included in FY15/16 Operation Budget projections.

Respectfully submitted,



Kristen Jensen
Public Works Director

Approved as to form:



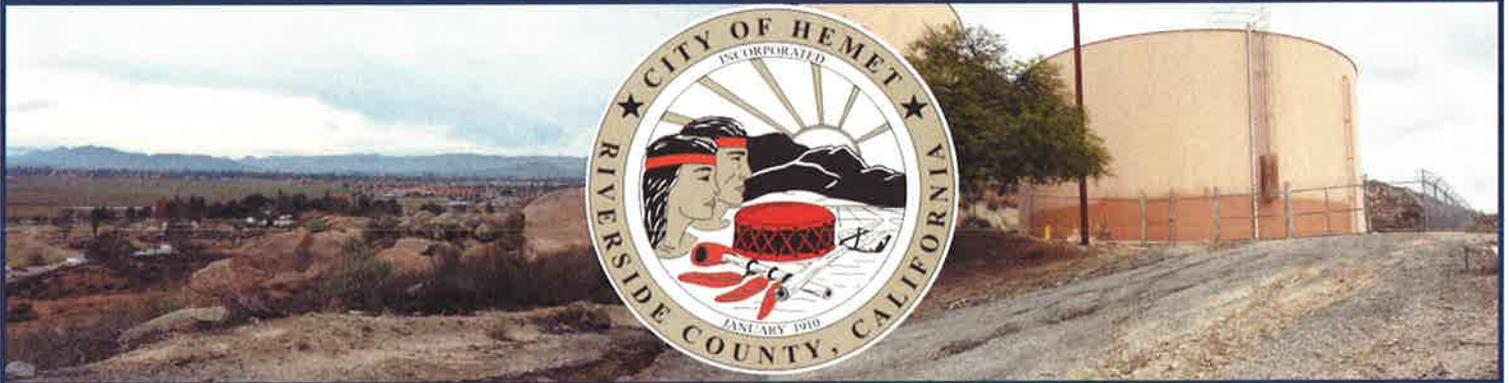
Eric S. Vail
City Attorney

Fiscal Review:



Jessica Hurst
Deputy City Manager

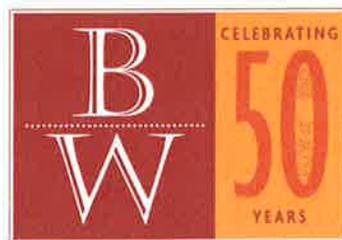
Attachments: Water Rate Study – Draft Report – July 2015 (Attachment "A")
 Sewer Rate Study – Draft Report – July 2015 (Attachment "B")
 Draft Proposition 218 Notice (Attachment "C")



City of Hemet

Water Rate Study

Draft Report
July 2015



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SECTION 1: Executive Summary

1.1 Background

The City of Hemet (City) encompasses an area of about 27.7 square miles and is home to a population of about 82,000 people. Water service within the City is provided by three agencies: the City of Hemet Water Department, the Eastern Municipal Water District (EMWD), and the Lake Hemet Municipal Water District (LHMWD). The City of Hemet provides water service to over 9,000 active connections across 5.25 square miles.

1.2 Purpose

The City last increased its water rates and charges July 2008. Since then, water service costs have increased, most notably groundwater management related to the City's stipulated judgment with the Soboba Tribe. Moreover, in the next five years, the City must repair and replace aging water system infrastructure. Rates and charges must increase to meet these costs.

Rates and charges must be supported by a detailed cost of service analysis. Proposition 218 is the statute governing how California public agencies may set rates for water, sewer, and refuse service. Proposition 218 requires that rates be based on the cost of providing service and proportional to the benefit received by each customer taking service. The judge's ruling in the recent *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano* court case further specified that each water rate tier breakpoint (i.e. the consumption used in each tier) and the price of each tier must be individually cost-justified.

The City's water rates and charges must also encourage water conservation. April 1, 2015, Governor Brown issued Executive Order B-29-15 that directs the State Water Resources Control Board to impose restrictions to achieve reductions in urban water use as compared to 2013 use. The conservation target for the City of Hemet is 32%.¹ The City may also establish conservation goals due to local emergencies such as system failure, a natural disaster, or a water quality issue limiting production.

The purpose of this report is to 1) establish a five-year financial plan for the water system, 2) allocate the cost of service to customers, and 3) fairly and equitably design the water rates and charges while promoting the efficient use of water.

1.3 Current Water Rates

The City currently bills customers for water service on a bimonthly basis. Customers are charged a ready-to-serve or basic charge based on the size of the water meter and consumption charges based on metered water usage. The City's current water rate structure is an inclining tiered rate structure in which customers are charged a higher rate for water used at higher volumes. Residential customers with

¹ The City of Hemet's conservation standard is a 32% reduction from 2013 use as shown in the *Urban Water Suppliers and Regulatory Framework Tiers to Achieve 25% Use Reduction* published by the State Water Resources Control Board dated April 23, 2015.

5/8-inch or 3/4-inch meters who use 10 hundred cubic feet (ccf) or less per bimonthly period are charged the tiered water rates up to a maximum bill of \$56.00. Customers who use over 10 ccf per bimonthly period do not have a maximum bill and are charged the standard tiered water rates.

The average bimonthly water use in the City of Hemet is 18 ccf and the average bimonthly bill is \$88.36. The City’s current water rates are shown in Table 1.

Table 1: Executive Summary - Current Bimonthly Water Service Fees
City of Hemet
Water Rate Study

Ready-to-Serve (Basic) Charges		Consumption (Variable) Charges	
Meter Size	Bimonthly Charge	Bimonthly Consumption (cubic feet)	Rate per 100 cf
5/8-inch	\$42.28	Tier 1: 0-600	\$2.30
3/4-inch	\$45.58	Tier 2: 601-1200	\$2.50
1-inch	\$54.58	Tier 3: 1201 and over	\$2.88
1 1/2-inch	\$82.00	Low Use Charge	
2-inch	\$141.50	Bimonthly Fixed Charge (Maximum Bill)	
3-inch	\$174.52	0-1000 cf bimonthly usage	\$56.00
4-inch	\$233.98		
6-inch	\$412.42		
8-inch	\$643.80		
Flow Meter	\$146.42		

1.4 Rate Structure Adjustments

For this 2015 Water Rate Study, a number of water rate structure changes are proposed to better serve the residents of the City of Hemet. In 2016, the City intends to transition from bimonthly to monthly billing. The transition will give customers more frequent information about their water consumption. The water rates and charges proposed in this report are **monthly** rates and charges.

In response to the San Juan Capistrano court case, Bartle Wells Associates (BWA) proposes that the City eliminate its tiered water rate structure in favor of a single rate charged on all use. This rate structure is easy for customers to understand and is legally robust. The San Juan Capistrano court case focused on justifying each water rate tier based on the costs of various sources of water. The City of Hemet’s primary source of water is groundwater, with a modest secondary source of stored imported water. At this time, the City has not accumulated sufficient data to cost-justify a tiered rate structure under which users of higher amounts of water would be assessed a higher percentage of imported water and related capital costs.

BWA proposes that the City eliminate the residential low use charge and bill all customers using the City’s standard rate schedule. The low use charge does not have a cost justification and could be in violation of Proposition 218 proportionality and cost of service requirements.

BWA recommends adjustments to the ready-to-serve charges to more fairly recover the water utility's fixed costs. BWA finds that the City's current ready-to-serve charges may be under-charging larger meter sizes.

1.5 Rate Implementation

BWA developed a five-year financial plan for the City's water utility under both drought and non-drought conditions. Under drought conditions, the cost of operating the water system is collected over a smaller base of water consumption resulting in a higher unit cost of water. Under non-drought conditions, operating costs are spread over a larger base of water use resulting in a lower unit cost of water.

To address the Governor's water conservation mandate, BWA proposes that the City adopt a drought rate. If conditions improve, the City can discontinue the drought rate and revert to the non-drought water rate. Rates and charges adopted under a Proposition 218 public noticing process represent the legal maximum rates that an agency can adopt. The City of Hemet has the authority to reduce the rate below the maximum adopted rate as drought conditions improve without conducting a public hearing.

1.6 Proposed Bill Impacts

BWA proposes that rate increases come into effect October 1, 2015, March 1, 2016, and thereafter each January 1 through 2020. The current average monthly water use is 9 ccf, which is projected to be reduced to 6.1 ccf under drought conditions (a reduction of 32%). This level of water consumption is an average used for comparison purposes to meet the Governor's water conservation goal.

Table 2 illustrates the impacts on the typical single family monthly bill under drought and non-drought rates. Under non-drought conditions, the typical customer uses more water but pays a lower rate per unit; under drought conditions, the typical customer uses less water but pays a higher rate per unit. Under drought and non-drought proposed rates, customers would pay approximately the same monthly bill.

Table 2: Executive Summary – Five-Year Projection of Residential Monthly Bill Impacts

City of Hemet

Water Rate Study

Rate Option	Current (9 ccf)	Typical Single Family Monthly Bill						Cumulative Increase
		1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20	
Drought Rates (based on 6.1 ccf monthly use)	\$44.18	\$52.64	\$63.08	\$65.60	\$67.81	\$70.03	\$72.13	\$27.95
Non-drought Rates (based on 9 ccf monthly use)	\$44.18	\$52.75	\$63.47	\$65.94	\$68.41	\$70.88	\$73.28	\$29.10

Rate Option	Increase to Typical Single Family Monthly Bill						Cumulative Increase
	1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20	
Drought Rates (based on 6.1 ccf monthly use)	\$8.46	\$10.44	\$2.52	\$2.22	\$2.22	\$2.10	\$27.95
Non-drought Rates (based on 9 ccf monthly use)	\$8.57	\$10.72	\$2.47	\$2.47	\$2.47	\$2.40	\$29.10

1.7 Recommended Water Rates

Table 3 provides the full schedule of recommended drought rates. In adopting the rates listed below, the City should include a cost pass-through provision. The rates developed in this report are based on an estimated increase to the City’s replenishment water cost of 5% annually. If the City’s replenishment water cost increases greater than 5% annually, the City should evaluate adjusting the water rates above the rates shown below to meet the increased cost.

Table 3: Executive Summary – Proposed Drought Rates
 City of Hemet
 Water Rate Study

Meter Size	Current	Proposed					
		1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
Ready-to-Serve (Basic) Charges (\$/month)							
5/8-inch	\$21.14	\$23.05	\$24.95	\$26.25	\$27.55	\$28.85	\$30.15
3/4-inch	\$22.79	\$25.02	\$27.26	\$28.87	\$30.49	\$32.14	\$33.81
1-inch	\$27.29	\$30.04	\$32.83	\$34.86	\$36.93	\$39.03	\$41.16
1 1/2-inch	\$41.00	\$46.74	\$52.79	\$57.85	\$63.14	\$68.66	\$74.42
2-inch	\$70.75	\$74.85	\$81.02	\$85.25	\$89.47	\$93.69	\$97.91
3-inch	\$87.26	\$112.60	\$140.77	\$167.98	\$197.16	\$228.31	\$261.43
4-inch	\$116.99	\$152.11	\$191.23	\$229.15	\$269.84	\$313.31	\$359.54
6-inch	\$206.21	\$259.22	\$317.79	\$373.50	\$433.08	\$496.54	\$563.88
8-inch	\$321.90	\$383.19	\$449.63	\$509.74	\$573.47	\$640.84	\$711.85
Flow Meter	\$73.21	\$86.01	\$99.80	\$112.05	\$125.00	\$138.64	\$152.98
All Customers Volume Rate (\$/ccf)							
Volume rate charged to all use	tiered rates [1]	\$4.85	\$6.25	\$6.45	\$6.60	\$6.75	\$6.88

[1] See Table 1 for the current tiered water rates.

SECTION 2: Current Water Rates

2.1 Current Water Rate Structure

The City currently bills customers for water service on a bimonthly basis. Customers are charged a ready-to-serve or basic charge based on the size of the water meter and consumption charges based on hundred cubic feet of metered water usage. Most single family residential customers have meters sized 5/8-inch, 3/4-inch, or 1-inch. Multifamily and commercial customers typically have larger meter sizes ranging from 1½-inch to 8-inch.

The City’s water rate structure is an inclining tiered rate structure in which customers are charged a higher rate for water used at higher volumes. The City provides a discount for low residential water users. Residential customers with 5/8-inch or 3/4-inch water meters who use 10 ccf per bimonthly period or less are charged the tiered water rates up to a maximum bill of \$56.00. The City’s current water rates are shown in Table 4.

Table 4: Current Bimonthly Water Service Fees
City of Hemet
Water Rate Study

Ready-to-Serve (Basic) Charges		Consumption (Variable) Charges	
Meter Size	Bimonthly Charge	Bimonthly Consumption (cubic feet)	Rate per ccf
5/8-inch	\$42.28	Tier 1: 0-600	\$2.30
3/4-inch	45.58	Tier 2: 601-1200	2.50
1-inch	54.58	Tier 3: 1201 and over	2.88
1 1/2-inch	82.00	Low Use Charge	
2-inch	141.50	Bimonthly Fixed Charge (Maximum Bill)	
3-inch	174.52	0-1000 cf bimonthly usage	56.00
4-inch	233.98		
6-inch	412.42		
8-inch	643.80		
Flow Meter	146.42		

2.2 Ready-to-Serve (Basic) Charges

As shown in the table above, the City’s ready-to-serve charges increase based on the size of the service connection. The ready-to-serve charges are fixed charges and are billed to customers regardless of the amount of water used.

The American Water Works Association (AWWA) publication, *Principles of Water Rates, Fees, and Charges* (M1 Manual), provides guidance on how public water agencies should recover fixed costs from meter charges. The M1 Manual recommends that public agencies scale meter charges to the proportional fixed cost incurred by the agency to serve each meter size. Fixed costs can be proportioned based on the maximum flow capacity of each meter size or based on the customer-related cost of the service connection. The City has historically proportioned its ready-to-serve charges based on customer-related costs, and BWA proposes to continue this method for setting rates.

Table 5 provides the current meter ratios used by the City to scale the ready-to-serve charges. A 5/8-inch meter is the base meter size and is one meter equivalent. The charges of larger meter sizes are scaled based on the customer service cost in comparison to the 5/8-inch meter. For example, under the current rates, an 8-inch meter is assumed to incur more than 15 times the fixed costs of a 5/8-inch meter and is therefore equal to more than 15 meter equivalents.

BWA evaluated the ready-to-serve charges in comparison with meter ratios based on current meter pricing. The City’s current meter pricing and corresponding meter ratios are provided in the Appendix. As shown below, most of the City’s meter ratios are low in comparison with the ratios. The City’s current meter ratio for the 1-inch meter is 1.29 and the recommended ratio based on current meter pricing is 1.37, for example. BWA proposes that the City adjust its meter ratios to align with the ratios shown in Table 5.

Table 5: Meter Ratios
City of Hemet
Water Rate Study

Meter Size	Average Number of Customers [1]	Current		Proposed	
		Current Meter Ratios (relative to 5/8-inch meter)	Meter Equivalents	Recommended Meter Ratio [2]	Meter Equivalents
5/8-inch	7,636	1.00	7,636.0	1.00	7,636.0
3/4-inch	567	1.08	611.3	1.12	635.8
1-inch	405	1.29	522.8	1.37	552.9
1 1/2-inch	22	1.94	42.7	2.47	54.3
2-inch	422	3.35	1,412.3	3.25	1,370.4
3-inch	8	4.13	33.0	8.67	69.4
4-inch	14	5.53	77.5	11.92	166.9
6-inch	4	9.75	39.0	18.70	74.8
8-inch	5	15.23	76.1	23.61	118.1
Flow Meter	2	3.46	6.9	5.07	10.1
Total	9,085		10,457.6		10,688.7

[1] Average number of customers billed across the six bimonthly billing periods in 2014.

[2] See Appendix

2.3 Low Use Charge

The City of Hemet defines a low water user as a residential customer with a 5/8-inch meter or a 3/4-inch meter who uses up to 10 ccf per bimonthly period. Low water users are charged the basic service charge plus consumption rates up to a total maximum bimonthly bill of \$56.00. While the low use charge provides discounts to qualifying residential customers, the charge does not have a cost of service justification and does not benefit ultra-low water users, as described below.

2.3.1 5/8-inch Meter Size Low Use Charge

The low use charge only applies to customers who would otherwise be charged in excess of \$56.00 bimonthly based on the City’s standard water rates. For residential customers with 5/8-inch meters using 0 to 5 ccf per bimonthly period, the low use charge does not apply because bills for these

customers are less than the low use charge maximum of \$56.00. Customers using 6 to 10 ccf per bimonthly period would otherwise be charged in excess of \$56.00 based on the City's water rates. Table 6 shows the hypothetical bimonthly bills that low water users would pay if the low use charge was not in place and the bimonthly bills were not capped at \$56.00.

Table 6: 0-10 ccf Hypothetical Bimonthly Bills Analysis for 5/8-inch Meters
City of Hemet
Water Rate Study

Bimonthly Use	Basic Charge (5/8-inch meter)	Consumption Charges		Hypothetical Total Bill if No Low Use Charge
		Tier 1 0-600 CF \$2.30/ccf	Tier 2 601-1200 CF \$2.50/ccf	
0	\$42.28	\$0.00	\$0.00	\$42.28
1	\$42.28	\$2.30	\$0.00	\$44.58
2	\$42.28	\$4.60	\$0.00	\$46.88
3	\$42.28	\$6.90	\$0.00	\$49.18
4	\$42.28	\$9.20	\$0.00	\$51.48
5	\$42.28	\$11.50	\$0.00	\$53.78
6	\$42.28	\$13.80	\$0.00	\$56.08
7	\$42.28	\$13.80	\$2.50	\$58.58
8	\$42.28	\$13.80	\$5.00	\$61.08
9	\$42.28	\$13.80	\$7.50	\$63.58
10	\$42.28	\$13.80	\$10.00	\$66.08

Table 7 shows the financial impact of the low water use charge on the bimonthly bills of residential customers with 5/8-inch meters using 6 to 10 ccf per bimonthly period. Customers using 6 ccf save \$0.08 per bimonthly period and customers using 10 ccf save \$10.08 per bimonthly period from the low water use charge. If the low use charge was not in place, the City would collect an additional \$43,000 in water consumption charges from residential customers with 5/8-inch meters.

Table 7: Low Use Charge Bimonthly Bills Analysis for 5/8-inch Meters
City of Hemet
Water Rate Study

Bimonthly Use	Basic Charge (5/8-inch meter)	Consumption Charges	Bimonthly Bill	Low Use Charge	Low Use Charge Bill Savings	Number of Bills Annually at Use Level [1]	Annual Financial Impact
0	\$42.28	\$0.00	\$42.28	No			
1	\$42.28	\$2.30	\$44.58	No			
2	\$42.28	\$4.60	\$46.88	No			
3	\$42.28	\$6.90	\$49.18	No			
4	\$42.28	\$9.20	\$51.48	No			
5	\$42.28	\$11.50	\$53.78	No			
6	\$42.28	\$13.72	\$56.00	Yes	\$0.08	2,216	\$177
7	\$42.28	\$13.72	\$56.00	Yes	\$2.58	2,289	\$5,906
8	\$42.28	\$13.72	\$56.00	Yes	\$5.08	2,231	\$11,333
9	\$42.28	\$13.72	\$56.00	Yes	\$7.58	2,055	\$15,577
10	\$42.28	\$13.72	\$56.00	Yes	\$10.08	1,010	\$10,181
Total						9,801	\$43,174

[1] Number of 5/8-inch residential bimonthly bills annually

2.3.2 3/4-inch Meter Size Low Use Charge

The low water use charge also applies to residential customers with 3/4-inch meters. Table 8 shows the hypothetical bimonthly bills that 3/4-inch meter size low water users would pay if the low use charge was not in place. Table 9 shows the financial impact of the low water use charge on 3/4-inch meter size customers. Customers using 0 to 4 ccf bimonthly are charged the standard tiered water rate. Customers using 5 to 10 ccf bimonthly are charged the maximum bill of \$56.00. Customers using 5 ccf save \$1.08 bimonthly and customers using 10 ccf save \$13.38 bimonthly from the low water use charge. If the low use charge was not in place, the City would collect an additional \$3,700 annually from water consumption charges from residential customers with 3/4-inch meters.

Table 8: 0-10 ccf Hypothetical Bimonthly Bills Analysis for 3/4-inch Meters
City of Hemet
Water Rate Study

Bimonthly Use	Basic Charge (3/4-inch meter)	Consumption Charges		Hypothetical Total Bill if No Low Use Charge
		Tier 1	Tier 2	
		0-600 CF \$2.30/ccf	601-1200 CF \$2.50/ccf	
0	\$45.58	\$0.00	\$0.00	\$45.58
1	\$45.58	\$2.30	\$0.00	\$47.88
2	\$45.58	\$4.60	\$0.00	\$50.18
3	\$45.58	\$6.90	\$0.00	\$52.48
4	\$45.58	\$9.20	\$0.00	\$54.78
5	\$45.58	\$11.50	\$0.00	\$57.08
6	\$45.58	\$13.80	\$0.00	\$59.38
7	\$45.58	\$13.80	\$2.50	\$61.88
8	\$45.58	\$13.80	\$5.00	\$64.38
9	\$45.58	\$13.80	\$7.50	\$66.88
10	\$45.58	\$13.80	\$10.00	\$69.38

Table 9: Low Use Charge Bimonthly Bills Analysis for 3/4-inch Meters
City of Hemet
Water Rate Study

Bimonthly Use	Basic Charge (3/4-inch meter)	Consumption Charges	Bimonthly Bill	Low Use Charge	Low Use Charge Bill Savings	Number of Bills Annually at Use Level	Annual Financial Impact
0	\$45.58	\$0.00	\$45.58	No			
1	\$45.58	\$2.30	\$47.88	No			
2	\$45.58	\$4.60	\$50.18	No			
3	\$45.58	\$6.90	\$52.48	No			
4	\$45.58	\$9.20	\$54.78	No			
5	\$45.58	\$10.42	\$56.00	Yes	\$1.08	79	\$85
6	\$45.58	\$10.42	\$56.00	Yes	\$3.38	94	\$318
7	\$45.58	\$10.42	\$56.00	Yes	\$5.88	109	\$641
8	\$45.58	\$10.42	\$56.00	Yes	\$8.38	99	\$830
9	\$45.58	\$10.42	\$56.00	Yes	\$10.88	113	\$1,229
10	\$45.58	\$10.42	\$56.00	Yes	\$13.38	43	\$575
Total						537	\$3,678

2.3.3 Low Water Use Charge Conclusions

While the low water use charge encourages residential customers to use less than 10 ccf bimonthly, it does not necessarily promote conservation. The customers who benefit from the low water use charge are the low to mid-level water users with 5/8-inch meters who consume 6 to 10 ccf bimonthly and users with 3/4-inch meters who consume 5 to 10 ccf bimonthly. The low water use charge offers no discount to the ultra-low water users who are charged the standard tiered water rate.

Proposition 218, the law governing the implementation of water and sewer rates in California, requires that water rates and charges be based on the cost of service and proportional to the benefit that the customer receives. Under the City’s current rate structure, mid-level water users receive a discount that ultra-low and higher-level water users do not receive. A residential customer with a 5/8-inch who uses 10 ccf bimonthly would pay the low use charge of \$56.00; a 5/8-inch residential customer who uses 11 ccf bimonthly would pay a total bill of \$68.58, a \$12.58 increase for one unit of water - a disproportionate increase in cost. The low water use charge is not based on the cost of service and is likely in violation of the proportionality requirements of Proposition 218.

2.4 Water Usage Patterns

Table 10 shows the City’s water consumption across the usage tiers by customer class. For this report, the residential customer class is defined as domestic connections served by 5/8-inch, 3/4-inch, or 1-inch meters. The commercial customer class is defined as businesses, industry, schools, irrigation connections, and multiple family connections. Multiple family customers are categorized as commercial customers if they are served by a 1½-inch meter or larger. Multiple family customers include apartment complexes, townhome complexes, mobile home parks, and senior living complexes served by a large master meter (i.e. dwelling units are not individually metered). Residential customers use about 48% and commercial customers use about 52% of the total water sold annually by the City of Hemet.

Water use in tiers 1 and 2 make up about half of the residential water use. Commercial customers use very little water in tiers 1 and 2 and consume the majority of their water in tier 3. System-wide, tier 3 usage makes up over 70% of the total water sales.

Table 10: Current Usage in each Tier
City of Hemet
Water Rate Study

Usage Level Tier	Customer Class				Annual Total (ccf)	
	Residential (ccf)		Commercial (ccf)			
Tier 1: 0-600 CF	265,991	31.5%	36,300	4.0%	302,291	17.2%
Tier 2: 601-1200 CF	190,071	22.5%	31,505	3.4%	221,576	12.6%
Tier 3: 1201-Over CF	388,794	46.0%	849,770	92.6%	1,238,564	70.3%
Total	844,856	100.0%	917,575	100.0%	1,762,432	100.0%

Table includes all water use including the water use of low use charge customers

2.5 Typical Bills by Season

Historical water usage data indicate that the typical residential winter water use is 5 ccf monthly (10 ccf bimonthly), the average annual water use is 9 ccf monthly (18 ccf bimonthly²), and the typical summer water use is 11 ccf monthly (22 ccf bimonthly). The typical bills for each period are shown below. The average annual monthly residential bill is \$44.18 (\$88.36 bimonthly) under the current rate structure.

Table 11: Typical Residential Bills
City of Hemet
Water Rate Study

Winter Water Bill

5 ccf monthly (10 ccf per bimonthly period)

<u>Rate or Charge</u>	<u>Rate</u>		<u>Count</u>	<u>Units</u>	<u>Amount</u>
5/8-inch Basic Rate	\$42.28	x	1	meter	\$42.28
Consumption Rates					
Tier 1 (0-6 ccf)	\$2.30	x	6	ccf	\$13.80
Tier 2 (6-12 ccf)	\$2.50	x	4	ccf	\$10.00
Tier 3 (12-OVER)	\$2.88	x	0	ccf	<u>\$0.00</u>
TOTAL BIMONTHLY BILL					\$66.08
MONTHLY BILL					\$33.04

Average Annual Water Bill

9 ccf monthly (18 ccf per bimonthly period)

<u>Rate or Charge</u>	<u>Rate</u>		<u>Count</u>	<u>Units</u>	<u>Amount</u>
5/8-inch Basic Rate	\$42.28	x	1	meter	\$42.28
Consumption Rates					
Tier 1 (0-6 ccf)	\$2.30	x	6	ccf	\$13.80
Tier 2 (6-12 ccf)	\$2.50	x	6	ccf	\$15.00
Tier 3 (12-OVER)	\$2.88	x	6	ccf	<u>\$17.28</u>
TOTAL BIMONTHLY BILL					\$88.36
MONTHLY BILL					\$44.18

Summer Water Bill

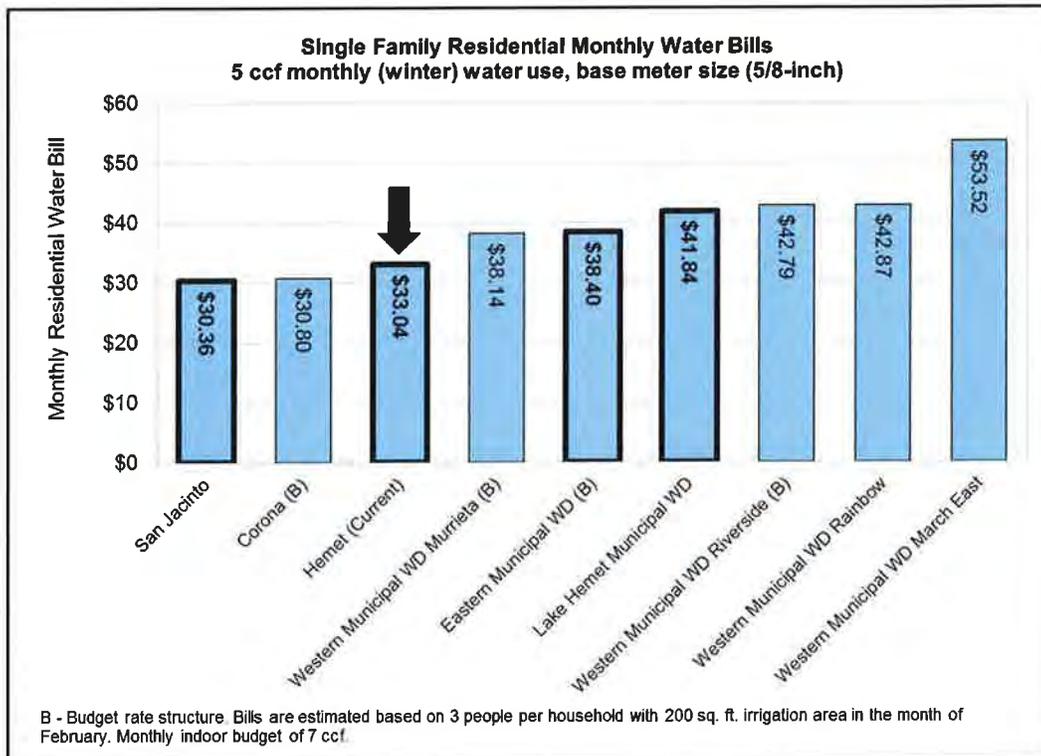
11 ccf monthly (22 ccf per bimonthly period)

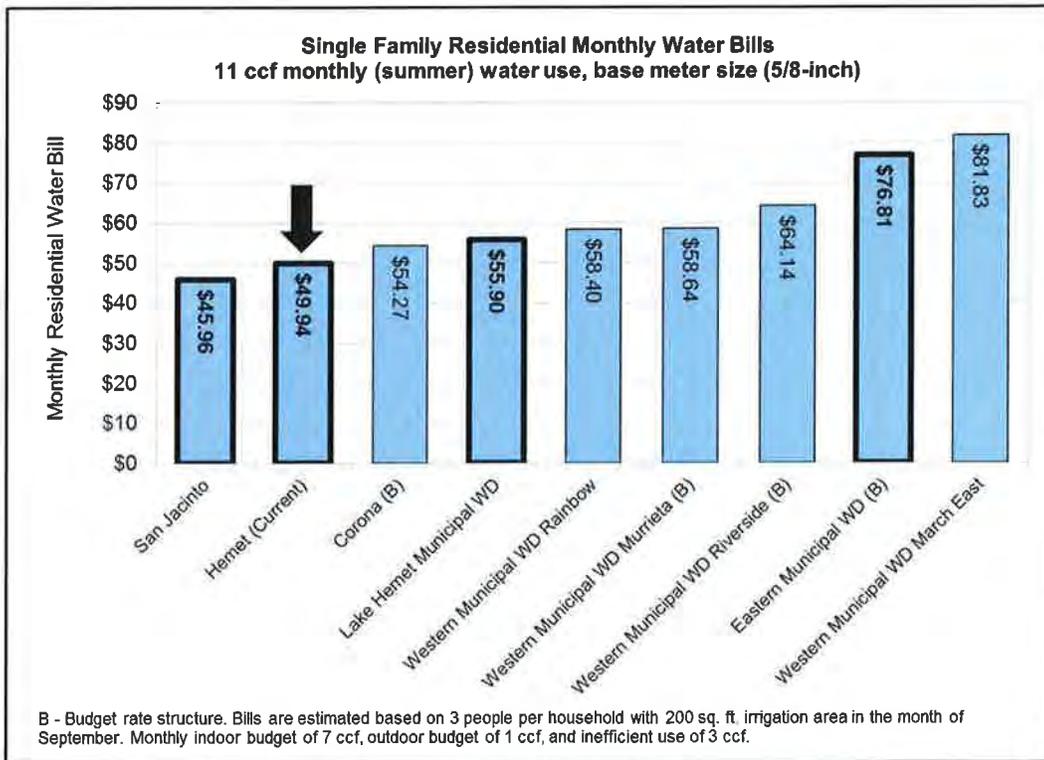
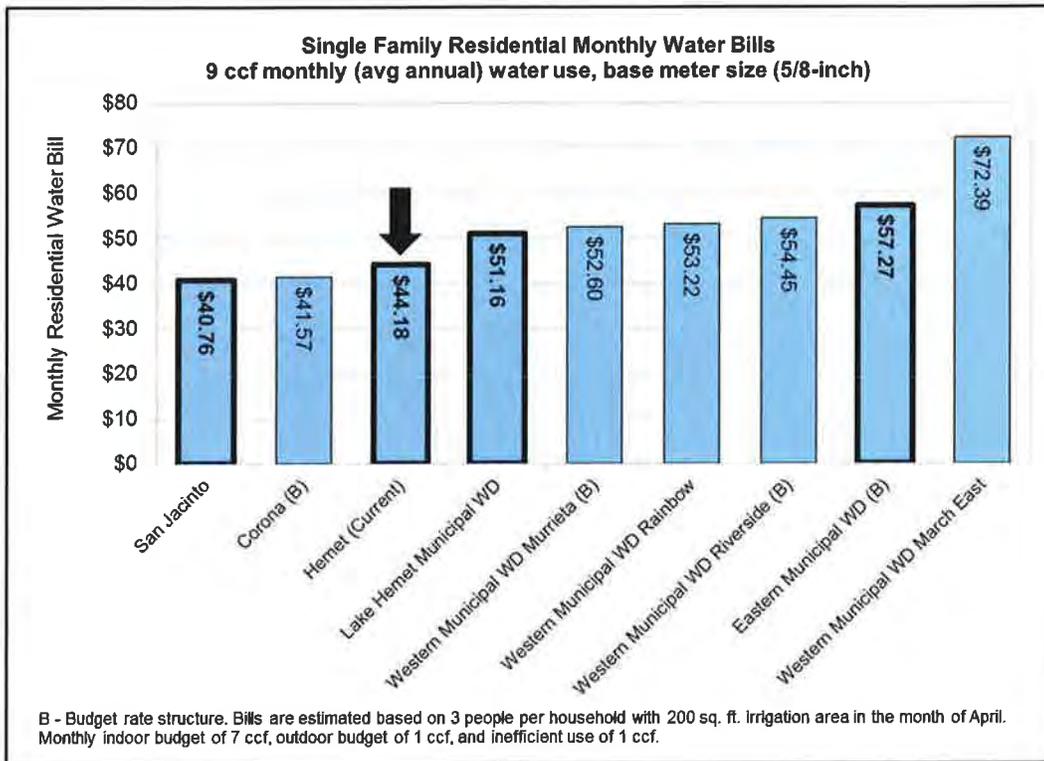
<u>Rate or Charge</u>	<u>Rate</u>		<u>Count</u>	<u>Units</u>	<u>Amount</u>
5/8-inch Basic Rate	\$42.28	x	1	meter	\$42.28
Consumption Rates					
Tier 1 (0-6 ccf)	\$2.30	x	6	ccf	\$13.80
Tier 2 (6-12 ccf)	\$2.50	x	6	ccf	\$15.00
Tier 3 (12-OVER)	\$2.88	x	10	ccf	<u>\$28.80</u>
TOTAL BIMONTHLY BILL					\$99.88
MONTHLY BILL					\$49.94

² In calculating the average residential consumption, BWA did not include bills with zero usage.

2.6 Typical Bills Survey

BWA conducted a bills survey comparing the typical single family residential monthly bill in the City of Hemet with the typical single family residential monthly bills of other local water purveyors. Several local agencies use a budget rate structure in which the amount of water in each tier is customized for each customer based on number of people per home and outdoor irrigation area. BWA applied the typical customer characteristics in the City of Hemet to the budget rate structures to estimate typical bills. The typical winter, average annual, and typical summer residential bills in the City of Hemet are in the mid-range of the surveyed agencies. The City of Hemet and the most directly comparable agencies (Eastern Municipal Water District, Lake Hemet Municipal Water District, and the City of San Jacinto) are shown in bold.





2.7 Customer Billing Units and Current Rate Revenue

Table 12 provides the billing units and the FY2015 estimated revenue from the ready-to-serve charges. As shown, the majority of customers have 5/8-inch meters. In total, the City can expect to collect approximately \$2.65 million in FY2015 from the ready-to-serve charges.

Table 12: FY2015 Estimated Ready-to-Serve Billing Units and Revenue
City of Hemet
Water Rate Study

Ready-to-Serve (Basic) Charges			
Meter Size	Bimonthly Rate	Bimonths	FY2015 Estimated Revenue
5/8-inch	\$42.28	45,816	\$1,937,118
3/4-inch	\$45.58	3,400	\$154,970
1-inch	\$54.58	2,427	\$132,483
1 1/2-inch	\$82.00	133	\$10,928
2-inch	\$141.50	2,532	\$358,344
3-inch	\$174.52	48	\$8,290
4-inch	\$233.98	84	\$19,654
6-inch	\$412.42	24	\$9,692
8-inch	\$643.80	30	\$19,109
Flow Meter	\$146.42	9	\$1,386
Total			\$2,651,973

Table 13 provides the estimated water consumption and volume rate revenue from the low use customers. For the low use customers, water usage above the maximum bill of \$56.00 that is not charged is shown with a rate of \$0.00 per ccf. Table 14 provides the estimated water consumption and volume rate revenue from non-low use (standard) residential customers and commercial customers. Table 15 provides the average rate of the residential and commercial customer classes. The average rate is calculated as the total usage revenue divided by the units of water consumed. The average residential rate of \$2.56 per ccf is approximately equal to the tier 2 rate of \$2.50 per ccf. The average commercial rate of \$2.84 per ccf is approximately equal to the tier 3 rate of \$2.88. On average, the commercial customer class pays \$0.28 per ccf more than the residential customer class.

In total, the City expects to collect about \$7.4 million in water rate revenue in FY 2015, see Table 16. About 36% of rate revenue is collected from fixed, ready-to-serve or basic charges and 64% is collected from variable, usage rates. Fixed rate revenue provides financial stability for the City as this revenue source does not increase or decrease with changes in water use.

Table 13: FY2015 Estimated Water Consumption and Revenue Low Use
 City of Hemet
 Water Rate Study

Low Water Usage Customers (ccf)			
Low Use Customers	Rate (\$/ccf)	ccf	Estimated Revenue
5/8-inch Meter			
0-596 CF	\$2.30	87,341	\$200,902
597-1,000 CF	\$0.00	17,288	\$0
Subtotal 5/8-inch			
Low		104,629	\$200,902
3/4-inch Meter			
0-453 CF	\$2.30	2,952	\$6,790
454-1,000 CF	\$0.00	1,526	\$0
Subtotal 3/4-inch			
Low		4,478	\$6,790
Total Low Water Use		109,107	\$207,692

Table 14: FY2015 Estimated Water Consumption and Revenue
 City of Hemet
 Water Rate Study

Volume Water Rates			
Tier	Rate (\$/ccf)	ccf	Estimated Revenue
Single Family Residential (Not Low)			
Tier 1: 0-600 CF	\$2.30	175,698	\$404,105
Tier 2: 601-1200 CF	\$2.50	171,257	\$428,143
Tier 3: 1201-Over CF	\$2.88	388,794	\$1,119,727
Residential (Not Low) Total		735,749	\$1,951,975
Commercial			
Tier 1: 0-600 CF	\$2.30	36,300	\$83,490
Tier 2: 601-1200 CF	\$2.50	31,505	\$78,763
Tier 3: 1201-Over CF	\$2.88	849,770	\$2,447,338
Commercial Total		917,575	\$2,609,590
Total			\$4,561,565

Table 15: Average Rate Calculation
 City of Hemet
 Water Rate Study

Customer Category	Water Rate Revenue	Use (ccf)	Average Rate (\$/ccf)
Residential Water Use			
Low Use Charge Customers	\$207,692	109,107	\$1.90
Non-low Use Charge Customers	<u>\$1,951,975</u>	<u>735,749</u>	\$2.65
Subtotal Residential	\$2,159,667	844,856	\$2.56
Subtotal Commercial	\$2,609,590	917,575	\$2.84
Total	\$4,769,257	1,762,431	\$2.71

Table 16: FY2015 Estimated Rate Revenue
 City of Hemet
 Water Rate Study

FY2015 Estimated Revenue		
Rate or Charge	Revenue	Percent
Basic Charges	\$2,651,973	36%
Consumption Charges		
Low Water Use	\$207,692	3%
Standard Use	\$4,561,565	61%
Total	\$7,421,230	100%

SECTION 3: Cash Flow Projection

3.1 Revenues

For FY2015, the water utility expects to collect about \$7.7 million in total revenue. The vast majority of the water utility revenues are ready-to-serve and consumption rate revenues. Other revenue sources include interest income, late fees, service fees, and miscellaneous revenues. For FY2016 to FY2020, interest income is estimated at 1% of the beginning fund balance each year. In order to meet costs, rates must increase. The proposed effective date for the first rate increase is October 1, 2015 followed by a rate increase March 1, 2016 and each January 1 thereafter through 2020.

The City is considering the sale of stored imported water or accumulated production credits to neighboring water purveyors. If the City engages in a water sales agreement, the water sales revenue would be an additional revenue source that the City could use to fund capital projects, replenish reserves, and use as a funding source to offset rate increases. As of the publication date of this report, the City has no definite plans to sell stored imported water or accumulated production credits. Stored imported water or accumulated production credit sales revenues are not included in this study.

3.2 Expenses

The water utility's expenses consist of operating and capital expenses. Expense categories and expense projections are described in more detail below.

3.2.1 Operating Expenses

For FY2015, the City budgeted approximately \$8.28 million in operating costs, \$1.28 million in appropriations from prior years, \$2.15 million in capital costs. Appropriations are funding obligations that were committed in prior years but not spent. It is assumed that the appropriations will be spent in FY2015 and the City will have no appropriations in future years.³

Operating costs consist of staffing costs, supplies and services, replenishment water, groundwater management, electricity costs, administration, and overhead. In FY2016, the City intends to transition from bimonthly to monthly billing. The transition will add new costs for monthly billing management, operations, and a new position – a utility billing specialist. The total annual cost of monthly billing is estimated at \$140,000. Base staffing costs, supplies and services, electricity, administration, and overhead costs are projected to increase by 3% annually due to inflation.

Groundwater management and replenishment water costs were projected over five years by City staff. The groundwater management cost is the Hemet/San Jacinto Groundwater Basin Watermaster's administrative fee on the City's groundwater base production and is estimated to be \$30 per acre foot in FY2016. The City is required to purchase 1,470 acre feet per year of replenishment water from the

³ If appropriations are not spent in FY2015 they will continue into FY2016.

Metropolitan Water District of Southern California. The total delivered cost of the replenishment water is estimated to be \$825 per acre foot in FY2016, see Table 17.

Table 17: Replenishment Water Delivered Cost
 City of Hemet
 Water Rate Study

Item	AF Units	Cost/Unit	Assumed Increase	FY2016	FY2017	FY2018	FY2019	FY2020
IRR Phase 1	Fixed Payment		0%	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Current CY Recharge Water Purchase	1,470	\$492	5%	\$723,240	\$759,402	\$795,564	\$831,726	\$867,888
Current CY Recharge Water Delivery (O&M to EMWD)	1,470	\$73	5%	\$107,310	\$112,676	\$118,041	\$123,407	\$128,772
Predelivery of upcoming CY Recharge Delivery O&M	1,470	\$73	5%	<u>\$107,310</u>	<u>\$112,676</u>	<u>\$118,041</u>	<u>\$123,407</u>	<u>\$128,772</u>
Total				\$1,212,860	\$1,259,753	\$1,306,646	\$1,353,539	\$1,400,432
Cost per AF				\$825.07	\$856.97	\$888.87	\$920.77	\$952.67

Source: City staff

As shown in the table above, the City's replenishment water cost is made up of a fixed payment for the City's portion of the Phase 1 Facilities to recharge the groundwater basin, the cost of the replenishment water, and the water delivery costs paid to the Eastern Municipal Water District. To implement the groundwater management plan, EMWD offered the use of its recharge facilities. The City's financial responsibility for the Phase 1 Facilities is a 19.6% prorata share of the construction costs. The annual cost is \$275,000, which will be paid through July 1, 2035.

The City estimates a 5% annual escalation in the recharge water purchase cost and the delivery operations and maintenance costs. BWA used the 5% annual cost increase estimate to develop the rates shown in this report. BWA recommends that the City adopt a cost pass-through provision allowing the City to increase its water rates beyond the rates recommended in this report if the replenishment water costs exceed the estimates shown in Table 17. The City is granted authority to adopt water cost pass-throughs by the California Government Code, Section 53756.

In FY2016, the City will hire a contract water engineer and engage in groundwater management planning, which will each cost \$50,000 annually. In FY2017, the City will construct a new water storage tank that will reduce peak pumping electricity costs by \$32,700 as estimated by Southern California Edison.

All non-drought rate options developed in this report include the operating cost projection described above. During drought conditions, the City will pump less groundwater thereby saving an estimated \$200,000 annually by FY2020 in pumping and treatment costs.

3.2.2 Capital Expenses

City staff developed a five-year capital improvement plan. Water system funding needs are categorized into two categories 1) high priority capital projects and 2) additional capital projects. The high priority projects are needed to meet health, safety, and regulatory requirements. The additional capital projects are needed to provide a high level of service to the City's customers and to proactively repair and replace the water system. The additional capital projects could be delayed over the next five years while the City must fund health and safety-related projects. In total, the City expects to complete \$18.98 million of high priority capital projects and \$6.47 million of additional capital projects over the next five years, Table 18.

Table 18: Capital Improvement Program
City of Hemet
Water Rate Study

Capital Projects	Five Year Projection (Prop 218)					Total
	FY2016	FY2017	FY2018	FY2019	FY2020	
High Priority						
Replace Distribution Water Main Park Hill to Florida Ave	1,000,000	2,250,000	1,250,000			4,500,000
Pipeline to Recharge Ponds San Jacinto to City Limits		3,000,000				3,000,000
Water Quality Treatment	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	6,250,000
Echo Hills Water Storage Tank (2MG)				3,000,000		3,000,000
Echo Hills Water Line				1,500,000		1,500,000
Vehicle Replacement	150,000					150,000
Backhoe Replacement					200,000	200,000
10 Wheeler Replacement					250,000	250,000
Valve Truck	125,000					125,000
Subtotal High Priority Capital Costs	2,525,000	6,500,000	2,500,000	5,750,000	1,700,000	18,975,000
Additional Capital						
Recycled Water Line		1,500,000				1,500,000
New Well Development				1,385,000	1,385,000	2,770,000
Water Main Replacements		400,000	400,000	400,000		1,200,000
Stetson Avenue Waterline		250,000				250,000
Upgrade to 8-inch - 4 segments - Taylor Johnston, Apricot, Harvard		250,000	250,000	250,000		750,000
Subtotal Additional Capital Costs	-	2,400,000	650,000	2,035,000	1,385,000	6,470,000
Total Capital Projects	\$2,525,000	\$8,900,000	\$3,150,000	\$7,785,000	\$3,085,000	\$25,445,000

As available, the City will pursue grant and/or low interest loans from federal and state agencies to fund the capital projects. However, for financial planning purposes, it is assumed that the City will provide its own funding for projects consisting of cash funding/pay-as-you-go funding or market rate debt. Grants programs are highly competitive and typically have long wait times to receive funding. The City must have outside funding available given the uncertainty of securing grant or low interest loans.

3.3 Financial Planning Assumptions

In consultation with staff, BWA developed financial planning assumptions that are described below. These assumptions apply to all financial planning options.

3.3.1 Fund Reserve Targets

Revenues of the water system must be adequate to meet capital and operating costs as well as maintain adequate emergency reserves. The FY2015 beginning fund balance is about \$7.8 million. BWA finds this level of reserve to be more than adequate. BWA recommends a minimum fund balance of 30% of operating expenses, about \$2.5 million in FY2015, to provide emergency funding as needed. The minimum fund target is projected to increase annually as operating costs increase. The fund reserve target represents a long term financial planning goal. The City is not projected to meet the reserve target each year but is projected to meet the target at the end of the five year planning horizon.

3.3.2 Capital Improvement Financing

BWA projects that the City will issue a loan in FY2017 that will fund the capital projects scheduled for FY2017, FY2018, and FY2019. A single municipal debt issuance can fund capital improvement projects over a three year period, per the legal maximum. By the end of FY2017, the water utility would have implemented three rate increases (October 2015, March 2016, and January 1, 2017) and could demonstrate positive net revenues, thereby improving its credit outlook. Based on market conditions, BWA estimates that the City could secure a 20 year debt at 3% interest. For the term of the debt, the City would likely be required to maintain revenues such that the net operating revenues (revenues less the operating expenses) exceed the annual debt service payments by 1.25 times (shown as the debt service coverage ratio in the cash flows). The benefit of the debt financing alternatives is that the cost of the capital projects is spread over a 20 year term, which minimizes the impacts on ratepayers.

3.4 Cash Flow

Based on the expenses and financial planning assumptions listed above, BWA developed cash flow projections for drought and non-drought conditions. Provided below are the cash flow projections supporting each rate option.

Table 19: Cash Flow Full CIP with Debt Financing - Non-drought
 City of Hemet
 Water Rate Study

	Budget	Five Year Projection (Prop 218)				
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
		<u>Oct 1 & Mar 1</u> <u>Rate Increase</u>	<u>Jan 1 Rate</u> <u>Increase</u>	<u>Jan 1 Rate</u> <u>Increase</u>	<u>Jan 1 Rate</u> <u>Increase</u>	<u>Jan 1 Rate</u> <u>Increase</u>
BEGINNING BALANCE						
Public Water Utility	\$7,828,500	\$3,814,000	\$1,509,100	\$14,353,700	\$12,041,100	\$5,213,300
<u>Revenues</u>						
Water Service Charges	7,421,200	8,989,600	10,918,100	11,344,200	11,780,000	12,212,000
Water Facilities Fee	1,500	1,500	1,500	1,500	1,500	1,500
Interest Income [1]	100,000	38,000	15,000	144,000	120,000	52,000
Late Fees, Service Fees, etc.	137,000	137,000	137,000	137,000	137,000	137,000
Total Revenues	\$7,659,700	\$9,166,100	\$11,071,600	\$11,626,700	\$12,038,500	\$12,402,500
<u>Expenses</u>						
<i>Operating Expenses</i>						
Salaries and Benefits	2,701,900	2,783,000	2,866,000	2,952,000	3,041,000	3,132,000
Additional Staff [2]	0	395,000	407,000	419,000	432,000	445,000
Supplies and Services	1,053,000	1,085,000	1,118,000	1,152,000	1,187,000	1,223,000
Replenishment Water	1,524,000	1,213,000	1,260,000	1,307,000	1,354,000	1,400,000
Ground Water Mgmt	0	162,000	161,000	160,000	158,000	155,000
GW Management Plan	0	50,000	50,000	50,000	50,000	50,000
Meter Replacement	0	100,000	100,000	100,000	100,000	100,000
Utilities- Electric	478,700	503,000	470,000	494,000	519,000	545,000
Monthly Billing [3]	0	55,000	52,000	54,000	56,000	58,000
Admin and Overhead	<u>2,524,700</u>	<u>2,600,000</u>	<u>2,678,000</u>	<u>2,758,000</u>	<u>2,841,000</u>	<u>2,926,000</u>
Total O&M Expenses	8,282,300	8,946,000	9,162,000	9,446,000	9,738,000	10,034,000
<i>Appropriations</i>	1,276,000	0	0	0	0	0
Operations Net Revenue	(\$1,898,600)	\$220,100	\$1,909,600	\$2,180,700	\$2,300,500	\$2,368,500
<i>Debt</i>						
Debt Proceeds	0	0	19,835,000	0	0	0
Debt Service Expense [4]	0	0	0	1,343,300	1,343,300	1,343,300
Debt Service Coverage [5]	NA	NA	NA	1.62	1.71	1.76
<i>Capital Expenses</i>	2,115,500	2,525,000	8,900,000	3,150,000	7,785,000	3,085,000
Total Expenditures	\$11,673,800	\$11,471,000	\$18,062,000	\$13,939,300	\$18,866,300	\$14,462,300
Total Net Revenue	(\$4,014,100)	(\$2,304,900)	\$12,844,600	(\$2,312,600)	(\$6,827,800)	(\$2,059,800)
ENDING BALANCE						
Public Water Utility	\$3,814,400	\$1,509,100	\$14,353,700	\$12,041,100	\$5,213,300	\$3,153,500
Target Balance [6]	\$2,484,700	\$2,683,800	\$2,748,600	\$2,833,800	\$2,921,400	\$3,010,200
Target Met?	yes	no	yes	yes	yes	yes

[1] Interest income is estimated as 1% of the Beginning Fund Balance.

- [2] New staff include a water engineer, management analyst, utility billing specialist, and a Hydro/Geotech contract service
 [3] \$5,000 transition cost in FY2016 plus an ongoing operational cost of \$50,000 plus inflation
 [4] 20 years at 3% interest with \$150,000 in issuance costs.
 [5] Ratio of the net operating revenues to the debt service expense. Minimum coverage is assumed to be 1.25.
 [6] Reserve Fund targets are 30% of O&M Expenses

Table 20: Cash Flow Full CIP with Debt Financing - Drought
 City of Hemet
 Water Rate Study

	Budget	Five Year Projection (Prop 218)				
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
		<u>Oct 1 & Mar 1 Rate Increase</u>	<u>Jan 1 Rate Increase</u>	<u>Jan 1 Rate Increase</u>	<u>Jan 1 Rate Increase</u>	<u>Jan 1 Rate Increase</u>
BEGINNING BALANCE						
Public Water Utility	\$7,828,500	\$3,814,000	\$1,591,500	\$14,519,000	\$12,303,200	\$5,543,400
Revenues						
Water Service Charges	7,421,200	8,972,000	10,870,000	11,280,000	11,665,000	12,044,000
Water Facilities Fee	1,500	1,500	1,500	1,500	1,500	1,500
Interest Income [1]	100,000	38,000	16,000	145,000	123,000	55,000
Late Fees, Service Fees, etc.	137,000	137,000	137,000	137,000	137,000	137,000
Total Revenues	\$7,659,700	\$9,148,500	\$11,024,500	\$11,563,500	\$11,926,500	\$12,237,500
Expenses						
Operating Expenses						
Salaries and Benefits	2,701,900	2,783,000	2,866,000	2,952,000	3,041,000	3,132,000
Additional Staff [2]	0	395,000	407,000	419,000	432,000	445,000
Supplies and Services	1,053,000	1,085,000	1,118,000	1,152,000	1,187,000	1,223,000
Replenishment Water	1,524,000	1,213,000	1,260,000	1,307,000	1,354,000	1,400,000
Ground Water Mgmt	0	162,000	161,000	160,000	158,000	155,000
GW Management Plan	0	50,000	50,000	50,000	50,000	50,000
Meter Replacement	0	100,000	100,000	100,000	100,000	100,000
Utilities- Electric	478,700	503,000	470,000	494,000	519,000	545,000
Monthly Billing [3]	0	55,000	52,000	54,000	56,000	58,000
Admin and Overhead	2,524,700	2,600,000	2,678,000	2,758,000	2,841,000	2,926,000
Reduction in expenses from drought		<u>(100,000)</u>	<u>(100,000)</u>	<u>(130,000)</u>	<u>(160,000)</u>	<u>(180,000)</u>
Total O&M Expenses	8,282,300	8,846,000	9,032,000	9,286,000	9,558,000	9,834,000
Appropriations	1,276,000	0	0	0	0	0
Operations Net Revenue	(\$1,898,600)	\$302,500	\$1,992,500	\$2,277,500	\$2,368,500	\$2,403,500
Debt						
Debt Proceeds	0	0	19,835,000	0	0	0
Debt Service Expense [4]	0	0	0	1,343,300	1,343,300	1,343,300
Debt Service Coverage [5]	NA	NA	NA	1.70	1.76	1.79
Capital Expenses	2,115,500	2,525,000	8,900,000	3,150,000	7,785,000	3,085,000
Total Expenditures	\$11,673,800	\$11,371,000	\$17,932,000	\$13,779,300	\$18,686,300	\$14,262,300
Total Net Revenue	(\$4,014,100)	(\$2,222,500)	\$12,927,500	(\$2,215,800)	(\$6,759,800)	(\$2,024,800)

ENDING BALANCE						
Public Water Utility	\$3,814,400	\$1,591,500	\$14,519,000	\$12,303,200	\$5,543,400	\$3,518,600
Target Balance [6]	\$2,484,700	\$2,653,800	\$2,709,600	\$2,785,800	\$2,867,400	\$2,950,200
Target Met?	yes	no	yes	yes	yes	yes

[1] Interest income is estimated as 1% of the Beginning Fund Balance.

[2] New staff include a water engineer, management analyst, utility billing specialist, and a Hydro/Geotech contract service

[3] \$5,000 transition cost in FY2016 plus an ongoing operational cost of \$50,000 plus inflation

[4] 20 years at 3% interest with \$150,000 in issuance costs.

[5] Ratio of the net operating revenues to the debt service expense. Minimum coverage is assumed to be 1.25.

[6] Reserve Fund targets are 30% of O&M Expenses

SECTION 4: Cost Allocation and Proposed Water Rates

Proposition 218 requires that water rates and charges be based on the cost of providing service and proportional to the benefit that the customer receives from taking service. This section describes the allocation methodology, approach for assigning costs, and provides the proposed rates.

4.1 Allocation of Fixed and Variable Costs

BWA reviewed the water system's operating and capital cost as shown in the cash flows in the previous section. Costs were categorized as fixed costs or variable costs based on how the City incurs the cost and how the cost benefits the ratepayers. Fixed costs are recovered through the ready-to-serve charge and variable costs are recovered through the water use rate. This subsection describes the process of determining the total amount of revenue to be recovered through the ready-to-serve charge and the volume rate.

Fixed costs are expenses that are not dependent on the amount of water used such as customer service, billing costs, water utility vehicles, and the majority of administrative and overhead costs. Variable costs are costs that fluctuate based on the amount of water used such as pumping electrical costs, supplies and services, new well development, and other projects needed to increase the capacity of the water system. In addition, costs incurred to supply, deliver, and provide long-term management of the groundwater basin are allocated to the volume rate. These costs, consisting of groundwater management, replenishment water, water quality treatment, storage, recycled water development, and a portion of staff salaries and benefits, are related to the quantity of water used throughout the City's service area.

BWA evaluated the FY2020 operating costs and a five year annual average of the capital costs and assigned each cost to the fixed cost or variable cost category. A summary of the cost allocation results are provided in Table 21. The detailed cost allocations for the drought and non-drought scenarios are provided in Section 4.3.

Compared to the current cost recovery, the proposed cost allocations would recover a higher percentage of system costs from the variable rate. This shift in cost recovery toward the volume rate provides a stronger conservation price signal to customers. When comparing the drought and non-drought scenarios, the drought scenario consists of a smaller percent of the total cost made up of variable costs. During drought conditions, the City would incur lower variable costs (pumping, treatment, etc.) due to lower water use.

Table 21: Allocation of Fixed and Variable Cost Summary
 City of Hemet
 Water Rate Study

Rate Option	Fixed Cost Allocation	Variable Cost Allocation
Current	35.7%	64.3%
Proposed Non-drought	31.2%	68.8%
Proposed Drought	31.7%	68.2%

4.2 Rate Structure Adjustments

For this 2015 Water Rate Study, a number of water rate structure changes are proposed to more fairly recover the cost of service from customers and to better promote conservation. The rate structure changes are described below.

4.2.1 Transition to Monthly Billing

In 2016, the City intends to transition from bimonthly to monthly billing which will offer the following benefits:

- 1) Provide customers more frequent information about their water use
- 2) Provide customers smaller bills which are easier for households to budget
- 3) Allow the City to address delinquencies in a more timely manner

4.2.2 Transition to a Single Volume Rate for All Use

In response to the San Juan Capistrano court case, BWA proposes that the City eliminate its tiered water rate structure in favor of a single rate charged on all use. The recent San Juan Capistrano court case focused on justifying each water rate tier based on the costs of various sources of water. The City of Hemet’s primary source of water is groundwater, with a modest secondary source of stored imported water. At this time, the City has not accumulated sufficient data to cost-justify a tiered rate structure under which users of higher amounts of water would be assessed a higher percentage of imported water and related capital costs. The proposed rate structure, referred to as a uniform rate structure, is legally robust and is easy for customers to understand.

With the transition to a uniform rate structure, BWA proposes that the City eliminate the residential low use charge and bill all customers the same rate without subsidies. The low use charge does not have a cost justification and could be in violation of Proposition 218 proportionality and cost of service requirements.

4.2.3 Adjustment of Ready-to-Serve Charges

BWA recommends adjustments to the ready-to-serve charges to more fairly recover the water utility’s fixed costs. As discussed in Section 2.2: Ready-to-Serve (Basic) Charges, the City’s current ready-to-serve charges may be under-charging larger meter sizes. The ready-to-serve charge should be scaled to each meter size based on how each meter size incurs fixed costs.

BWA reviewed customer costs and meter service costs with the City. Larger meter sizes require more frequent maintenance and larger crew sizes to conduct service and repairs. Typically 4-inch meters and larger should be calibrated annually due to the higher flows reducing the accuracy of the meter. When replacing larger meters, manpower increases from a one-man crew to replace 2-inch or smaller meter to a three-man crew to service or replace the larger meters. The City of Hemet makes every effort to replace all meters between 10 to 15 years. The City is cost-justified in charging larger meter sizes a higher portion of its fixed costs.

Table 22 presents the proposed scaling of the ready-to-serve charge based on recommended meter ratios. The 5/8-inch meter size is the base meter size and is one meter equivalent (i.e. 1.0 meter ratio). Larger meter sizes are assigned higher meter ratios (and thus higher meter equivalents) based on the City's current meter pricing (see Appendix). As shown below, BWA recommends that the City phase-in the ratio adjustment over five years to avoid rate shock for the larger meter sizes.

Table 22 also provides the total number of meter equivalent projected through FY2020. The total number of meter equivalents is the sum-product of the number of meters and the meter ratio for each meter size. In addition to the adjustment of meter ratios, the number of meter equivalents is projected to increase due to new development. The City estimates residential growth of 0.3% annually which equates to about 27 new 5/8-inch connections. Based on the changes to the meter ratios and growth in the customer base, BWA projects that the number of meter equivalents will increase from 10,458 (current) to 10,716 in five years.

Table 22: Proposed Meter Ratio Adjustments
City of Hemet
Water Rate Study

Meter Size	# of Meters	FY2015 Current	FY2016	FY2016	FY2017	FY2018	FY2019	FY2020
			1-Oct	1-Mar	1-Jan	1-Jan	1-Jan	1-Jan
Proposed Meter Ratios								
5/8-inch	7,636	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3/4-inch	567	1.078	1.085	1.092	1.100	1.107	1.114	1.121
1-inch	405	1.291	1.303	1.316	1.328	1.340	1.353	1.365
1 1/2-inch	22	1.939	2.028	2.116	2.204	2.292	2.380	2.468
2-inch	422	3.347	3.247	3.247	3.247	3.247	3.247	3.247
3-inch	8	4.128	4.885	5.642	6.399	7.156	7.914	8.671
4-inch	14	5.534	6.599	7.664	8.730	9.795	10.860	11.925
6-inch	4	9.754	11.246	12.737	14.228	15.720	17.211	18.702
8-inch	5	15.227	16.624	18.021	19.419	20.816	22.213	23.610
Flow Meter	2	3.463	3.732	4.000	4.269	4.537	4.806	5.074
Subtotal Meter Equivalents		10,458	10,461	10,507	10,552	10,598	10,643	10,689
Growth in customer base		0	13	14	27	27	27	27
Total Meter Equivalents		10,458	10,474	10,521	10,579	10,625	10,670	10,716

FY2020 proposed meter ratios are developed in the Appendix

4.3 Rate Calculation

To calculate the proposed rates and charges, the fixed and variable costs are divided by the number of meter equivalents and estimated water consumption, respectively. Rates were developed from the allocation of FY2020 costs and phased-in over a five-year period. The following tables provide the detailed cost allocation of fixed and variable costs and the development of the FY2020 rates. The proposed drought volume rate is higher than the non-drought rate because the variable costs are recovered over a smaller base of water use.

Table 23: Rate Calculation - Non-drought
City of Hemet
Water Rate Study

Expenses		Fixed Cost Allocation	Variable Cost Allocation	Fixed Costs	Variable Costs
Operating Expenses	FY2020				
Salaries and Benefits	3,132,000	50%	50%	1,566,000	1,566,000
Additional Staff	445,000	50%	50%	223,000	223,000
Supplies and Services	1,223,000	50%	50%	612,000	612,000
Replenishment Water	1,400,000	0%	100%	0	1,400,000
Groundwater Management	155,000	0%	100%	0	155,000
GW Management Plan	50,000	0%	100%	0	50,000
Meter Replacement	100,000	100%	0%	100,000	0
Utilities- Electric	545,000	0%	100%	0	545,000
Monthly Billing	58,000	100%	0%	58,000	0
Administration and Overhead	2,926,000	60%	40%	<u>1,756,000</u>	<u>1,170,000</u>
Total O&M Expenses	10,034,000			4,315,000	5,721,000
High Priority Capital Projects	5-year Avg Annual Cost				
Replace Distribution Water Main Park Hill to Florida Ave	900,000	0%	100%	0	900,000
Pipeline to Recharge Ponds San Jacinto to City Limits	600,000	0%	100%	0	600,000
Water Quality Treatment	1,250,000	0%	100%	0	1,250,000
Echo Hills Water Storage Tank (2MG)	600,000	0%	100%	0	600,000
Echo Hills Water Line	300,000	0%	100%	0	300,000
Vehicle Replacement	30,000	0%	100%	0	30,000
Backhoe Replacement	40,000	100%	0%	40,000	0
10 Wheeler Replacement	50,000	100%	0%	50,000	0
Valve Truck	<u>25,000</u>	100%	0%	<u>25,000</u>	<u>0</u>
Total High Priority Capital Costs	3,795,000			115,000	3,680,000
Additional Capital Projects					
Recycled Water Line	300,000	0%	100%	0	300,000
New Well Development	554,000	0%	100%	0	554,000
Water Main Replacements	240,000	100%	0%	240,000	0
Stetson Avenue Waterline	50,000	100%	0%	50,000	0
Upgrade to 8" - 4 segments	<u>150,000</u>	0%	100%	<u>0</u>	<u>150,000</u>
Total Additional Capital Project Costs	1,294,000			290,000	1,004,000
Subtotal	15,123,000			4,720,000	10,405,000
Preliminary Allocation				31.2%	68.8%
Draw from Reserves	(2,700,000)	31.2%	68.8%	(843,000)	(1,858,000)
Final Cost Allocation	\$12,423,000			\$3,877,000 31.2%	\$8,547,000 68.8%
				5/8-inch monthly meter equivalents	128,589
				Monthly rate per 5/8-inch meter	\$30.15
				Projected Water Use (ccf) [1]	1,783,676
				Water Rate (\$/ccf)	\$4.79

[1] Assumes 0.3% annual increase from FY2015 to FY2020

Table 24: Rate Calculation - Drought
City of Hemet
Water Rate Study

Expenses		Fixed Cost Allocation	Variable Cost Allocation	Fixed Costs	Variable Costs
Operating Expenses	FY2020				
Salaries and Benefits	3,132,000	50%	50%	1,566,000	1,566,000
Additional Staff	445,000	50%	50%	223,000	223,000
Supplies and Services	1,223,000	50%	50%	612,000	612,000
Replenishment Water	1,400,000	0%	100%	0	1,400,000
Groundwater Management	155,000	0%	100%	0	155,000
GW Management Plan	50,000	0%	100%	0	50,000
Meter Replacement	100,000	100%	0%	100,000	0
Utilities- Electric	545,000	0%	100%	0	545,000
Monthly Billing	58,000	100%	0%	58,000	0
Administration and Overhead	<u>2,926,000</u>	60%	40%	<u>1,756,000</u>	<u>1,170,000</u>
Total O&M Expenses	10,034,000			4,315,000	5,721,000
	5-year Avg Annual Cost				
High Priority Capital Projects					
Replace Distribution Water Main Park Hill to Florida Ave	900,000	0%	100%	0	900,000
Pipeline to Recharge Ponds San Jacinto to City Limits	600,000	0%	100%	0	600,000
Water Quality Treatment	1,250,000	0%	100%	0	1,250,000
Echo Hills Water Storage Tank (2MG)	600,000	0%	100%	0	600,000
Echo Hills Water Line	300,000	0%	100%	0	300,000
Vehicle Replacement	30,000	0%	100%	0	30,000
Backhoe Replacement	40,000	100%	0%	40,000	0
10 Wheeler Replacement	50,000	100%	0%	50,000	0
Valve Truck	<u>25,000</u>	100%	0%	<u>25,000</u>	<u>0</u>
Total High Priority Capital Costs	3,795,000			115,000	3,680,000
Additional Capital Projects					
Recycled Water Line	300,000	0%	100%	0	300,000
New Well Development	554,000	0%	100%	0	554,000
Water Main Replacements	240,000	100%	0%	240,000	0
Stetson Avenue Waterline	50,000	100%	0%	50,000	0
Upgrade to 8" - 4 segments	<u>150,000</u>	0%	100%	<u>0</u>	<u>150,000</u>
Total Additional Capital Project Costs	1,294,000			290,000	1,004,000
Subtotal	15,123,000			4,720,000	10,405,000
Preliminary Allocation				31.2%	68.8%
Replenishment of Reserves	(2,700,000)	31.21%	68.80%	(843,000)	(1,858,000)
Less Reduction in Variable Costs due to drought [2]	(200,000)				(200,000)
Final Cost Allocation	\$12,223,000			\$3,877,000	\$8,347,000
				31.7%	68.2%
				5/8-inch monthly meter equivalents	128,589
				Monthly rate per 5/8-inch meter	\$30.15
				Projected Water Use (ccf) [1]	1,212,900

Water Rate (\$/ccf) \$6.88

[1] Assumes 0.3% annual increase from FY2015 to FY2020

[2] Estimated reduction in pumping, electricity, and treatment costs due to lower water production

4.4 Schedule of Proposed Rates

The schedules of ready-to-serve charges were developed by multiplying the 5/8-inch ready-to-serve charge by the ratio for each meter size (proposed ratios shown in Table 22). BWA recommends that the City adopt the drought rates and transition to non-drought rates at a later date as drought conditions improve. In addition, BWA recommends that the City adopt a cost pass-through provision. If the City's replenishment water costs increase greater than 5% annually, the City should evaluate adjusting the water rates above the rates shown below to meet the increased cost. The City is granted the authority to adopt a water cost pass-through by the California Government Code, Section 53756.

Table 25: Proposed Non-drought Rates
City of Hemet
Water Rate Study

Meter Size	Current	Proposed					
		1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
Ready-to-Serve (Basic) Charges (\$/month)							
5/8-inch	\$21.14	\$23.05	\$24.95	\$26.25	\$27.55	\$28.85	\$30.15
3/4-inch	\$22.79	\$25.02	\$27.26	\$28.87	\$30.49	\$32.14	\$33.81
1-inch	\$27.29	\$30.04	\$32.83	\$34.86	\$36.93	\$39.03	\$41.16
1 1/2-inch	\$41.00	\$46.74	\$52.79	\$57.85	\$63.14	\$68.66	\$74.42
2-inch	\$70.75	\$74.85	\$81.02	\$85.25	\$89.47	\$93.69	\$97.91
3-inch	\$87.26	\$112.60	\$140.77	\$167.98	\$197.16	\$228.31	\$261.43
4-inch	\$116.99	\$152.11	\$191.23	\$229.15	\$269.84	\$313.31	\$359.54
6-inch	\$206.21	\$259.22	\$317.79	\$373.50	\$433.08	\$496.54	\$563.88
8-inch	\$321.90	\$383.19	\$449.63	\$509.74	\$573.47	\$640.84	\$711.85
Flow Meter	\$73.21	\$86.01	\$99.80	\$112.05	\$125.00	\$138.64	\$152.98
All Customers Volume Rate (\$/ccf)							
Volume rate charged to all use	tiered rates [See Table 1]	\$3.30	\$4.28	\$4.41	\$4.54	\$4.67	\$4.79

Table 26: Proposed Drought Rates – Recommended Rates
City of Hemet
Water Rate Study

Meter Size	Current	Proposed					
		1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
Ready-to-Serve (Basic) Charges (\$/month)							
5/8-inch	\$21.14	\$23.05	\$24.95	\$26.25	\$27.55	\$28.85	\$30.15
3/4-inch	\$22.79	\$25.02	\$27.26	\$28.87	\$30.49	\$32.14	\$33.81
1-inch	\$27.29	\$30.04	\$32.83	\$34.86	\$36.93	\$39.03	\$41.16
1 1/2-inch	\$41.00	\$46.74	\$52.79	\$57.85	\$63.14	\$68.66	\$74.42
2-inch	\$70.75	\$74.85	\$81.02	\$85.25	\$89.47	\$93.69	\$97.91
3-inch	\$87.26	\$112.60	\$140.77	\$167.98	\$197.16	\$228.31	\$261.43
4-inch	\$116.99	\$152.11	\$191.23	\$229.15	\$269.84	\$313.31	\$359.54
6-inch	\$206.21	\$259.22	\$317.79	\$373.50	\$433.08	\$496.54	\$563.88
8-inch	\$321.90	\$383.19	\$449.63	\$509.74	\$573.47	\$640.84	\$711.85
Flow Meter	\$73.21	\$86.01	\$99.80	\$112.05	\$125.00	\$138.64	\$152.98
All Customers Volume Rate (\$/ccf)							
Volume rate charged to all use	tiered rates [See Table 1]	\$4.85	\$6.25	\$6.45	\$6.60	\$6.75	\$6.88

4.5 Bill Impacts

Table 27 provides the proposed increase to the typical single family monthly bill under each rate option. Under the drought rates, the typical single family monthly bill would include 6.1 ccf of water use⁴ and would increase by \$27.95 over the next five years. Under the non-drought rates, the typical bill would include 9 ccf of water use and would increase by \$29.10 over the same period.

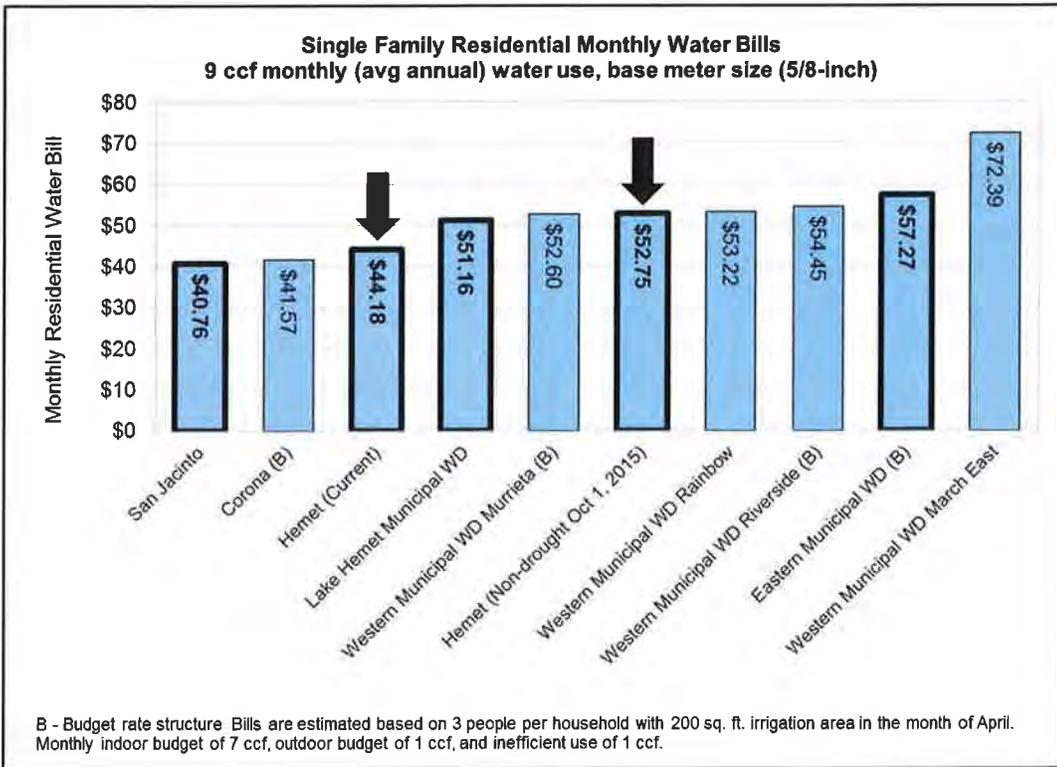
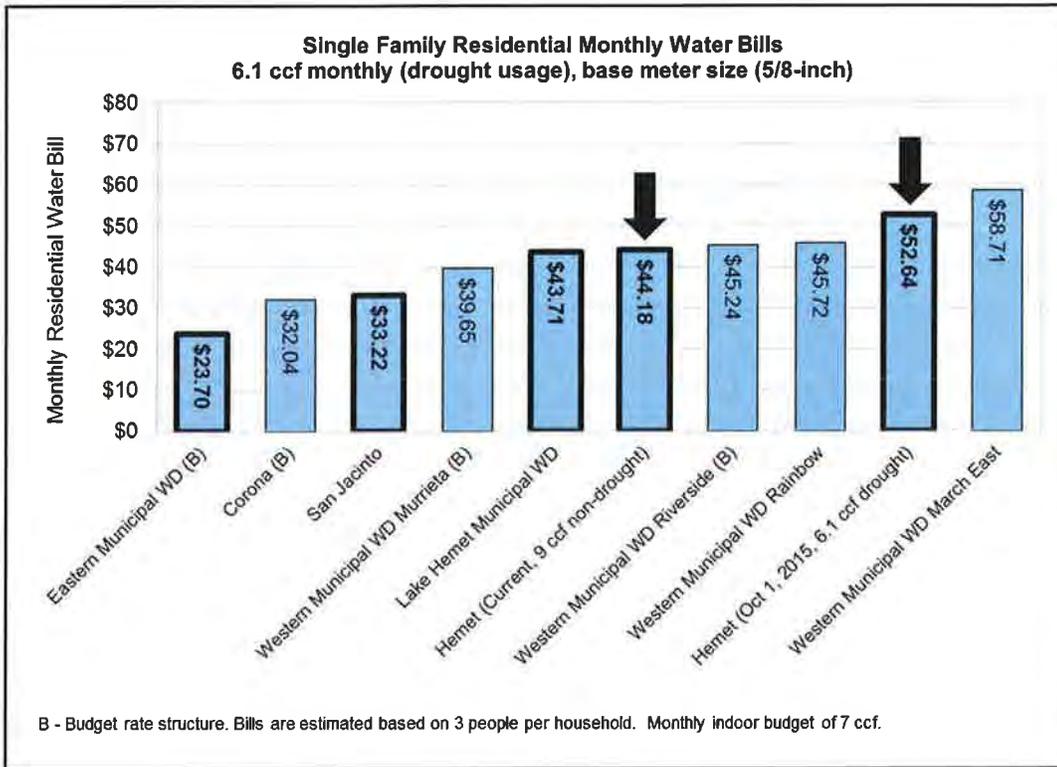
Table 27: Five-Year Projection of Residential Monthly Bill Impacts
City of Hemet
Water Rate Study

Rate Option	Current (9 ccf)	Typical Single Family Monthly Bill						Cumulative Increase
		1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20	
Drought Rates (based on 6.1 ccf monthly use)	\$44.18	\$52.64	\$63.08	\$65.60	\$67.81	\$70.03	\$72.13	\$27.95
Non-drought Rates (based on 9 ccf monthly use)	\$44.18	\$52.75	\$63.47	\$65.94	\$68.41	\$70.88	\$73.28	\$29.10

Rate Option	Increase to Typical Single Family Monthly Bill						Cumulative Increase
	1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20	
Drought Rates (based on 6.1 ccf monthly use)	\$8.46	\$10.44	\$2.52	\$2.22	\$2.22	\$2.10	\$27.95
Non-drought Rates (based on 9 ccf monthly use)	\$8.57	\$10.72	\$2.47	\$2.47	\$2.47	\$2.40	\$29.10

Provided below is a residential bill survey comparing the City of Hemet's current typical residential water bill and the proposed October 1, 2015 drought and non-drought water bill with the water bills charged by other local agencies.

⁴ 6.1 ccf of monthly water consumption is an average used for comparison purposes to meet the Governor's water conservation goal.



APPENDIX: DEVELOPMENT OF METER RATIOS

Description	Meter Cost	Cost Ratio to 5/8-inch Meter	Meter Ratio Used for Rate Design
5/8-inch Bottom Load Multi-Jet Lead Free Meter with 3G Dialog 3G DS CF RF Register with Data Logging	\$194.27	1.00	5/8-inch 1.00
3/4-inch x 7 1/2-inch Bottom Load Multi-Jet Lead Free Meter with 3G Dialog 3G DS CF RF Register with Data Logging	\$207.06	1.07	
3/4-inch x 9-inch Bottom Load Multi-Jet Lead Free Meter with 3G Dialog 3G DS CF RF Register with Data Logging	\$228.60	1.18	3/4-inch 1.12
1-inch Bottom Load Multi- Jet Lead Free Meter with 3G Dialog 3G DS CF RF Register with Data Logging	\$265.22	1.37	1-inch 1.37
1 1/2-inch Top Load Multi -Jet Lead Free Meter (Flanged) with Dialog 3G DS CF RF Register with Data Logging	\$479.49	2.47	1 1/2-inch 2.47
2-inch Top Load Multi-Jet Lead Free Meter with 3G (Flanged) Dialog 3G DS CF RF Register with Data Logging (most common 2-inch meter)	\$630.88	3.25	2-inch 3.25
Flow Meter 2 1/2-inch Meter (estimated as 1.56 times the 2-inch meter ratio based on the capacity of a 2 1/2-inch meter compared to the capacity of a 2-inch meter)			Flow Meter 5.07
3-inch Turbine Meter With 3G Interpreter Register w Strainer Cubic Foot Registration Lead Free Body	\$1,655.55	8.52	
3-inch Ultra Sonic Meter AWWA Lay Length with Encoder Output Cable Potted to XTR with 5' Cable	\$1,713.42	8.82	3-inch 8.67
4-inch Ultra Sonic Meter AWWA Lay Length with Encoder Output Cable Potted to XTR with 5' Cable	\$2,316.66	11.92	4-inch 11.92
6-inch Ultra Sonic Meter AWWA Lay Length Encoder Output Cable Potted to XTR with 5' Cable	\$3,633.33	18.70	6-inch 18.70
8-inch Ultra Sonic Meter AWWA Lay Length Encoder Output Cable Potted to XTR with 5' Cable	\$4,586.74	23.61	8-inch 23.61

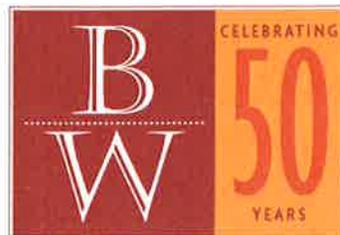
As shown above, for some meter sizes, the customer may choose between several meter types: top load multi-jet, turbine meter, and ultra sonic. For these meter sizes, BWA averaged the costs to develop the meter ratio.



City of Hemet

Sewer Rate Study

Draft Report July 2015



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SECTION 1: Executive Summary

1.1 Background

The City of Hemet (City) owns and operates a sewer collection system that serves a portion of the City's sphere of influence consisting of about 11,200 active accounts. The Eastern Municipal Water District (EMWD) and the Lake Hemet Municipal Water District provide sewer collection for other portions of the City's sphere of influence. The City charges its own customers for sewer collection system service. In addition, the City charges EMWD customers located in the City of Hemet a sewer impact fee, which was established by a 2001 Inter-Agency Sewage Agreement between the City and EMWD.

Wastewater flow generated within the City is conveyed to the Hemet/San Jacinto Regional Water Reclamation Facility for treatment. The treatment facility is operated by EMWD and EMWD sets the treatment service charges.

1.2 Purpose

This 2015 Sewer Rate Study addresses the sewer rates and charges imposed by the City of Hemet, consisting of the City's sewer collection service charge and the EMWD sewer impact fee. Currently, the sewer rates and impact fee revenues are adequate to meet the operating costs of the sewer system. However, rate revenues must increase over the next five years to fund the replacement of one mile of sewer pipeline annually. Pipeline replacements are needed so that the City can continue to maintain a high level of sewer service. The purpose of this report is to determine the sewer collection system cost of service and to develop fair and equitable sewer rates and charges.

1.3 Current Sewer Rates

The City last increased its sewer rates and charges July 2006 and last increased the sewer impact fee February 2006. By the terms of the Inter-Agency Sewage Agreement, the impact fee is intended to equal 20% of EMWD's current total collection, transmission, and treatment rate. Although EMWD's total sewer rate has increased since 2006, the City of Hemet has not updated the impact fee.

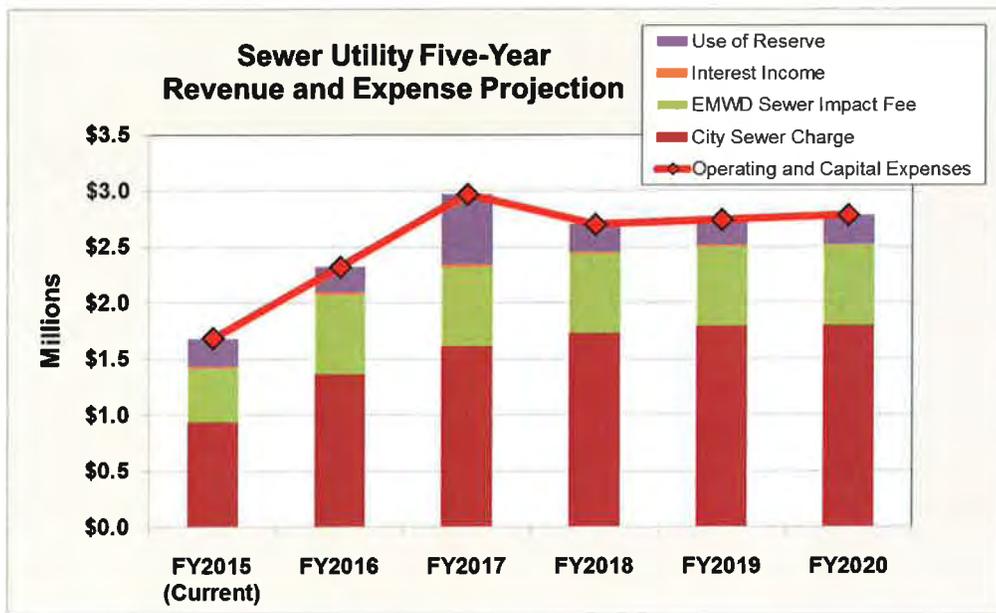
The City currently bills for sewer service on a bimonthly basis. In 2016, the City will transition to monthly billing for water and sewer service. The currently bimonthly sewer rates are converted to monthly rates in this report. The current sewer impact fee is \$3.32 monthly per sewer unit. The City's current monthly sewer charge is \$4.22 per single family residential connection.

1.4 Five Year Financial Projection

In consultation with City staff, Bartle Wells Associates (BWA) developed a five-year financial planning projection. Currently, the sewer utility expends \$1.33 million annually in operating costs. Operating costs are expected to increase by 3% per year up to \$1.46 million in FY2020. In addition, the City plans to replace one mile of sewer pipeline per year at a cost of \$1.32 million. By 2020, the total cost of sewer service is projected to be \$2.78 million annually.

In FY2015, the sewer fund is projected to generate \$1.43 million in revenue, which is sufficient to fund current operating costs. In addition, the City will upon its fund reserve in FY2015 in order to conduct \$350,000 in pipeline replacements. Continuing this financial strategy in the upcoming five years, the City should continue to fund the majority of its costs via rate revenue and draw down its reserve as needed to fund a portion of the pipeline costs. BWA recommends that the City spend down \$1.6 million of the reserve over the next five years to conduct system replacements.

By updating the sewer impact fee to reflect 20% of EMWD’s FY2015 total sewer rate, the City will generate an additional \$220,000 annually. In addition, BWA recommends that the City sewer charge be increased to generate \$1.8 million, up from the current charge revenue of about \$940,000. The City’s five-year sewer utility financial projection is presented in the chart below.



1.5 Proposed Sewer Rates

The proposed **monthly** City sewer charges and the sewer impact fee are provided below. The City’s sewer charge is proposed to increase October 1, 2015, March 1, 2016, January 1, 2017, and January 1, 2018. The October 1, 2015 adjustment to the EMWD sewer impact fee increases the fee to 20% of EMWD’s current total sewer charge as permitted by the Inter-Agency Sewage Agreement. Future changes to EMWD’s total sewer charge are unknown.

Table 1: Executive Summary - Proposed Sewer Rates
City of Hemet
Sewer Rate Study

	Current	Monthly Sewer Charges per Sewer Unit						Cumulative Increase
		1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20	
Sewer Charge								
City Sewer Charge	\$4.22	\$5.75	\$7.00	\$7.50	\$8.00	\$8.00	\$8.00	\$3.78
EMWD Sewer Impact Fee	\$3.32	\$4.836	\$4.836	\$4.836	\$4.836	\$4.836	\$4.836	\$1.52

SECTION 2: Current Sewer Rates

This section provides a description of the City's billing procedures, current sewer rates and revenue, and provides a survey comparing the City of Hemet's rate with the rates charged by other local agencies.

2.1 Utility Billing Procedures

2.1.1 City-billed Customers

The City bills for municipal utility services on a bimonthly basis. The typical City utility bill includes a water base (meter) charge, water consumption charges, a City sewer and storm drain charge, and an EMWD sewer treatment charge. The water service charge revenues are remitted to the City's Public Water Utility Fund and the sewer treatment charge revenues are remitted to EMWD. Sewer collection service and storm drain service are billed as one charge on customer bills.

The typical residential customer's utility bill would include a monthly charge of \$7.54 for City sewer and storm drain service. The combined charge consists of \$4.22 for sewer service and \$3.30 for storm drain service. After the City receives payment from customers, the City's internal financial management system accounts for the sewer and storm drain revenues separately as required by Proposition 218, the California statute that governs water and sewer utility rates.¹ Sewer service revenues are not used to fund storm drain costs.

2.1.2 EMWD-billed Customers

In addition to the City-billed customers, the City of Hemet provides sewer collection service to about 2,000 customers within EMWD's service area. EMWD bills these customers Hemet's monthly sewer rate of \$4.22 and remits the revenue to the City.

2.1.3 Impact Fee Customers

The City also receives revenue via an impact fee charged to EMWD customers. Customers who receive EMWD sewer collection service and are located in the City of Hemet are charged a sewer impact fee. EMWD bills customers for the impact fee and remits the revenue to the City. The impact fee was established in a 2001 Inter-Agency Sewage Agreement between EMWD and the City to provide cost equity for sewer service amongst the residents of the City. The 2001 Agreement set the impact fee as 20% of the total collection, transmission, and treatment charge imposed by EMWD on customers located within the City. The impact fee was intended to be updated regularly, concurrent with increases in EMWD's total sewer charge. However, the City has not adjusted the impact fee since February 2006 when it was increased to \$3.32 monthly per sewer unit. EMWD customers pay the impact fee in addition to all other EMWD service charges for sewer collection and treatment.

¹ Proposition 218 mandates that sewer rates can only be used to fund the cost of providing sewer service. Sewer rate revenue cannot fund other services, such as storm drain service.

2.2 Current Sewer Rates

The City last updated the City sewer charge July 1, 2006 in Resolution No. 4057. The City's sewer collection charge is billed to customers based on the number of sewer units. One sewer unit is defined as the equivalent sewer flow of a single family residential dwelling. Other customer types are assigned multiple sewer units based on their sewer flow relative to a single family dwelling. A description of the sewer unit calculation for each customer type is provided in Table 2.

Table 2: Current Sewer Rates
City of Hemet
Sewer Rate Study

Customer Type	Sewer Unit Calculation	Current Monthly Charge (\$/sewer unit)
City Customers		
Single family residence, mobile home on owner's lot, multiple family residence	Number of dwelling units	\$4.22
Mobile home park	Number of spaces or quarterly report of occupied spaces	\$4.22
Recreational vehicle park	Number of spaces or quarterly report of occupied spaces	\$3.50
Hotels and motels	Number of rooms	\$4.22
All other commercial, industrial, public and tax exempt agencies, convalescent homes, hospitals, churches, schools, and other properties	Based on EMWD's method of sewer unit calculation for each property use	\$4.22
EMWD-billed City Customers		
All types	Based on the City's method of sewer unit calculation for each property use	\$4.22
Impact Fee Customers		
All types	Based on EMWD's method of sewer unit calculation for each property use	\$3.32

2.3 Customer Billing Units and Current Rate Revenue

Table 3 provides the number of accounts, number of sewer units, and the FY2015 estimated sewer rate revenue. The City collects charges and impact fees from about 19,400 active accounts and about 30,600 sewer units. As described above, one account can be billed for multiple sewer units.

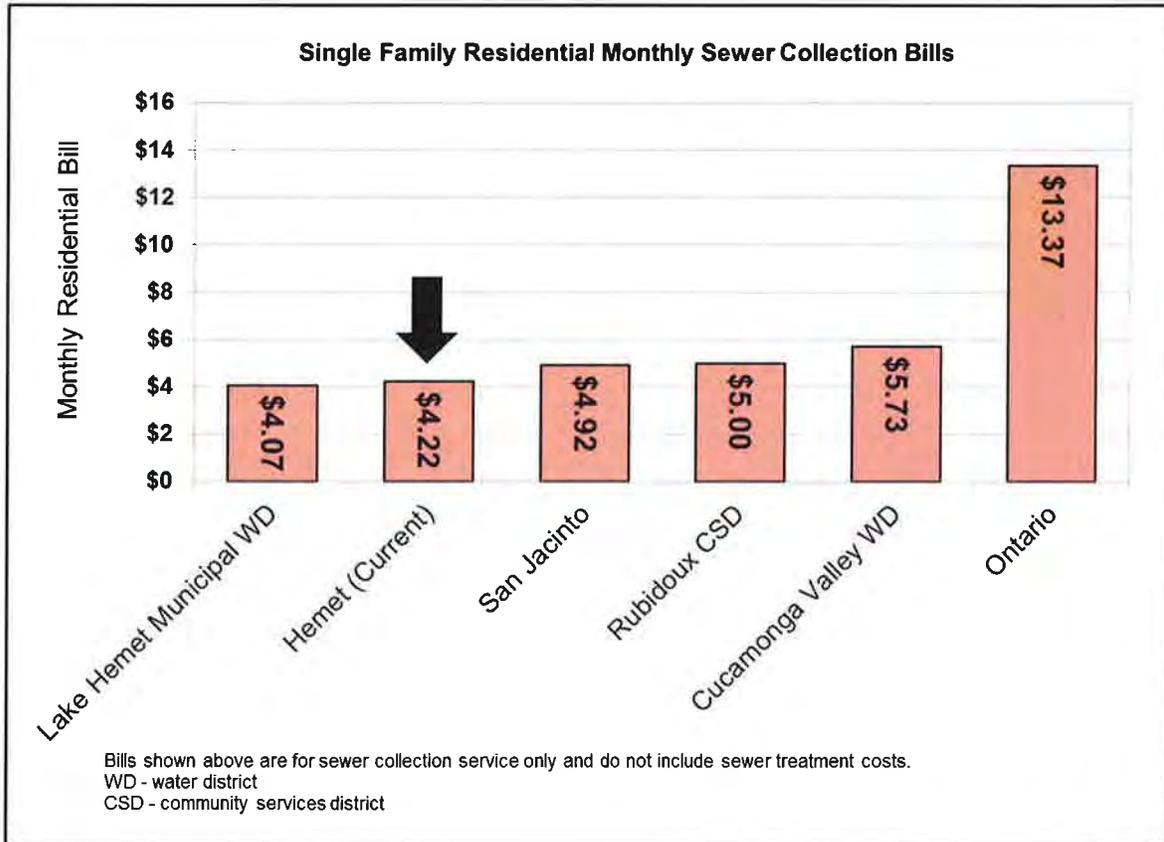
In total, the City expects to receive about \$1.42 million in sewer rate revenue in FY2015. About 55% of the rate revenue is paid by City-billed sewer customers, about 11% is paid by EMWD-billed City customers, and about 34% is paid by impact fee customers.

Table 3: FY2015 Estimated Sewer System Billing Units and Revenue
 City of Hemet
 Sewer Rate Study

Customer Type	Number of Accounts	Number of Sewer Units	Current Monthly Charge	FY2015 Estimated Revenue
City Customers	9,011	15,282	\$4.22	\$773,900
EMWD-billed City Customers	2,185	3,213	\$4.22	\$162,700
Impact Fee Customers	8,188	12,118	\$3.32	\$482,800
Total	19,384	30,613		\$1,419,400

2.4 Typical Bills Survey

BWA conducted a bills survey comparing the typical monthly single family residential sewer collection bill in the City of Hemet with the typical bills of other local agencies. Most agencies in the region charge a single combined fee for both sewer collection service and sewer treatment service. The City of Hemet provides sewer collection service only. The figure below shows the typical bills of agencies that have a distinct and separate charge for sewer collection system service. Agencies that charge a combined fee for collection and treatment service are excluded from the bill survey. The City of Hemet's sewer collection charge is the second lowest in the region and is much lower than the City of Ontario's collection charge.



SECTION 3: Cash Flow Projection

3.1 Revenues

As described in the previous section, the City expects to collect over \$1.4 million in sewer rate revenue in FY2015. In addition, the sewer fund collects a small amount of interest earnings from the fund balance. For FY2016 to FY2020, interest income is estimated at 1% of the beginning fund balance each year. In order to meet costs, rates must increase. The proposed effective date for the first rate increase is October 1, 2015 followed by a rate increase March 1, 2016, January 1, 2017, and January 1, 2018.

3.2 Expenses

The sewer utility's expenses consist of operating and capital expenses. For FY2015, the City budgeted approximately \$1.33 million in operating costs including staffing costs, maintenance, equipment, administration, and overhead. These expenses are ongoing costs and are projected to increase by 3% annually due to inflation. In FY2017, the City plans to purchase a vactor truck for \$310,000, which will be a one-time expense.

To provide for the long-term upkeep of the sewer system, the City plans to replace five miles of sewer pipeline over the next five years. The City initiated work on the first mile in FY2015 which is expected to be completed in FY2016. Thereafter, the City expects to replace one mile per year at a cost of \$1.32 million per mile, see Table 4. At a minimum, the City must replace a half mile of sewer pipeline per year to maintain the system (noted as high priority below). The second half mile annually is needed to proactively upgrade the system so that the City can continue to provide a high level of service (noted as additional capital below). Over the next five years, the City plans to fund \$6.25 million in pipeline replacements. In addition, the City plans to conduct a Sewer Master Plan Update in FY2016 at a cost of \$50,000.

Table 4: Capital Improvement Program
City of Hemet
Sewer Rate Study

Capital Projects	Budget FY2015	Five Year Projection					Five Year Total
		FY2016	FY2017	FY2018	FY2019	FY2020	
High Priority							
Sewer Main Replacement/Lining 1/2 mile annually (\$250/LF)	350,000	310,000	660,000	660,000	660,000	660,000	2,950,000
Sewer Master Plan Update		50,000					50,000
Subtotal High Priority	350,000	360,000	660,000	660,000	660,000	660,000	3,000,000
Additional Capital							
Additional 1/2 mile annually main replacement/lining	0	660,000	660,000	660,000	660,000	660,000	3,300,000
Subtotal Additional Capital	0	660,000	660,000	660,000	660,000	660,000	3,300,000
Total Capital Projects	\$350,000	\$1,020,000	\$1,320,000	\$1,320,000	\$1,320,000	\$1,320,000	\$6,300,000

3.3 Financial Planning Assumptions

In consultation with staff, BWA developed financial planning assumptions that are described below.

3.3.1 Customer Growth

The City expects growth in the sewer service customer base of about 3% over the next ten years, which equates to an annual average of about 0.30% or 92 new sewer units annually.

3.3.2 Fund Reserve Targets

Revenues of the sewer system must be adequate to meet capital and operating costs as well as maintain adequate emergency reserves. The FY2015 ending fund balance is projected to be about \$2.1 million. BWA finds this level of reserve to be more than adequate. BWA recommends a minimum fund balance of 30% of operating expenses, about \$400,000 in FY2015, to provide emergency funding as needed. The minimum fund target is projected to increase annually as operating costs increase. Over the next five years, BWA recommends that the City draw down its fund balance by \$1.6 million to fund sewer pipeline replacements.

3.3.3 Financial Planning

BWA recommends that the City fully fund its operating and capital costs using rate revenue, interest income, and the available fund reserve. BWA does not recommend that the City issue debt to finance its sewer pipeline replacements. Pipeline replacements are a capitalized maintenance expense that is needed for the general upkeep of the system. Pipeline replacements should be budgeted and funded annually from rate revenue. Municipal debt is typically used for one-time system retrofit costs and not for ongoing maintenance and repairs.

3.4 Financial Projection

Table 5 provides the Sewer Fund cash flow for the next five years. Current revenues are adequate to meet current operating expenses, but rate increases are needed to fund inflationary cost increases and pipeline replacement costs. It is projected that the City will implement rate increases in 2015, 2016, 2017, and 2018 which will increase system revenues from the current level of about \$1.4 million to over \$2.5 million. BWA's cash flow projection includes a drawn down of reserves each year to fund a portion of the pipeline replacements. However, the Sewer Fund is projected to exceed the minimum fund target each year.

Table 5: Sewer Fund Cash Flow
City of Hemet
Sewer Rate Study

	Budget	Five Year Projection (Prop 218)				
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
BEGINNING BALANCE						
Sewer Fund [1]	\$2,315,300	\$2,063,000	\$1,835,900	\$1,208,200	\$963,100	\$737,900
<u>Revenues</u>						
Sewer Service Charges						
Customers Served by City						
City Billed	773,900	1,063,400	1,335,600	1,432,000	1,482,600	1,487,000
EMWD Billed	162,700	303,800	280,800	301,100	311,700	312,600
EMWD Impact Fee	482,800	705,400	707,500	709,600	711,700	713,900
Interest Income [2]	11,200	21,000	18,000	12,000	10,000	7,000
Total Revenues	\$1,430,600	\$2,093,600	\$2,341,900	\$2,454,700	\$2,516,000	\$2,520,500
<u>Expenses</u>						
<i>Operating Expenses</i>						
Salaries and Benefits	551,700	568,300	585,300	602,900	621,000	639,600
Supplies and Services	349,800	288,200	296,800	305,700	314,900	324,300
Administration & Overhead	431,300	444,200	457,500	471,200	485,300	499,900
Vector Truck	0	0	310,000	0	0	0
Total O&M Expenses	1,332,800	1,300,700	1,649,600	1,379,800	1,421,200	1,463,800
Operations Net Revenue	\$97,790	\$792,900	\$692,300	\$1,074,900	\$1,094,800	\$1,056,700
<i>Capital Expenses</i>	350,000	1,020,000	1,320,000	1,320,000	1,320,000	1,320,000
Total Expenditures	\$1,682,800	\$2,320,700	\$2,969,600	\$2,699,800	\$2,741,200	\$2,783,800
Total Net Revenue	(\$252,200)	(\$227,100)	(\$627,700)	(\$245,100)	(\$225,200)	(\$263,300)
ENDING BALANCE						
Sewer Fund	\$2,063,100	\$1,835,900	\$1,208,200	\$963,100	\$737,900	\$474,600
Target Balance [3]	\$399,800	\$390,200	\$494,900	\$413,900	\$426,400	\$439,100
Target Met?	yes	yes	yes	Yes	Yes	yes

[1] Estimated sewer portion of the Sewer and Storm Drain Special Revenue Fund

[2] Interest income is estimated as 1% of the Beginning Fund Balance

[3] Reserve Fund targets are 30% of O&M expenses

SECTION 4: Proposed Sewer Rates

This section provides a review of the City’s current rate structure and the recommended rates for the next five years.

4.1 Review of Current Rate Structure

BWA finds that the City’s current sewer rate structure is reasonable, consistent with industry standard practice, and fairly recovers the cost of service from customers. The City bills for sewer collection service on a sewer unit basis; one sewer unit is equal to the sewer flow of a single family residential dwelling. Multiple family and commercial customers are billed multiple sewer units based on their relative use of the sewer system compared to the typical single family residential customer. Depending on how the customer is billed (see Table 2), the City or EMWD determines the number of sewer units per customer. The City audits and updates its sewer unit assignments annually. This type of rate structure is common in California and is reasonable.

BWA recommends that the City continue its current rate structure with an adjustment to the recreational vehicle park rate. Currently, the rate for each space in a recreational vehicle park is \$2.875 monthly, which is 68% of the current residential rate of \$4.22 monthly. BWA reviewed the City’s billing records from the past three years and found that the City does not have any recreational vehicle park customers. BWA recommends that the recreational vehicle park rate be eliminated. If a new recreational vehicle park connects to the sewer system in the future, the City should assign sewer units based on engineering judgement.

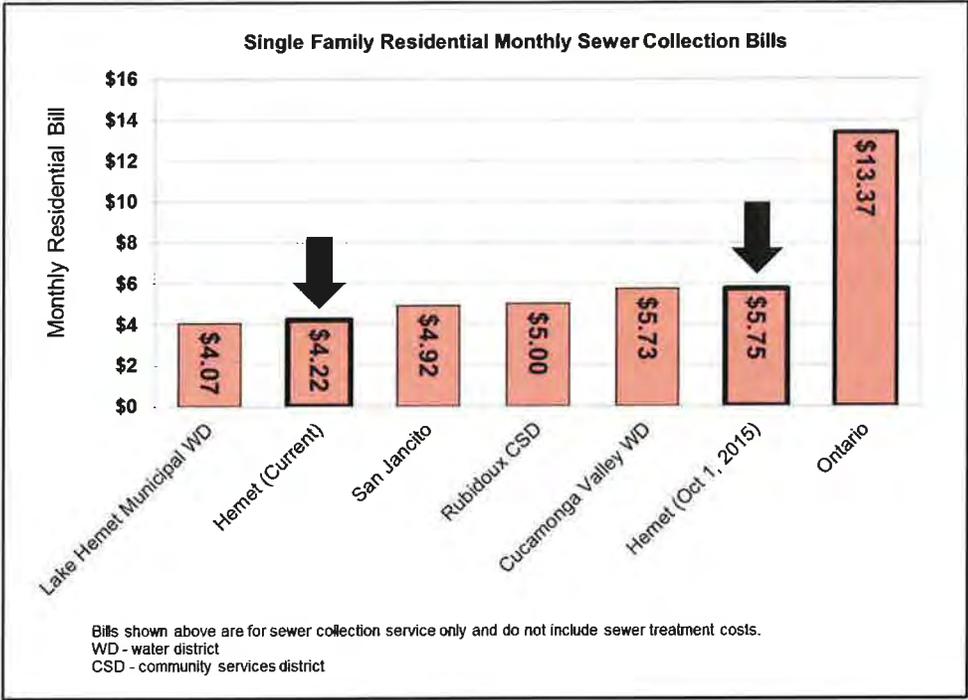
4.2 Proposed Sewer Rates

The table and figure below provide the proposed sewer rates over the next five years. BWA proposes that the current monthly sewer charge of \$4.22 per sewer unit be increased to \$8.00 by January 1, 2018. BWA also proposes that the City update the EMWD sewer impact fee on October 1, 2015 to equal 20% of the total sewer fee charged by EMWD consistent with the City and EMWD’s Inter-Agency Sewage Agreement. Potentially, the City of Hemet could update the impact fee in the future as EMWD increases its fee. At this time, EMWD’s future rate increases are unknown and the impact fee is assumed to remain the same after the October 1 increase. The City should conduct a legal review to determine the process and public noticing requirements for future impact fee updates.

Table 6: Proposed Sewer Rates
City of Hemet
Sewer Rate Study

Sewer Charge	Current	Monthly Sewer Charges per Sewer Unit						Cumulative Increase
		1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20	
City Sewer Charge	\$4.22	\$5.75	\$7.00	\$7.50	\$8.00	\$8.00	\$8.00	\$3.78
EMWD Sewer Impact Fee	\$3.32	\$4.836	\$4.836	\$4.836	\$4.836	\$4.836	\$4.836	\$1.52

The chart below illustrates the impacts of the sewer rate increases on the typical single family residential bimonthly bill in comparison to the bills charged by other local collection system agencies. Currently, the City of Hemet’s sewer bill is on the low range of the surveyed agencies. After the proposed increases have taken effect, the City of Hemet’s bill would be on the high end of the surveyed agencies but would be competitive with the bill charged by the Cucamonga Valley Water District and the City of Ontario.





City of Hemet
City Clerk
445 E. Florida Ave.
Hemet, CA 92543

NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING
September 22, 2015 AT 7:00PM
ON PROPOSED WATER AND SEWER RATE ADJUSTMENTS

The City of Hemet provides water service to approximately 9,700 connections including homes, apartments, and businesses. The City also provides sewer collection service to about 11,200 customers. The City's water and sewer utilities rely on service charges paid by customers to fund the costs of operations and maintenance.

The City's water rates have not increased since July 2008 and the sewer rates have not increased since July 2006. Current water rates are not adequate to fund the City's costs of providing water service. The water fund has experienced budget deficits in recent years and needs to increase rates in order to restore financial stability. In addition, water rates must be adjusted to promote conservation. The City of Hemet has been directed by the State Water Resources Control Board to reduce water use due to drought conditions. Sewer rate adjustments are needed to meet inflationary cost increases and to provide for the replacement of aging sewer pipelines.

The City is proposing to phase-in a series of water and sewer rate and billing changes over the next five years. Currently, the water and sewer rates and charges are billed every other month (bimonthly). The City proposes to switch to monthly billing. Proposed water rate adjustments include: 1) a rate increase to provide for a balanced budget, and 2) transition to a single water rate charged on all water use. Currently, the City charges higher rates for higher levels of use. The City proposes to charge one rate for all water use.

The City proposes to raise the sewer charge. Sewer service is billed to customers based on the number of sewer units. One single family home is equal to one sewer unit. The cost per sewer unit is proposed to increase.

Proposed Water Rates

The City proposes to adopt the water rates as shown on the following tables. The City currently bills for water service on a bimonthly basis (every two months) and will transition to monthly billing. The proposed rate structure includes two components: 1) a fixed monthly (ready-to-serve) charge based on the size of the water meter, and 2) a volume rate charged to all metered water use. The volume rate applies to each cubic foot (CF) of water use; one hundred cubic feet (ccf) equals 748 gallons. **If approved, the proposed drought rates would come into effect October 1, 2015, and the next rate adjustment would be March 1, 2016.** Additional future rate increases would come into effect each January, beginning January 1, 2017 to January 1, 2020.

Why Rate Adjustments Are Needed

Water System Regulatory Requirements

The City of Hemet is a participant in the Hemet/San Jacinto Groundwater Management Plan. The City provides a sustainable water supply for its residents by purchasing water from the Metropolitan Water District of California to replenish the groundwater basin. Groundwater quality is also a challenge for the City. Water rates must increase so that the City can continue to provide an adequate supply of water and to allow the City to fund water quality improvements.

Restore Balanced Budgets

The City last adjusted its sewer rates July 2006 and last adjusted its water rates July 2008. Since then, costs have increased and the City's water fund has experienced budget deficits. Rate increases are needed to restore the financial stability and fund the cost of providing service.

Repair & Replace Aging Infrastructure

The City's water and sewer systems are made up of aging pipelines that will need to be repaired or replaced in upcoming years. These replacements help ensure that the City can continue to provide high-quality water and clean, efficient, sewer service to its customers 24 hours a day.

Meet Conservation Targets

April 1, 2015, Governor Brown issued Executive Order B-29-15 that directs the State Water Resources Control Board to impose restrictions to achieve reductions in urban water use as compared to 2013 use. The conservation target for the City of Hemet is 32%. The proposed water rates are calculated to encourage conservation and generate enough revenue to operate the water system during the drought.

Ready-to-Serve (Basic) Charges		Consumption (Variable) Charges	
Meter Size	Charge [1]	Bimonthly Consumption (cubic feet)	Rate per 100 cf
5/8-inch	\$21.14	Tier 1: 0-600	\$2.30
3/4-inch	\$22.79	Tier 2: 601-1200	\$2.50
1-inch	\$27.29	Tier 3: 1201 and over	\$2.88
1 1/2-inch	\$41.00	Low Use Charge	
2-inch	\$70.75	Bimonthly Fixed Charge (Maximum Bill)	
3-inch	\$87.26	0-1000 cf bimonthly usage	\$56.00
4-inch	\$116.99	cf – cubic foot	
6-inch	\$206.21	ccf – one hundred cubic feet, 748 gallons	
8-inch	\$321.90		
Flow Meter	\$73.21		

[1] The City currently bills for water service on a bimonthly basis. The bimonthly charge is converted to a monthly charge (shown here) for ease of comparison to the proposed monthly rates.

Ready-to-Serve (Basic) Charges						
Meter Size	Proposed Monthly Charge					
	1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
5/8-inch	\$23.05	\$24.95	\$26.25	\$27.55	\$28.85	\$30.15
3/4-inch	\$25.02	\$27.26	\$28.87	\$30.49	\$32.14	\$33.81
1-inch	\$30.04	\$32.83	\$34.86	\$36.93	\$39.03	\$41.16
1 1/2-inch	\$46.74	\$52.79	\$57.85	\$63.14	\$68.66	\$74.42
2-inch	\$74.85	\$81.02	\$85.25	\$89.47	\$93.69	\$97.91
3-inch	\$112.60	\$140.77	\$167.98	\$197.16	\$228.31	\$261.43
4-inch	\$152.11	\$191.23	\$229.15	\$269.84	\$313.31	\$359.54
6-inch	\$259.22	\$317.79	\$373.50	\$433.08	\$496.54	\$563.88
8-inch	\$383.19	\$449.63	\$509.74	\$573.47	\$640.84	\$711.85
Flow Meter	\$86.01	\$99.80	\$112.05	\$125.00	\$138.64	\$152.98

Consumption (Variable) Charges						
Water Use	Proposed Drought Rate per 100 cf					
	1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
All Use	\$4.85	\$6.25	\$6.45	\$6.60	\$6.75	\$6.88

The low use charge (i.e. maximum bill) is eliminated under the proposed water rates shown above.

Due to drought conditions, the City proposes to adopt the drought rates shown above in Table 2. Drought rates are needed to encourage conservation and to generate enough revenue to operate the water system during water shortages. The City may also establish conservation goals due to local emergencies such as system failure, a natural disaster, or a water quality issue limiting production. If drought conditions improve, the City would consider lowering the water rates to the rates shown in Table 3.

Consumption (Variable) Charges						
Water Use	Non-Drought Rate per 100 cf					
	1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
All Use	\$3.30	\$4.28	\$4.41	\$4.54	\$4.67	\$4.79

The impact of the proposed drought rate change on the average single family residential water bill is shown below. Currently, the typical residential customer uses 9 ccf of water per month and pays a bill of \$44.18. The City requests that all customers reduce their water use by 32% due to drought conditions. A residential customer who reduces water use by 32% (recommended water reduction) to 6.1 ccf of use per month would pay a monthly bill of \$52.64 under the proposed drought rates effective October 1, 2015.

Table 4: Current and Proposed Typical Residential Monthly Water Bill

Current 9 ccf use per <i>monthly</i> period 18 ccf per <i>bimonthly</i> period					Proposed - October 1, 2015 6.1 ccf use per <i>monthly</i> period (32% conservation)				
Bimonthly Rate or Charge	Amount	Count	Units	Cost	Monthly Rate or Charge	Amount	Count	Units	Cost
5/8-inch Basic Rate	\$42.28	x 1	meter	\$42.28	5/8-inch Basic Rate	\$23.05	x 1	meter	\$23.05
Consumption Rates					Consumption Rate				
Tier 1 (0-600 CF)	\$2.30	x 6	ccf	\$13.80	All use	\$4.85	x 6.1	ccf	<u>\$29.59</u>
Tier 2 (601-1200 CF)	\$2.50	x 6	ccf	\$15.00					
Tier 3 (1201-OVER CF)	\$2.88	x 6	ccf	<u>\$17.28</u>					
	Total Bimonthly Bill [1]			\$88.36					
	TOTAL MONTHLY BILL			\$44.18					\$52.64

[1] The City currently bills for water service on a bimonthly basis. The bimonthly charge is converted to a monthly charge for ease of comparison to the proposed monthly rates.

The proposed water rates assume that the City’s groundwater replenishment costs from the Metropolitan Water District of Southern California will increase annually by seven cents per ccf. Pursuant to the California Government Code, Section 53756, the City is proposing to pass-through any additional increases above the seven cent annual increase. Future pass-throughs will be implemented by increasing the City’s proposed water rates by the exact amount of the increase in cents per ccf in excess of the assumed replenishment water cost.

Proposed Sewer Rates

The City proposes to increase its sewer rates to cover inflationary cost increases and to fund sewer pipeline replacements. The current and proposed sewer rates are shown in Table 5. The City proposes to increase the rates for: 1) City sewer customers who are directly billed by the City, 2) City customers who are billed by the Eastern Municipal Water District (EMWD) for City service, and 3) EMWD sewer customers who are subject to the City’s Inter-Agency Sewage Agreement with EMWD. The rates for City customers and EMWD-billed City customers are proposed to increase by the same amount. The customers subject to the EMWD Inter-Agency Sewage Agreement are charged a sewer impact fee, which is proposed to increase to the amount permitted by the agreement.

The City of Hemet provides sewer collection service only and EMWD provides sewer treatment service which is billed as a separate charge (not shown below).

Table 5: Current and Proposed Sewer Rates

Customer Type [1]	Sewer Unit Calculation	Current [2] (\$/sewer unit)	Proposed Monthly Sewer Charges (\$/sewer unit)					
			1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
City Customers	Single family residence, mobile home on owner's lot, multiple family residence	\$4.22	\$5.75	\$7.00	\$7.50	\$8.00	\$8.00	\$8.00
	Mobile home park	\$4.22	\$5.75	\$7.00	\$7.50	\$8.00	\$8.00	\$8.00
	Hotels and motels	\$4.22	\$5.75	\$7.00	\$7.50	\$8.00	\$8.00	\$8.00
	All other commercial, industrial, public and tax exempt agencies, convalescent homes, hospitals, churches, schools, and other properties	\$4.22	\$5.75	\$7.00	\$7.50	\$8.00	\$8.00	\$8.00

Table 5 Continued: Current and Proposed Monthly Sewer Rates

Customer Type [1]		Sewer Unit Calculation	Current [2] (\$/sewer unit)	Proposed Monthly Sewer Charges (\$/sewer unit)						
				1-Oct-15	1-Mar-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20	
Customers	EMWD-billed City	All types	Based on the City's method of sewer unit calculation for each property use	\$4.22	\$5.75	\$7.00	\$7.50	\$8.00	\$8.00	\$8.00
	Impact Fee	All types	Based on EMWD's method of sewer unit calculation for each property use	\$3.32	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84

[1] Future customer types that are not described above will be evaluated by the City and assigned an appropriate sewer rate.

[2] The City currently bills for sewer service on a bimonthly basis. The bimonthly charge is converted to a monthly charge for ease of comparison to the proposed monthly rates.

[3] Eastern Municipal Water District Impact Fee Customers (customers subject to the Inter-Agency Sewage Agreement between the City of Hemet and EMWD)

Public Notice and Majority Protest Process

In 1996, California voters adopted Proposition 218. Among other things, Proposition 218 requires a specific process for cities to impose or increase certain types of fees, including water and sewer rates and charges. In particular, the provisions of Proposition 218 set forth in Article XIID, Section 6 of the California Constitution provide that certain types of “Property Related Fees” are subject to a “majority protest” process. If protests are filed on behalf of a majority of the parcels subject to the rates and charges at issue prior to the close of the September 22, 2015 public hearing, the City cannot adopt the proposed water and sewer rate increases. If a majority of the parcels do not protest the proposed increase, the City has the authority to adopt the proposed rate increases. Any rate increase, if enacted, will take effect no earlier than October 1, 2015.

Any property owner or customer of record may submit a written protest for the proposed increases; provided, however, that only one protest will be counted per identified parcel. Any written protest must: 1) state that the identified property owner or customer is in opposition to the proposed water and sewer rate increases and/or charges; 2) provide the location of the identified parcel (by assessor’s parcel number or street address); and 3) include the name and signature of the property owner or customer submitting the protest.

Written protests may be submitted by mail to the City Clerk, City of Hemet, 445 E. Florida Ave. Hemet, CA 92543 or in person at the same address; or at the public hearing, so long as they are received prior to the conclusion of the public hearing. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the City Clerk, that the enclosed letter is for the Public Hearing on the Proposed Increases to Water and Sewer Rates and Charges.

City Council will hear and consider all written and oral protests to the proposed rates and charges at the Public Hearing. Upon conclusion of the Public Hearing, the City Council will consider adoption of the proposed rates and charges. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If written protests against the proposed rates and charges as outlined above are not presented by a majority of property owners or customers of the identified parcels upon which the rates and charges are proposed to be imposed on, the City will be authorized to impose the rates and charges.

Notice of a Public Hearing on Proposed Water and Sewer Rate Adjustments

Pursuant to Article 13D of the California Constitution, the City Council will hold a Public Hearing on the proposed water and sewer rates on **Tuesday, September 22, 2015 beginning at 7:00 p.m.** in the City of Hemet City Council Chamber located at 450 East Latham, Hemet, CA 92543. Please check the City’s website (<http://www.cityofhemet.org>) for information regarding the City Council meeting and the proposed water and sewer rate increase.

#32



Staff Report

TO: Honorable Mayor and Members of the City Council

FROM: Gary Thornhill, Interim City Manager *GT*
Deanna Elliano, Community Development Director *DE*

DATE: July 28, 2015

RE: **REQUEST TO ESTABLISH A DOWNTOWN ADVISORY COMMITTEE FOR THE PROPOSED DOWNTOWN HEMET SPECIFIC PLAN (SP-15-002)**

RECOMMENDED ACTIONS:

1. *That the City Council formally establish a citizens Downtown Advisory Committee (DAC) to provide input to the staff and consultant team on the proposed Downtown Hemet Specific Plan; and authorize the Mayor to make the Community Member appointments to the Downtown Advisory Committee (DAC) from the applications submitted; and,*
2. *That the Mayor appoint two (2) City Council members to serve as Liaisons to the Downtown Advisory Committee*

BACKGROUND

The City of Hemet has embarked upon an exciting project to develop a Specific Plan for the Downtown Area, with the assistance of a consultant team led by The Arroyo Group, and funded by a grant from SCAG. The location and boundaries of the 360.57 acre project area is shown in Attachment 1. The study area is bounded by Acacia Avenue on the south, Santa Fe Street on the east, Oakland Avenue on the north and Gilbert Street on the west.

Although in the early stages, the project has already generated considerable community interest. The project team has conducted stakeholder interviews and the first community workshop was held on July 8, 2015 at the library. Over 100 individuals attended the workshop which included presentations by the consultant and an opportunity for public input concerning the issues and opportunities facing the downtown area. The City's website has a link to a Downtown Specific Plan page, which includes information about the project, presentations and documents that have been prepared to date, and the project schedule. There is also an on-line survey about the Downtown which has generated over 100 responses to date. A key component of the Downtown Specific Plan process is to continue to engage the community, businesses, and residents about the vision for the future of Downtown, and its successful implementation over time.

DOWNTOWN ADVISORY COMMITTEE

To assist in obtaining community input, staff is recommending that the Council establish a Downtown Advisory Committee (DAC) to work with staff and the consultant team and provide feedback and ideas regarding the draft specific plan components and document. This committee would operate similarly to

the previous General Plan GPAC and the Hemet ROCS CAC, and meetings would be working sessions open to the public. The DAC is anticipated to meet an estimated six meetings (as needed) to review and comment on the draft specific plan over the anticipated 9-month process.

The DAC is proposed to have representatives from the City Council, Planning Commission, Traffic Commission, Parks Commission, downtown stakeholders, citizens groups, and the public at large. The following categories are recommended for membership of the DAC, although the actual composition will depend on the persons interested in serving and submitting an application:

- City Council (2)
- Planning Commission (2)
- Traffic & Parking Commission (1)
- Parks Commission (1)
- Library Board (1)
- Property Owners
- Downtown Merchants/Business Owners
- Community Groups & Churches
- Chamber of Commerce
- Downtown Residents
- Community-at-large

To date, 23 community members have submitted an application indicating their desire to serve on the DAC. The Planning Commission has appointed two members to serve (Perciful/Wilhelm), and the Library Board has appointed a representative (Strait). The Traffic and the Parks Commissions will be appointing representative members at their next scheduled meetings. Ideally, the total DAC should be a manageable size of no more than 15 to 20 members. Staff is recommending that the community members that are not representing a standing City Commission or Board be selected by the Mayor, based on the applications submitted. Given the pace of the project schedule, Staff would like to have the DAC formed and the first kick-off meeting held in August, 2015.

In addition to the DAC, a Downtown Technical Advisory Committee (D-TAC) comprised of staff from various city departments and other agencies will also be formed to assist in preparation of the background data and to provide technical input to the consultants.

The City Council and Planning Commission are also scheduled to have two joint meetings to review the findings, concepts and the draft specific plan. A second community workshop will also be scheduled prior to taking the specific plan through the formal public hearing process and environmental review.

ESTIMATED PROJECT SCHEDULE

The following schedule lists the major steps in the planning process for the project. The schedule will be adjusted as necessary throughout the duration of the project.

- May 2015 Project Kick-off with City Staff
- May-July 2015 Existing Conditions Data Collection

June 16, 2015	Stakeholder Interviews and Planning Commission Work Study session
July 8, 2015	Community Workshop #1: Visioning, Opportunities & Constraints
July –Aug 2015	Citizens Advisory Committee Formation & Kick Off
Sept/October 2015	Community Workshop #2: Preliminary Land Use & Urban Design Concept
October 2015	Joint City Council/Planning Commission Workshop
Oct. 15-Jan. 2016	Preparation of Administrative Review Draft Specific Plan
Feb.-June. 2016	Preparation of Draft Specific Plan, and Environmental Review Documents
June-August 2016	Public hearings and Adoption

FISCAL IMPACT

In order to minimize the consultant costs associated with the DAC, Planning Division staff will coordinate the DAC and provide documents and presentations when needed. The consultant team will try to schedule participation at DAC meetings with other project tasks in Hemet on the same day. The DAC was anticipated in the Scope of Work for the project and will not require the allocation of any additional funding from the City's General Fund.

Respectfully submitted:

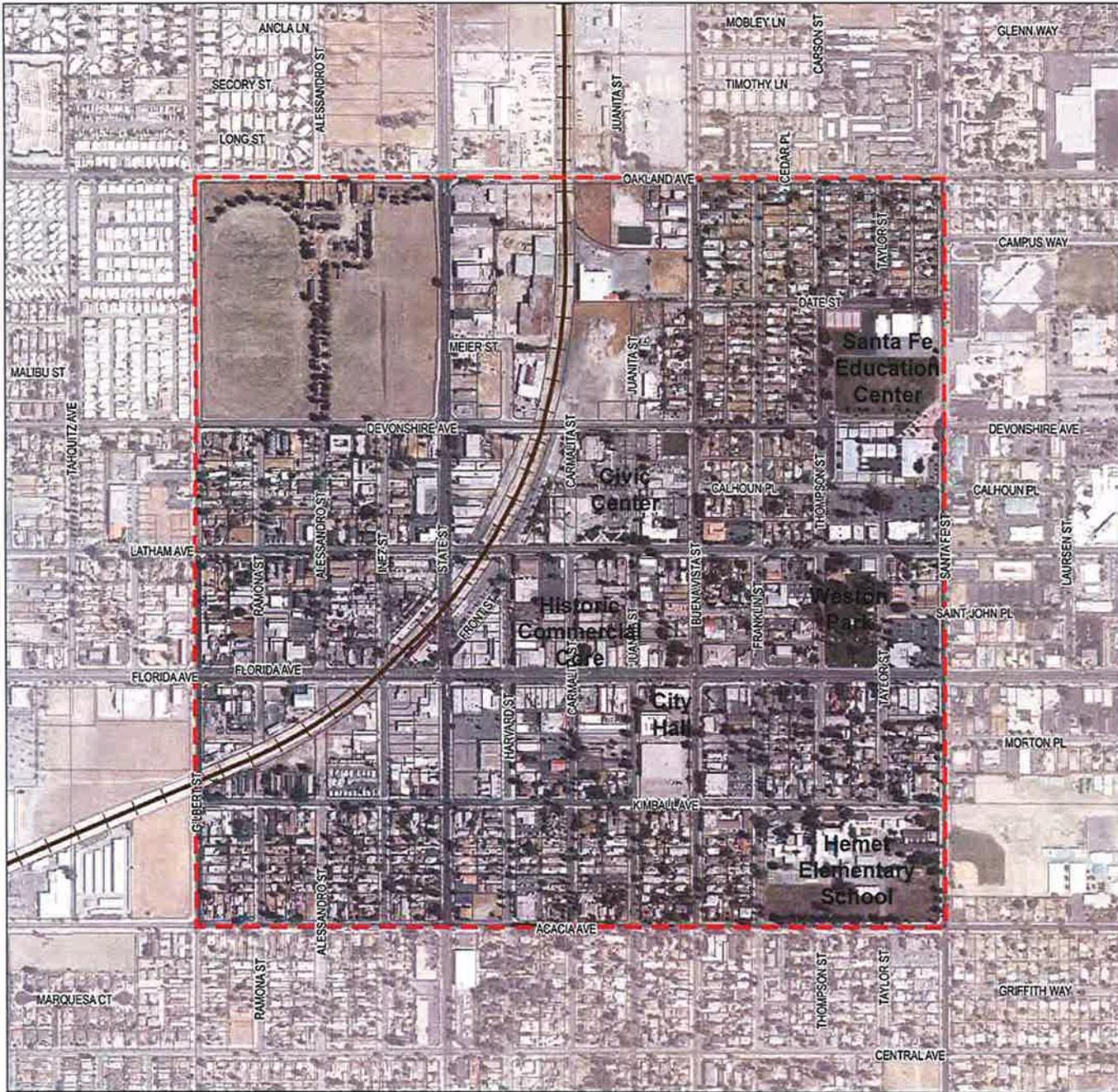


Deanna Elliano
Community Development Director

ATTACHMENT

- 1) Locational/Aerial Map

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Specific Plan Area

- Specific Plan Boundary
- BNSF Railway



#33.g.2



1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

Council Action Advised by July 31, 2015

May 29, 2015

TO: Mayors, City Managers and City Clerks

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference – September 30 – October 2, San Jose**

The League's 2015 Annual Conference is scheduled for September 30 – October 2 in San Jose. An important part of the Annual Conference is the Annual Business Meeting (*at the General Assembly*), scheduled for noon on Friday, October 2, at the San Jose Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, September 18, 2015. This will allow us time to establish voting delegate/alternate records prior to the conference.

Please note the following procedures that are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates must be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: www.cacities.org. In order to cast a vote, at least one voter must be present at the

Annual Conference Voting Procedures 2015 Annual Conference

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.



CITY: _____

**2015 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM**

Please complete this form and return it to the League office by Friday, September 18, 2015. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____ E-mail _____

Mayor or City Clerk _____ Phone: _____
(circle one) (signature)

Date: _____

Please complete and return by Friday, September 18, 2015

League of California Cities
ATTN: Kayla Gibson
1400 K Street, 4th Floor
Sacramento, CA 95814

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