



AGENDA

REGULAR MEETING OF THE HEMET CITY COUNCIL

March 8, 2016

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

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. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of cases:
Salvador Gonzaga v. Linda Ann Olsen, et al. MCC 1301784
Michelle Y. Moore v City of Hemet, et al. RIC 1507007
HSBC Bank, et al. v. Michael B. Hodge, et al. RIC 1510084
Clinton Erin Daigle v. City of Hemet, et al. USDC Central District Case No. 5:15-cv-00209-JGB-SP

 2. Conference with Legal Counsel - Anticipated Litigation
Two (2) 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: *City Manager Meyerhoff*
Employee organization:
Service Employees International Union (SEIU) General Employees
Hemet Non-Sworn Police Employees Association
-

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

Invocation

Pledge of Allegiance

City Attorney Closed Session Report

4. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of cases:
Salvador Gonzaga v. Linda Ann Olsen, et al. MCC 1301784
Michelle Y. Moore v City of Hemet, et al. RIC 1507007
HSBC Bank, et al. v. Michael B. Hodge, et al. RIC 1510084
Clinton Erin Daigle v. City of Hemet, et al. USDC Central District Case No. 5:15-cv-00209-JGB-SP

 5. Conference with Legal Counsel - Anticipated Litigation
Two (2) matters of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)

 6. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: *City Manager Meyerhoff*
Employee organization:
Service Employees International Union (SEIU) General Employees
Hemet Non-Sworn Police Employees Association
-

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

7. **Approval of Minutes** - February 23, 2016
8. **Receive and File** – Investment Portfolio as of January 2016
9. **Receive and File** – Warrant Register
 - a. Warrant register dated February 18, 2016 in the amount of \$1,221,763.95. Payroll for the period of February 1, 2016 to February 14, 2016 was \$586,532.80.
10. **Recommendation by City Clerk** – Adopting and Promulgating the City’s Conflict of Interest Code
 - a. Adopt a resolution adopting and promulgating the Conflict of Interest Code and Designated Officials and Employees of the City of Hemet required to file a Statement of Economic Interest. This resolution will rescind Resolution No. 4564. **Resolution Bill No. 16-013**
11. **Recommendation by Administration** – Allocations for 2016-2017 Program Year Community Development Block Grant
 - a. Accept and approve the City Council Ad-Hoc Committee recommended allocations of \$752,245 in 2016-2017 Community Development Block Grant (CDBG) funding and previously unexpended funding of \$85,608.60.
12. **Recommendation by Human Resources** – Classification of Media and Intelligence Analyst
 - a. Approve amending the City’s Classification Plan to include the classification of Media and Intelligence Analyst and setting the salary range for the position.
13. **Recommendation by Public Works** – Purchase Orders for Maintenance Materials
 - a. Authorize the City Manager to award purchase orders for Superior Ready Mix Concrete, LP, and Vulcan Materials in the amounts of \$75,000 and \$60,000.

14. **Recommendation by Public Works** – Additional Contract Costs with L.O. Lynch Quality Wells and Pumps for Rehabilitation of Well #10
 - a. Approve additional contract work with L.O. Lynch Quality Wells and Pumps for a total contract amount not to exceed \$90,137.20 to perform rehabilitation maintenance work at Well #10; and
 - b. Authorize the City Manager to execute purchase orders and change orders necessary to support the contract amount.

 15. **Recommendation by Public Works** – Participation in the Eastern Municipal Water District Recycled Water Accelerated Retrofit Program
 - a. Approve participation in, and authorize the City Manager to execute, an Agreement for Recycled Water Retrofit Funding between Eastern Municipal Water District and City of Hemet for Cawston Community Park in the amount of \$18,598.59; and
 - b. Authorize the Deputy City Manager/Administrative Services Director to increase revenue projections, and establish a supplemental appropriation, in the amount of the retrofit funding in Parks Fund 110.
-

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 your 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.

16. **Plan for Establishing of Electoral Districts** – City Manager Meyerhoff
 - a. Conduct a public hearing and take public testimony regarding the draft electoral district boundaries; and
 - b. Adopt a resolution specifying the criteria to guide the establishment of electoral districts; **Resolution Bill No. 16-015** and
 - c. Adopt a resolution initiating procedures for establishing and implementing by-district elections for the City of Hemet City Council Members. **Resolution Bill No. 16-016**
-

Discussion/Action Item

17. **Formation of a Community Facilities District for Infrastructure Improvements for Phases 2 and 3 of the McSweeney Farms Specific Plan** – Community Development Director Elliano
 - a. Adopt a resolution to authorize the California Statewide Community Development Authority to form a Community Facilities District to fund the construction of public improvements for the McSweeney Farms Specific Plan and approve the form of a Construction Funding and Acquisition Agreement between the City and the Developer, authorizing the City Manager to execute the final agreement; **Resolution Bill No. 16-011** and
 - b. Direct staff to cooperate with the Authority and its consultants in the formation and administration of the District.
 18. Capital Improvement Plan (CIP) FY 2016/17 to FY 2020/21
Discussion regarding this item, with possible direction to staff
-

City Council Reports

19. CITY COUNCIL REPORTS AND COMMENTS
 - A. Council Member 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)
 - B. Council Member Milne
 1. Riverside County Habitat Conservation Agency (RCHCA)
 2. Riverside Conservation Authority (RCA)
 3. Disaster Planning Commission
 - C. Council Member Youssef
 1. Planning Commission

- D. Mayor Pro Tem Raver
 - 1. Traffic and Parking Commission
 - 2. Riverside Transit Agency (RTA)
 - 3. Riverside County Transportation Commission (RCTC)
 - 4. Watermaster Board

- E. Mayor 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)

- F. Ad-Hoc Committee Reports
 - 1. Diamond Valley Lake Recreation Ad-Hoc Committee (January 27, 2015)
 - 2. Ad-Hoc Committee to Explore Revenue Options (May 26, 2015)
 - 3. Grant Ad-Hoc Committee (June 23, 2015)
 - 4. CDBG Ad-Hoc Committee (December 8, 2015)
 - 5. Homeless Ad-Hoc Committee (February 9, 2016)

- G. City Manager Meyerhoff
 - 1. Manager's Reports
 - 2. Staff Spotlight

Recessed to the Housing Authority

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, March 22, 2016 at 7:00 p.m. for consideration of items placed on that agenda. The next regular meeting will be held April 12, 2016.

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.



#7

MINUTES

REGULAR MEETING OF THE HEMET CITY COUNCIL

February 23, 2016

REGULAR SESSION

6:00 p.m.

Hemet Public Library Upstairs
300 E. Latham Avenue

www.cityofhemet.org
Please silence all cell phones

Call to Order

Mayor Wright called the meeting to order at 6:12 p.m.

Roll Call

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

ABSENT: None

OTHERS PRESENT: City Manager Meyerhoff, City Attorney Vail and City Clerk McComas

Invocation

Invocation was given by Jan DeSpain, Hemet-San Jacinto Interfaith Council

Pledge of Allegiance

Pledge of Allegiance was led by Council Member Krupa.

City Council Business Consent Calendar

1. **Approval of Minutes** – February 9, 2016
2. **Receive and File** – Warrant Registers
 - a. Warrant registers dated January 1, 2016 in the amount of \$1,437,042.70 and February 4, 2016 in the amount of \$1,929,210.21. Payroll for the period of January 18, 2016 to January 31, 2016 was \$617,439.41.
3. **Recommendation by Administration** – Allocations for 2016-2017 Program Year Community Development Block Grant
 - a. Accept and approve the City Council Ad-Hoc Committee recommended allocations of \$744,726 in 2016-2017 Community Development Block Grant (CDBG) funding and previously unexpended funding of \$85,608.60.

The Ad-Hoc Committee requested to continue Item No. 3 to March 8, 2016.

Council Member Youssef moved and Council Member Krupa seconded a motion to approve the remaining Consent Calendar items. Motion carried 5-0.

Communications from the Public

Jan Gay, Hemet, expressed concern with the increase in water rates. Ms. Gay expressed addition concerns with issues in the Valley that do not come under the jurisdiction of the City Council.

CW Cecchi, Hemet, spoke about the water rates and run off.

Brenda Scott, NAMI, talked about mental illness and two proposed bills, HR 2646 and SB 2002.

Lorraine Brealey, Hemet, Solera Diamond Valley Neighborhood Watch, expressed concern with the aggressive nature of people going through the resident's trash and recycling bins.

Dan Rees, Hemet, expressed concern that Section 8 Housing is a large contributor to the quality of life in the valley. Mr. Rees recommended a fee for absentee landlords or some other fee that will help fund the Rental Registration Program. Mr. Rees feels that we are required to have more Section 8 housing than Temecula and maybe we need to talk to the County Supervisor.

Muriel Defrusne, Golden Era, invited the City Council to attend a viewing of their "Truth About Drugs" programs at the Hemet Historic Theater on March 24th at 7:00 p.m.

Jim Pangrazzi, San Jacinto, recommended that the City use the California Manual on Uniform Traffic Control Devices, it has rules regarding setting of speed limits. The City can save money because doing the speed surveys every 5 years, if the citing officer has additional training speed surveys can be done every 7 years.

Kathy Hakala, Women Armed and Ready, talked about her self-defense program for women.

Jeremy Hutman, California First PACE program, requested that the City Council consider adopting a resolution to allow the residents and business owners to participate in the PACE Program.

Stacie Olson, Project Hope, encouraged the residents to attend more of the City Council meetings. Ms. Olson gave the City Council some statistics on mental health issues, it is a serious problem. Homelessness is not the problem, it is a result of the problem.

Shiree Allison, Hemet, recommended that an inpatient mental health facility be considered. Ms. Allison was homeless for many years and after getting the right treatment for mental health she was able to obtain an AA and is currently working on her BA.

Anna Baker, Hemet, expressed concern with zone changes that allow more residential units. Ms. Baker expressed concern with the real estate market in Hemet.

Melissa Diaz Hernandez, Hemet, asked why a financially strapped City is paying a City Manager \$200,000 per year to start.

Chris Murray, Hemet, Section 8 Housing is a Fair Housing Law that the City cannot do anything about. The problem is the lack of commercial development we need to get businesses in Hemet. If you want the businesses to come to Hemet and pay their sales taxes here, the residents need to shop in Hemet and support what is currently here.

Terry Handy, NAMI, recommended programs in Hemet that help diagnose mental health illness early. Ms. Handy, encourage early intervention and extra-curricular activities for kids.

Kathleen Muritz, Hemet, expressed concern with the homeless problem. Ms. Muritz also feels that the residents deserve more than Dollar Tree and .99 Cent stores.

Public Hearing

4. **Revenue Enhancement Ad Hoc Committee Report and Recommendations -**
Council Member Krupa and Mayor Pro Tem Raver
 - a. Receive the report of the Ad Hoc Committee to Explore Revenue Options; and
 - b. Hold a Public Hearing to discuss the Ad Hoc Committee's recommendation; and
 - c. Adopt a resolution Calling a Special Election to Ask the Voters to Approve a Transaction and Use Tax for Public Safety; Approving the Ordinance to be Submitted to the Voters, and Requesting Consolidation of the Election with the Election to be held on June 7, 2016. **Resolution No. 4658**

Alex Meyerhoff, City Manager, Public Safety is our number one priority. The City has had structural changes to the municipal revenues. Between FY 07/08 and today, a number of budget realities have impacted City operations. These include: elimination of the redevelopment agency and loss of the redevelopment proceeds; reduction in property tax revenue related to the great recession of 2008; and reduction in sales tax revenue related to the great recession. Together, this accounts for the elimination of \$9.47 million annual revenue between FY 07/08 and FY 16/17. As a direct result of these revenue reductions, the City Council has undertaken a series of cost saving measures and service reductions. This included staff cuts and service reductions, reducing staff by 30% including the loss of 25 police officers and 10 firefighters. Library operating hours were reduced by 50%. Simpson Center operations were contracted to Valley-wide Parks and Recreation. City Hall employee hours were furloughed and hours of operation were reduced by closing on Fridays. Employee compensation and benefit reform included layoffs, salary cuts, furloughs, benefit reductions and increased employee contribution to medical and retirement benefits. Reforms also included reduced retirement benefit for new employees. The City Council adopted Resolution No. 4642 which effectuated the reform of the City's retiree medical benefit. Based on this action the city is projected to save in excess of \$30 million during the next 10 years. In 2011, the City Council approved a franchise agreement for refuse services with CR&R. This action resulted in the elimination of 28 city jobs and the shift of the refuse operation to CR&R. The City received a lump sum payment of \$12.5 million and receives an annual franchise fee of \$12.5 million for 19 years. The City Council expressed an interest exploring contracting city services to the private sector or other agencies in order to reduce costs. The City currently contracts with agencies, the private sector, and nonprofit organizations for over 40 functions citywide. These services include but are not limited to: animal control services; crime lab analysis; fire plan check; background investigation; vehicle towing; custodial services; landscape maintenance and green waste; recycling and solid waste collection and disposal. The City has applied for over \$30 million in grant funding to offset general fund expenditures since 2008. In 2014, \$757,737 general fund operations were funded by sources other than the general fund or grants. In October 2015, staff presented the City Council with a five-year financial projection which established a framework for the development of future budgets. The five-year plan ends the deficit spending and brings the city to a balanced budget by FY 19/20 and maintains the 20% general fund reserve balance as required by ordinance. The Five-Year Financial Plan includes a "no-growth" budget based upon conservative revenue projections and the City Council to see the plan through to FY 19/20. Mr. Meyerhoff thanked Interim City Manager Gary Thornhill and the City's executive team and staff for undertaking there bold and courageous actions. The City Council has made substantial effort to balance revenue with expenditures. Cities exist for the purpose of maintaining the public health,

safety and welfare. Public safety is the priority of residents, business owners, commuters and seasonal visitors. The City Council and staff share this priority. Lack of public safety will continue to serve as a barrier to new investment in the community and will continue to undermine economic development efforts. Our Police and Fire Chiefs will summarize the state of public safety in the City of Hemet.

Police Chief Dave Brown, I've had the honor of serving this community for 25 years as a member of the Hemet Police Department and as your Police Chief for the last 5 ½ years. Council Members tonight you will write a chapter in the City's future. You have the opportunity to cast a vote that will allow, or disallow, the voters of Hemet to decide on their level of police and fire services. Chief Brown thanked Council Member Krupa and Mayor Pro Tem Raver for their work on the committee. We are here tonight to present the Revenue Enhancement Ad Hoc Committee's research and recommendation. The Ad-Hoc Committee is asking the City Council to unanimously adopt a resolution which will place the Hemet Police and Fire Community Safety Measure on the June 7th election ballot. Your support of this resolution will give Hemet voters the opportunity to raise local dollars for local public enhancements that cannot be touched by Sacramento. Current and former City Councils have had a difficult job since the beginning of the great recession in 2008. Certainly among the most difficult decisions have been the reductions in city staff. The economy forced you to reduce the size of your police and fire departments at the very time you should have been increasing them. In spite of the fact that the police force was cut by over 33%, I never pointed the finger at the City Council because I was reading the same budgets. The money simply was not there, the recession took its toll on our community. During my tenure as Police Chief, the City Council has granted every request that I have made. Chief Brown complimented the City Council for their individual effort in supporting the Police Department. In spite of the City Council's efforts, we are still losing the battle for our community. Overall, crime is up 21% over the last 5 years. During the same period, violent crime is up 50%. Chief Brown shared a specific incident from 2011 with the permission of the citizen. Violent assaults on Hemet police officers resulting in injury are up 1,100% in the past 3 years. Mental health related calls (5150) have almost doubled (94.8%) since 2005. Public nuisance calls (trespassing, disturbing the peace, panhandling) are up 1025% in just the last 5 years from 1,173 in 2010 to 13,206 in 2015. So it's no surprise that "free patrol time" is down from 37% in 2005 to just 16% in 2015. And the situation is not getting any better. The Riverside County Sheriff released over 10,000 inmates early from county jail last year. The Sheriff tells us there is no relief in sight due to the pressure of an undersized county jail system and the effects of prison realignment, AB109, on our County's Criminal Justice System. The State of California is doing us no favors. AB109 has had a devastating impact on our Valley, while we are home to just 3% of the County's population, 13% of the AB109 probationers live in our community. Proposition 47 has effectively eliminated jail time for dangerous drug violators and major theft suspects. And the Governor's 2016 Prison Reform and Rehabilitation Act promises to deliver more pressure on local government while releasing more criminals from state prison. We are proposing tonight an aggressive plan to attack the criminal element and restore and revitalize our city. I'll be discussing the plan in more detail, but first Chief Scott Brown will discuss the state of Hemet Fire Department.

Fire Chief Scott Brown, gave the City Council a brief overview of the Department's current situation that led us to this evening's recommendation and an overview of what steps we need to take to address the public safety challenges that the City of Hemet is facing. The Fire Department responds to all emergencies. In a vast majority of the emergencies that are crime

related, we respond with the Police Department. For example: active shooter; stabbing; and injuries of any kind. Both Departments work closely together daily. Hemet Fire Department continues to face emergency response challenges. From 2012 to 2014, the Department has experienced a 27.2% increase in overall emergency calls for services. For 2015, Hemet Fire Department responded to 16,171 total calls for service. Hemet Fire Department has experienced an overall 40% reduction in staffing, real cuts resulting in significant operation response impacts. The Fire Department has emerged from a very difficult recent history. The leadership over the last ten years has changed seven times. This lack of consistency and stability at the top has led to a lack of follow-thru on programs, a lack of enforcement of regulations, a relaxing of standards, and a lack of advocacy for the mission of the Hemet Fire Department on behalf of the citizens we serve. As the Interim Fire Chief I reviewed the state of the Hemet Fire Department and developed a Comprehensive 120 day plan with a set of objectives that focused on the critical issues facing the department. Chief Brown thanked the City Council for their continued support of the department. In early January 2015, the City Council approved a request to conduct a comprehensive analysis of the department. Emergency Services Consulting International Group led that effort. The Fire Department Service Delivery Options Analysis focused on all aspects of our emergency response delivery system. This report would provide a critical objective on where our fire department is presently while addressing the real structural shortcomings that need to be addressed. The report was presented to the City Council on June 25, 2015. The report listed 27 findings that have served as a basis for many administrative and operational changes that have either been implemented or are being recommended this evening. The following changes have occurred: re-opening of Fire Station 5; establish paramedic services – converting squad 5 to ALS; replaced aging and worn personal protective equipment; upgraded portable radios; major operational re-alignment of personnel and equipment; purchase (2) new fire apparatus; and submitted grants. These changes represent a significant move forward, however, they represent a small fraction of the necessary changes that need to occur. We have maximized our existing resources to razor thin margins. Chief Brown explained an example of unacceptable thin margin that occurred on May 14, 2015. Chief Brown also explained emergency medical benchmarks. I believe this is a moment in time for our community, our city and our public safety professionals to come together, to make our emergency response services stronger well into the future. I will be presenting a 5-year plan that provides a pathway towards achieving that outcome.

Eric Vail, City Attorney, the Ad-Hoc Committee evaluated a number of potential revenue measure options. A property based parcel tax, Prop 13 or Public Safety Mello Roos, were looked at. Based on the few parcels in the City it was not worth it. A utility user tax that would add an additional percentage on a number of utilities was discussed. To generate the amount necessary the tax would have been 7% increase to most utilities that option was quickly taken off the radar. The one decided is a transaction and use tax that would be applied to merchandise purchased in the City. A maximum of 2% can be applied, we are only proposing 1% on goods and personal property that is used, purchased or delivered in the City. The special tax discussed tonight is a very specific use tax for Public Safety. A Measure is just a fancy word for an ordinance that the City Council approves to be placed on the ballot for the voters to vote on. The measure includes a high level of scrutiny and tax payer safe guards. The action to place the measure on the ballot must be approved by a 4/5 vote. 66.66% of the voters must say yes or there will be no tax. There is a strong statement of purpose and intent to enhance public safety. The funds are restricted to enhancing Hemet Police and Fire

Services and cannot be used as alternative for local Police and Fire Services. It requires an annual expenditure plan adopted with the budget and an independent audit. A Citizen Oversight Committee will be formed. The revenue allocation will be 2/3 to Police and 1/3 to Fire. The measure includes a non-supplanting clause that protects General Fund Police and Fire Service funding, must maintain the current support of 72% of the budget. The measure also sets a mandatory police staffing ration of 1.2 officers per 1,000 residents. This measure sunsets in 10 years unless extended by the voters.

The City Council recessed briefly at 8:14 p.m.
Reconvened at 8:24 p.m.

Fire Chief Scott Brown, displayed a chart showing the proposed Hemet Fire/EMS 5-Year Staffing Plan. The plan increases sworn personnel by 15 positions and non-sworn by 10 by year 5. Operations outcomes with the 5-Year Staffing Plan are: establish Credentialed Shift Battalion Chiefs to manage each of the three platoons; dedicated staff for Truck 1; dedicated staffing for Engine 5; dispatch resources; a data analyst shared with Police; and an increase in Emergency Services Coordination.

Police Chief Dave Brown, the most exciting part of the work over the last 8 months was that it gave us the opportunity to imagine the Hemet we once knew. A chart was displayed showing the proposed Police Enhancements. Year 1 would be a Troop Surge adding 16 Officers and 2 Sergeants assigned to the Crime Suppression Unit, Nuisance Abatement Team and the Gang Task Force. Year 2 would be for Patrol and Special Operations adding 6 Officers and 1 Lieutenant to increase neighborhood patrols, establish a Criminal Intelligence Unit and create a Special Operations Bureau. Year 3 & 4 would enhance patrol adding 10 Officers for aggressive crime prevention effort and increase neighborhood and business patrols. Years 5 – 10 we would maintain staffing levels and continue crime prevention efforts as the City grows. There are consequences if we fail tonight, the 5 year plan is a solid road map that requires status quo staffing in Police and Fire that would be devastating in my professional opinion. If we choose to wait, it will be too late. Let the voters give us the ability to take back our community.

Council Member Krupa, the Ad-Hoc Committee was formed in June 2015. I was appointed along with Mayor Pro Tem Raver to serve on the committee. The Committee explored all possible options and taxes. Deciding what would work and what wouldn't work. The proposed measure is the most viable option. The Committee is not recommending to approve a tax, just to place the measure on the ballot for the residents to decide. The recommendation is a 1% sales tax. Council Member Krupa thanked the Chief's for their tireless work and to the staff for their efforts. We hear all the time about pension costs; RDA funds; the recession; the quality of life; and the number of undesirables. The City is currently working on a number of things to correct that. We are working on ways to help those that cannot help themselves. Ms. Olson and Ms. Diaz Hernandez we would invite you to participate on the newly formed Homeless Ad-Hoc Committee. Riverside County is considered "self help" for transportation, meaning that revenue is generated locally and no one can take it away. This tax, if approved, will make Hemet a "self help" City and that money cannot be taken away.

Council Member Youssef, the proposed five-year financial plan takes the City out of deficit spending by FY 19/20 by very narrow margins. Council Member Youssef asked what would happen if the economy takes another downturn. The City could end up in deeper deficit

spending. Council Member Youssef asked what that would do the proposed staffing plans.

Police Chief Brown, the measure requires that 72% of the General Fund, which is the average for the last 10 years, continue to fund Public Safety. As always, the Departments will be required to live within our means regardless of the funding source.

Council Member Youssef, expressed concern with the requirement to have 1.2 officers per 1,000 residents. Council Member Youssef asked if an increase in the average cost for personnel was considered.

Police Chief Brown, the number of actual officers will vary due to vacancies and other areas of the budgets can and will be reduced in lean times. This will help get us where the community has asked us to be. The plan includes a 3% per year average increase in the cost of personnel.

Council Member Milne, thanked Police Chief Brown for pointing out the City Council's support of the Police Department. Council Member Milne expressed concern that the public will expect that 16 new officers can be hired and on the streets within days after the passing of the Measure. Funding does not mean employees. Lateral Officers take time to recruit and have on the streets, trainees even longer.

Police Chief Brown, with Project Hope, the City Council has been very supportive. Building a stable force is hard. 16 veteran cops left when we were unstable. Most Officers want to spend their entire career in one agency. With your help we have attained that culture again. We will actively recruit laterals, even so, it does take a full year from application to on the streets.

Council Member Milne, reiterated that it is a long process and the residents need to know and not criticize the City. Council Member Milne wishes that Fire Chief Brown joined the City sooner and thanked him for making the hard decisions and his plan to fix the Department.

Council Member Krupa, asked Fire Chief Brown if all newly hired firefighters will be paramedics and to describe the term "light force".

Fire Chief Brown, confirmed that all new hires will be FF/Paramedic. The term "light force" is the use of alternate vehicles to respond to nuisance calls instead of a full staffed truck.

Mayor Wright, asked Police Chief Brown to explain why more parolees are released to this community.

Police Chief Brown, it's for the same reasons many of us moved here. It's a great place to live, the weather is great and housing is affordable. The only other factor is the lack of pressure from Hemet Police Department. We need the resources to put that pressure on them, our officers know the bad guys.

Mayor Wright, obviously we have all heard and read the rumor that the City gets money for taking more parolees and AB109 releases.

Police Chief Brown, confirmed that the City is not receiving money to accept AB109's or parolees or we would have more money.

Mayor Wright declared the Public Hearing opened at 9:08 p.m.

Howard Rosenthal, Hemet, thanked the City Council for bringing this item forward. Mr. Rosenthal thanked Council Member Youssef for the ROCS Program, it will be better with additional funding. Mr. Rosenthal encouraged the City Council to give the business community and the residents the chance to say yes or no. I salute our men and women in uniform. We are all together on this, it is now or never. We need to support the City Council to take this to the voters.

Gary Fowler, Hemet, thanked the City Council. We know you are not paid much and we are very grateful for your hard work and thank you for running for office. Mr. Fowler recommended approval.

Rob Davis, Hemet, born in 1962 at Hemet Hospital. Recently a Facebook friend was trashing the Valley and I corrected him this is a wonderful Valley. I hate new taxes. We have looked at the proposed measure and agree that this will be used for the resources we need. We even had a top election law firm look at the proposed measure and they agree it is a tight Public Safety tax measure. Mr. Davis thanked the Ad-Hoc Committee for bringing this forward. Council Members Milne and Youssef's questions were good. I have the same concerns but the two honorable Chief's will do their best.

Lori VanArsdale, Hemet, this time you have done it right. You have been thoughtful and aggressive in your questioning and engaged the public. In 2006, the Department was almost at 1.2 per 1,000. The Department had the PAL Program. Given the opportunity the community wants to help City get back to being proactive. I hate taxes, but this allows the valley residents to help Hemet too. Our concerns have an effect on Southeast Hemet also. Ms. VanArsdale recommended approval.

Todd Foutz, Hemet, I'm a CPA and CPA's hate taxes. We want the City to continue to look at ways to contain costs. If we are successful at getting 2/3 of the voters to approve this, we can get there. Mr. Foutz thanked the City Council for serving, this is a love of god and country. Please let us vote and allow us to help this community.

Joe Wojcik, Hemet, we are here to ask for your support. I don't want the tax, but I don't want the concerns that are here and am willing to put my money where my mouth is. I told my oldest who just got married to not move back and I won't let my 16 year old daughter get gas alone or allow my wife to shop allow at night. Empower the residents to decide. Put it on the ballot and let us do the hard work.

Bob Jungbloth, Hemet, spoke in support of the measure but expressed concern with the language in the ordinance that divides the money, 2/3 for PD and 1/3 for Fire. Mr. Jungbloth feels that the funds should be more evenly divided or allow the Chief's to determine the needs.

Bruce Wallis, Hemet, grew up in Hemet in the 50's. I am delighted to see the support of this community to solve this problem. The community wants the opportunity to speak their voice. Please give us the opportunity to convince the voters to approve the measure.

Ed Formica, Hemet, the City Council has had to make a lot of difficult decision the last couple of years. As the President of the Action Group, in 30 years they have never agreed on anything but they agree on this and want you to allow us to make the decision.

Guy Excel, Hemet, I hear this is a tax but I see it as an investment. This is a very important part of our future. I have spent 30 years bringing businesses here. Mr. Excel recommended approval.

Frank Gorman, Hemet, I moved here in 1981 out of college and have lived here for 32 years. In that time I have been involved with a lot of great things in this Valley. We have seen crime increase in the past years. Please give us the opportunity to stop these problems. We encourage you to get behind our efforts and help us take this community to the next step. We want to be proud to be from Hemet again.

Nicole Tamez Hemet, there are a lot of people here asking for the chance to say yes or no. Council Member Youssef had a great question, for 10 years, we will know that we will have the revenue from this tax. I'm not a tax person, but we will lose more in 2016 unless we fight. Let us decide.

Gayle Hepner, CASA Executive Director, prevention programs need to return to Hemet. Ms. Hepner applauded Police Chief Brown for his brutal honesty. I encourage you to let the citizens help and approve this item.

William Whelan, Hemet, spoke in favor and thanked the men and women on the force and veterans. Safety and well being of the residents of Hemet is a priority.

Judy Rice, Hemet, spoke in support and referred to the City's budget as anemic.

Marc Searl, Hemet, I have been here 68 years. I have never seen it as bad as it is now and it's getting worse. I would encourage this City Council to put it to the voters and support the measure.

Gina Dickson, Hemet, my husband is a police officer here. We are asking for this chance to vote. We believe in the City and want the chance to save our Community.

Connie Hall, Hemet, a resident in the Valley for 29 years. I remember Hemet PAL. We need to live united and let the people make the decision. The Chief's are all about excellence and I know they will do what they need to do.

Marie McDonald, Hemet, spoke in support of the tax. Ms. McDonald expressed concern that funding is needed for the other problems in Hemet, such as, the maintenance of the streets, roads and parks. Street lighting in neighborhoods would make residents feel safer. Funding is needed to help the homeless and those in need of mental health assistance.

Sylvia Ortiz, Hemet, spoke in support and concurs with the sentiments of the previous speakers. Trust the vision the two Chiefs have for our valley.

David Preitto, Fire Captain and President of HFFA, the citizens of Hemet are outspoken, intelligent, well informed and passionate about this City and its future. The Fire Fighters along with the Police Officers stand in support of both Chief's and this initiative giving the citizens of Hemet the opportunity to approve the level of public safety services provided to them. We recommend that you give the citizens of Hemet the opportunity to make an informed decision with a vote.

Edward Nacua, HPOA, our Association would like to thank the citizens of Hemet for their support. Our Officers know how effective they can be with 91 Officers. The HPOA is asking that you give the citizens the opportunity to vote.

Gene Hikel, Hemet, thanked the Ad Hoc Committee they have done an excellent job. Mr. Hikel supports the measure, but expressed concern that there is more to a city than just police and fire. It is going to take a 2/3 vote instead of a simple majority that it would take for a general tax. We appreciate the fact that the business community is getting involved. It would appeal to a large number of people if the tax would benefit the Library, streets and parks. Many of the residents want to enhance the entire city, not just Public Safety. Mr. Hikel recommended that a general tax with 80% going to Public Safety and 20% going to the General Fund be considered. Mr. Hikel too would like to know how the City will maintain 1.2 Officers per 1,000 residents if there is another downturn in the economy.

Lakshman Koka, San Jacinto Medical Group, I believe we all have one common goal, safe living in Hemet. There is no one cookie cutter way to solve this issue. We are all affected by it. You are elected by us, to represent us and do what is best for us. Tonight you are not being asked to approve the tax, you are being asked to give us the right to vote.

Randy Jones, Valle Vista Assembly of God, God loves Hemet, he loves this community, we pray for you every Thursday Morning. We don't know what tomorrow holds but there is hope in our town. There are many community members ready to vote on this. Trust in the Lord, he will show us great and mighty things. Let's get a 5-0 vote.

Jan Gay, Hemet, I wish I had more than 3 minutes. I spent 19 years working with prisoners and now they are being let out on our streets.

Dan Goodrich, Hemet, thank you for taking the action to establish this committee. As a Hemet ROC's member I saw the tough times. Today we have rising crime and services have been cut to the bone. It's tough to get new businesses here with the high crime. Mr. Goodrich recommended approval.

Stacie Olson, Hemet, I do believe the tax is necessary, we need a bigger police force. That being said, our homeless is also a problem. What the Police Department is currently doing is not working, it's not effective. We need to do something different. Thank you for the opportunity to participate in the Homeless Ad-Hoc Committee, I accept. We need to come up with a plan to help the homeless.

Keith Meissner, Hemet, please put this on the ballot. I appreciate the 10 year clause. Let's make sure that it doesn't stay in there forever. I love that the measure has very little wiggle room.

Brenda Scott, Hemet, thank you for hard work on this measure. Kids can't go outside to play due to the current situation. I agree that the PAL is needed and the amount of 5150's is outrageous. Training for the Police and Fire personnel in dealing with mental illnesses would be great.

Seth Weinger, Hemet, not a resident of the City of Hemet. I worked with the Department on the Crime Stoppers program. Mr. Weinger feels that this is not the answer. There are other things that need to be done to stop the depleting quality of life in Hemet. Mr. Weinger recommended that the Crime Stoppers program be activated again.

Ann Smith, Hemet, spoke in support. Ms. Smith thanked the City Council for doing such a great job. We all knew there was going to be a price to pay to keep our departments. Now it's time to step up to the plate and pay for our services.

Kris Covey, Hemet, recently moved back to Hemet. I share the vision that someday kids can play in Weston Park. We need to take a real look at the crime. Provide the resources to both Chief's and really think about the position the City takes. We need a caring and comprehensive approach to the homeless issue.

Joey Aszterbaum, Hemet, the problem is poverty, we need a comprehensive approach. The City should re-open the idea of annexation or consider fees on the out of the City investors.

Lorna Castle, Hemet, I received an email saying crime has gone up 30%. I have been here 3 years and I'm not sure if we are going to stay. If a penny tax is going to help the entire community I will encourage everyone I know to shop in Hemet.

Levon Atarian San Jacinto, Police and Fire are doing a great job. The responsibility lies with the City Council.

Lloyd Karch, Hemet, the real crime is the empty and boarded up houses.

Chris Murray, Hemet, originally I was neutral on this subject, but I have been swayed and am now in favor. Let's give the people the opportunity to vote. The City Council should offer incentives for businesses to locate here. The Police Officers want to make a difference, not sit behind a desk and do nothing.

Carol Ferber, Hemet, I came here opposed and now I am in favor. Ms. Ferber suggested that the City Council consider allowing and taxing the sale of cannabis, some cities are getting millions per year.

Jim Pangrazzi, San Jacinto, respects the figures from the Chief's but expressed concern if there is another downturn in the economy. If this does not pass in June, a measure cannot be placed on the November ballot.

Mayor Wright declared the Public Hearing closed at 10:49 p.m.

City Council Protocols require a vote of the City Council to continue the Council Meeting meeting past 10:00 p.m.

Mayor Pro Tem Raver moved and Council Member Milne seconded a motion to continue the Council meeting past 10:00 p.m. Motion carried 5-0.

Police Chief Brown, addressed some the concerns expressed by the residents. Homelessness, Section 8 renter and poverty are not a crime. The Police Department can only address unlawful actions. Historically, 72% of the General Fund budget is used for Public Safety, 2/3 is used for Police and 1/3 is for Fire. Our Officers will continue to receive 5150 training. There was an overwhelming outcry to a single purpose tax.

Mayor Wright, thanked the Ad-Hoc Committee for their work. This is the epitome of transparency is to let the people vote.

Council Member Milne, I like the public hearing process because all sides get to be heard. My concern is that we spent a lot of money to fund what was supposed to be a grass roots effort. Council Member Milne asked about the community outreach to help financially fund our efforts thusfar, the initial cost for Lew Edwards was \$40,000. The Ad-Hoc Committee only recommended taxes, no other cost saving measures. I have a lot of heartburn with this. I do support public safety. You have personal responsibility as citizens to step up to the plate. We did not have any discussions about anything other than taxes in the last 8 months.

Mayor Pro Tem Raver, the Ad-Hoc Committee has looked at the major problem recognized by everyone which is crime. We need a quality of life that the decent residents deserve for their family. The only question is whether or not the City Council trusts the residents with their own future. I'm proud of you for being here to help solve the problem.

Council Member Krupa, it wasn't all sunshine and roses or an easy task. We looked at all situations. What will it take monetarily? What will it take to hire the personal to provide Fire and Police services that this community needs and deserves? We need to get a hold on crime and the negative things that are happening. We need to do that to get the businesses here to fund the other services this community needs. We hired an expert because we don't have the staff or the know-how.

Council Member Youssef, expressed concern again that the requirement to have 1.2 cops per 1,000 residents will now be burnt in stone and the guarantee that 72% of the General Fund money will go to the Police and Fire Department's for 10 years. We need to think about this in the future and maybe reconsider this in 10 years. It doesn't account for the increasing costs of employees in Police and Fire. In the first year, it might employ 16, in the 2nd year it might not. We need to be able to discuss and deal with these variables. Whether we agree on sending this to the ballot or not, we all live here and want the increase in public safety. We do need more police. I agree that we also need a more comprehensive approach to the policing.

Council Member Krupa moved and Mayor Pro Tem Raver seconded a motion to approve this item as presented. Motion carried 4-1. Council Member Milne voted No.

City Council Reports

5. CITY COUNCIL REPORTS AND COMMENTS

A. Council Member 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)

B. Council Member Milne

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

C. Council Member Youssef

1. Planning Commission

D. Mayor Pro Tem Raver

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

E. Mayor 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)

F. Ad-Hoc Committee Reports

1. Diamond Valley Lake Recreation Ad-Hoc Committee (January 27, 2015)
2. Ad-Hoc Committee to Explore Revenue Options (May 26, 2015)
3. Grant Ad-Hoc Committee (June 23, 2015)
4. CDBG Ad-Hoc Committee (December 8, 2015)
5. Homeless Ad-Hoc Committee (February 9, 2016)

G. City Manager Meyerhoff

1. Manager's Reports
-

Future Agenda Items

Section 8 Housing and the effects in the Valley

Adjournment

Adjourned at 11:13 p.m. to Tuesday, March 8, 2016 at 7:00 p.m.



AGENDA

9

Staff Report

TO: Honorable Mayor and members of the City Council
FROM: Judith L. Oltman, City Treasurer
DATE: March 8, 2016
RE: Investment Portfolio as of January 2016

RECOMMENDED ACTION:

Receive and file.

ANALYSIS:

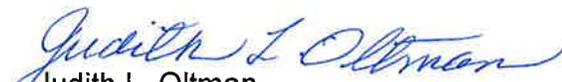
The summary statement of activity and balances of the Treasurer's Investment Portfolio for the month of January 2016 is forwarded herewith for your review.

On 1/15/16 our FHLMC #2285 was called. There were no new investments 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

JANUARY 2016

INVESTMENT CLASSIFICATIONS	MONTHLY ACTIVITY	CONSOLIDATED BALANCE
PORTFOLIO AS OF DECEMBER	55,232,384.75	
CERTIFICATES OF DEPOSIT		
Placed this month		
Matured this month		
Balance		7,924,000.00
LOCAL AGENCY INVESTMENT FUND: City of Hemet		
Deposits	19,440.76	
Withdrawals		
Balance		20,318,312.41
BANK OF NEW YORK MELLON Custodial Acct.		
Deposits	1,055,089.89	
Withdrawals	-55,089.89	
Balance		1,001,007.68
CITIBANK: Money Market Account		
Deposits	55,100.17	
Withdrawals		
Balance		100,709.66
CITIBANK: Money Market Account 3		
Deposits	5,356,115.95	
Withdrawals	-300,000.00	
Balance		6,495,428.08
MUNICIPAL BONDS & NOTES		
Deposits		
Withdrawals		
Balance		19,523,583.80
GOVERNMENT AGENCIES		
2253 1.0% FNMA 11/29/17		500,000.00
2255 1.15% FNMA 2/28/18		500,000.00
2258 1.0% 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
2284 2.0% FHLMC 9/30/20		500,000.00
2285 2.0% FHLMC 10/15/20		500,000.00
2286 2.0% FHLMC 11/25/20	-1,000,000.00	1,000,000.00
2287 2.05% FHLMC 12/30/20		1,000,000.00
PORTFOLIO BALANCE AS OF JAN. 2016	60,363,041.63	60,363,041.63

INTEREST EARNINGS	15-16 FISCAL YEAR-TO-DATE	
EARNINGS BALANCE AS FEBRUARY 1, 2016		170,749.47
CERTIFICATES OF DEPOSIT INT.	10,899.92	
OTHER GOVERNMENT SECURITIES	43,518.48	
CITIBANK MONEY MARKET ACCOUNT	10.28	
CITIBANK MONEY MARKET ACCOUNT 3	315.95	
BANK OF NY MONEY MARKET ACCT.	8.94	
LOCAL AGENCY INVESTMENT FUNDS		
CITY OF HEMET INTEREST	19,440.76	
MONTHLY EARNINGS TOTAL	74,194.33	74,194.33
MEMO ONLY:		
Charges as of Oct. 1, 2015	-15,162.20	
15-16 YEAR-TO-DATE INTEREST EARNINGS		244,943.80

**CITY OF HEMET
Portfolio Management
Portfolio Summary
January 31, 2016**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Certificates of Deposit - Bank	1,733,000.00	1,739,145.57	1,733,000.00	2.88	1,619	447	1.452	1.473
Managed Pool Accounts	20,318,312.41	20,318,312.41	20,318,312.41	33.82	1	1	0.365	0.370
Passbook/Checking Accounts	7,597,145.42	7,597,145.42	7,597,145.42	12.65	1	1	0.381	0.387
Local Government Bonds	12,523,583.80	12,842,647.72	12,664,701.87	21.08	2,303	1,938	2.450	2.484
Medium Term Notes	7,000,000.00	7,093,880.00	7,035,467.95	11.71	1,797	1,291	1.922	1.948
Federal Agency Issues - Coupon	5,000,000.00	5,001,495.00	4,533,611.11	7.55	1,812	1,219	1.474	1.494
Negotiable CDs	6,191,000.00	6,336,460.97	6,191,000.00	10.31	1,877	1,182	1.748	1.772
Investments	60,363,041.63	60,929,087.09	60,073,238.76	100.00%	1,073	787	1.247	1.264

Cash and Accrued Interest	
Accrued Interest at Purchase	21,241.40
Subtotal	21,241.40
Total Cash and Investments	60,363,041.63

	January 31 Month Ending	Fiscal Year To Date
Total Earnings		
Current Year	71,378.51	441,816.44
Average Daily Balance	56,031,936.82	60,387,674.22
Effective Rate of Return	1.50%	1.24%

JUDITH L. OLTMAN, TREASURER

Reporting period 01/01/2016-01/31/2016

Run Date: 03/01/2016 - 17:05

Portfolio COFH
AP
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.5

CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
January 31, 2016

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												
06740KEX1	3146	BARCLAYS BANK DE		12/07/2011	247,000.00	248,891.87	247,000.00	1.900		1.902	310	12/07/2016
SYS3174	3174	BANK OF HEMET		09/06/2013	494,000.00	494,000.00	494,000.00	0.500		0.500	218	09/06/2016
SYS3144	3144	BANK OF THE WEST		10/12/2011	249,000.00	250,500.15	249,000.00	1.750		1.750	254	10/12/2016
SYS3136	3136	CIT BANK		08/24/2011	247,000.00	248,382.95	247,000.00	1.800		1.800	205	08/24/2016
SYS2231	3190	CITADEL FEDERAL CREDIT UNION		10/20/2015	249,000.00	249,000.00	249,000.00	2.000		2.000	1,723	10/20/2020
36160WVR7	3132	G.E. Capital Financial, Inc.		08/12/2011	247,000.00	248,370.60	247,000.00	1.850		1.850	193	08/12/2016
Subtotal and Average			1,733,000.00		1,733,000.00	1,739,145.57	1,733,000.00			1.473	447	
Managed Pool Accounts												
SYS1001	1001	LOCAL AGENCY INVESTMENT FUND			20,318,312.41	20,318,312.41	20,318,312.41	0.370		0.370	1	
Subtotal and Average			20,307,651.35		20,318,312.41	20,318,312.41	20,318,312.41			0.370	1	
Passbook/Checking Accounts												
SYS5009	5009	BANK OF NEW YORK			1,001,007.68	1,001,007.68	1,001,007.68			0.000	1	
SYS5001	5001	Citibank			100,709.66	100,709.66	100,709.66	0.150		0.150	1	
SYS5004	5004	CITIBANK3			6,495,428.08	6,495,428.08	6,495,428.08	0.450		0.450	1	
Subtotal and Average			3,117,049.80		7,597,145.42	7,597,145.42	7,597,145.42			0.387	1	
Local Government Bonds												
044555PA2	5025	ASHLAND OREGON		10/23/2014	1,145,000.00	1,156,553.05	1,134,034.75	2.800	AA	2.926	3,104	08/01/2024
048339SE6	5018	ATLANTIC CITY N.J.		06/02/2014	465,000.00	475,169.55	481,343.86	3.953	A	2.075	790	04/01/2018
048339SF3	5019	ATLANTIC CITY N.J.		06/02/2014	440,000.00	451,941.60	460,825.49	4.253	A	2.651	1,155	04/01/2019
04780NHS9	5030	ATLANTA DEVELOPMENT AUTHORITY		07/09/2015	825,000.00	834,570.00	829,026.02	2.518	A	2.400	1,612	07/01/2020
13124MAH8	5026	CALLEGUAS CA MUNI WATER DIST		10/23/2014	745,000.00	764,839.35	757,325.57	2.601	AAA	2.201	1,612	07/01/2020
156792GW7	5027	CERRITOS COMMUNITY COLLEGE DIS		12/01/2014	1,260,000.00	1,316,158.20	1,271,024.45	2.971	AA	2.821	2,373	08/01/2022
404476HH9	5022	HABERSHAM COUNTY HOSPITAL AUTH		08/13/2014	795,000.00	807,012.45	798,849.82	2.250		2.080	1,096	02/01/2019
413450HY6	5034	HARPER CREEK COMM. SCH. DIST.		10/06/2015	600,000.00	611,508.00	605,627.58	2.743		2.550	1,916	05/01/2021
544587C30	5036	L.A. MUNI IMPROVEMENT CORP		11/30/2015	520,000.00	541,179.60	532,105.37	3.146		2.620	1,735	11/01/2020
45462TEJ7	5032	INDIANA BOND BANK		09/15/2015	990,000.00	1,009,572.30	1,001,366.87	2.710	AA	2.501	2,175	01/15/2022
650035J66	5015	NEW YORK STATE REVENUE BONDS		03/25/2014	500,000.00	508,960.00	499,259.04	2.000		2.050	1,138	03/15/2019
64971WMC1	5031	NEW YORK CITY TRANSITIONA; FIN		08/03/2015	1,000,000.00	1,035,690.00	1,016,560.29	2.840		2.560	2,373	08/01/2022
73474TAG5	5033	PORT OF MORROW ORE TRANS FAC		09/14/2015	740,000.00	769,888.60	749,047.71	2.737		2.500	2,039	09/01/2021
767169DY8	5028	RIO RANCHO		02/12/2015	498,583.80	505,195.02	501,382.25	3.200	A	3.122	3,043	06/01/2024
786134VB9	5029	SACRAMENTO CO. SANITATION DIST		03/02/2015	1,000,000.00	1,039,800.00	1,019,227.67	2.810	AA	2.451	2,130	12/01/2021
13063CKL3	5017	STATE OF CALIFORNIA		05/16/2014	1,000,000.00	1,014,610.00	1,007,695.13	2.250		2.000	1,185	05/01/2019

Portfolio COFH
AP
PM (PRF_PM2) 7.3.0

CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
January 31, 2016

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Subtotal and Average			12,666,064.97		12,523,583.80	12,842,647.72	12,664,701.87			2.484	1,938	
Medium Term Notes												
037833AQ3	5016	APPLE		05/15/2014	1,000,000.00	1,018,640.00	1,004,329.98	2.100		1.960	1,190	05/06/2019
084670BL1	5023	BERKSHIRE HATHAWAY		08/14/2014	1,000,000.00	1,021,820.00	1,003,345.16	2.100		2.000	1,290	08/14/2019
14912L6B2	5020	CATERPILLAR		06/09/2014	1,000,000.00	1,012,090.00	1,002,543.51	2.100	A	2.020	1,224	06/09/2019
36962G7G3	5014	G.E. CAPITAL CORP.		03/14/2014	500,000.00	513,765.00	506,333.20	2.300		1.932	1,078	01/14/2019
02665WAZ4	5035	AMERICAN HONDA FINANCE		10/23/2015	1,000,000.00	1,016,870.00	1,013,414.23	2.450		2.144	1,697	09/24/2020
68389XAN5	5010	ORACLE		03/28/2013	500,000.00	501,435.00	500,414.46	1.200		1.150	622	10/15/2017
90261XHE5	5024	UBS AG STAMFORD CT		08/18/2014	500,000.00	501,785.00	501,410.51	2.375		2.290	1,290	08/14/2019
92826CAB8	5037	VISA INC		12/15/2015	1,000,000.00	1,008,090.00	1,002,260.68	2.200		2.151	1,778	12/14/2020
94974BFG0	5013	WELLS FARGO		04/26/2013	500,000.00	499,385.00	501,416.22	1.500		1.350	715	01/16/2018
Subtotal and Average			7,035,853.50		7,000,000.00	7,093,880.00	7,035,467.95			1.948	1,291	
Federal Agency Issues - Coupon												
313383GY1	2261	FEDERAL HOME LOAN BANK		06/13/2013	500,000.00	500,015.00	500,000.00	1.170		1.170	863	06/13/2018
3134G7UY5	2284	FEDERAL HOME LOAN MTG ASSOC.		09/30/2015	500,000.00	500,975.00	33,611.11	2.000		2.000	0	09/30/2020
3134G84G1	2286	FEDERAL HOME LOAN MTG ASSOC.		11/30/2015	1,000,000.00	1,000,390.00	1,000,000.00	2.000		2.000	1,759	11/25/2020
3134G8CC1	2287	FEDERAL HOME LOAN MTG ASSOC.		12/30/2015	1,000,000.00	1,001,100.00	1,000,000.00	2.050	AA	2.050	1,794	12/30/2020
3136G04U2	2253	FEDERAL NTL MORTGAGE ASSOC.		11/29/2012	500,000.00	500,305.00	500,000.00	1.000		1.000	667	11/29/2017
3135G0UN1	2255	FEDERAL NTL MORTGAGE ASSOC.		02/28/2013	500,000.00	500,070.00	500,000.00	1.150		1.146	758	02/28/2018
3135G0WN9	2258	FEDERAL NTL MORTGAGE ASSOC.		04/30/2013	500,000.00	499,755.00	500,000.00	1.000		1.000	819	04/30/2018
3135G0XG3	2260	FEDERAL NTL MORTGAGE ASSOC.		05/21/2013	500,000.00	498,885.00	500,000.00	1.000		1.000	840	05/21/2018
Subtotal and Average			4,981,317.20		5,000,000.00	5,001,495.00	4,533,611.11			1.494	1,219	
Negotiable CDs												
02437PAG8	3173	AMERICAN NATIONAL BANK DALLAS		08/12/2013	248,000.00	248,966.78	248,000.00	1.250		1.251	558	08/12/2017
02587DWK0	3184	AMERICAN EXPRESS CENTURIAN		11/28/2014	247,000.00	256,995.84	247,000.00	2.200		2.012	1,397	11/29/2019
02587CAW0	3180	AMERICAN EXPRESS FSB		08/21/2014	247,000.00	255,870.91	247,000.00	2.100		2.101	1,297	08/21/2019
05580ACF9	3187	BMW BANK OF NORTH AMERICA, UT		07/17/2015	247,000.00	258,223.53	247,000.00	2.250		2.253	1,628	07/17/2020
0606247B3	3176	BANK OF BARODA N.Y.		11/12/2013	248,000.00	256,162.62	248,000.00	2.150		2.151	1,016	11/13/2018
856284-E3-4	3147	BANK OF INDIA NEW YORK		04/27/2012	248,000.00	250,784.92	248,000.00	2.000		2.001	451	04/27/2017
14042E4P2	3186	CAPITAL ONE NA		07/15/2015	247,000.00	258,752.11	247,000.00	2.300		2.303	1,626	07/15/2020
140420SQ4	3185	CAPITAL ONE		06/24/2015	247,000.00	257,664.52	247,000.00	2.200		2.202	1,605	06/24/2020
17037TDV6	3169	CHOICE FINANCIAL GROUP		11/20/2012	248,000.00	248,350.05	248,000.00	1.000		1.001	658	11/20/2017
20033AAG13	3168	COMENITY CAPITAL BANK		10/25/2012	249,000.00	249,448.42	249,000.00	1.050		1.065	632	10/25/2017

CITY OF HEMET
Portfolio Management
Portfolio Details - Investments
January 31, 2016

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												
20451PEN2	3175	COMPASS BANK		09/25/2013	247,000.00	253,947.76	247,000.00	2.000		2.001	967	09/25/2018
20786AAL9	3177	CONNECTONE BANK N.J.		12/13/2013	247,000.00	253,163.32	247,000.00	1.850		1.851	1,046	12/13/2018
2546714X5	3181	DISCOVER BANK		08/27/2014	247,000.00	255,910.80	247,000.00	2.100		2.101	1,303	08/27/2019
29976DNY2	3166	EVERBANK		10/15/2012	248,000.00	248,224.71	248,000.00	1.000		1.001	623	10/16/2017
373128DS3	3167	GEORGIA BANK AND TRUST		10/17/2012	249,000.00	249,227.84	249,000.00	1.000		1.014	624	10/17/2017
38148JBU4	3183	GOLDMAN SACHS		11/05/2014	247,000.00	256,480.21	247,000.00	2.150		2.151	1,370	11/02/2019
40434AZA0	3189	HSBC BANK USA NA		09/25/2015	248,000.00	249,026.22	248,000.00	2.500		2.502	3,524	09/25/2025
48124JSB5	3171	JP MORGAN CHASE BANK		01/28/2013	248,000.00	248,641.60	248,000.00	0.850		0.850	727	01/28/2018
628779FJ4	3178	NBT BANK		06/06/2014	247,000.00	253,102.48	247,000.00	1.800		1.801	1,221	06/06/2019
700654AV8	3182	PARK NATIONAL BANK		09/26/2014	249,000.00	257,454.92	249,000.00	2.100		2.099	1,149	03/26/2019
74267GUQ8	3179	PRIVATEBANK & TRUST CO.		07/21/2014	247,000.00	254,922.48	247,000.00	2.000		2.001	1,267	07/22/2019
795450XG5	3191	SALLIE MAE		12/09/2015	247,000.00	257,911.42	247,000.00	2.200		2.202	1,773	12/09/2020
87165FJG0	3188	SYNCHRONY BANK		07/31/2015	247,000.00	258,606.78	247,000.00	2.300		2.303	1,642	07/31/2020
909557CL2	3170	UNITED BANKERS' BANK		11/29/2012	249,000.00	249,937.19	249,000.00	1.100		1.115	667	11/29/2017
94986TMF1	3172	WELLS FARGO		03/28/2013	248,000.00	248,683.54	248,000.00	1.000		1.000	786	03/28/2018
Subtotal and Average			6,191,000.00		6,191,000.00	6,336,460.97	6,191,000.00			1.772	1,182	
Total and Average			56,031,936.82		60,363,041.63	60,929,087.09	60,073,238.76			1.264	787	

**CITY OF HEMET
Portfolio Management
Portfolio Details - Cash
January 31, 2016**

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		21,241.40	21,241.40				0
				Subtotal		21,241.40	21,241.40				
		Total Cash and Investments	56,031,936.82		60,363,041.63	60,950,328.49	60,094,480.16			1.264	787

CITY OF HEMET
Received Interest
Sorted by Issuer
Received January 1, 2016 - January 31, 2016

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Due	Date Received	Interest		Variance
								Amount Due	Amount Received	
ATLANTA DEVELOPMENT	04780NHS9	5030	NCB	825,000.00	2.518	01/01/2016	01/06/2016	10,386.75	10,386.75	-
							Subtotal	10,386.75	10,386.75	
BMW BANK OF NORTH AMERICA, UT	05580ACF9	3187	NC2	247,000.00	2.250	01/17/2016	01/20/2016	2,801.59	2,801.59	-
							Subtotal	2,801.59	2,801.59	
BANK OF HEMET	SYS3174	3174	BCD	494,000.00	0.500	01/06/2016	01/12/2016	209.78	209.78	-
							Subtotal	209.78	209.78	
BANK OF THE WEST	SYS3144	3144	BCD	249,000.00	1.750	01/12/2016	01/13/2016	370.09	370.09	-
							Subtotal	370.09	370.09	
CALLEGUAS CA MUNI WATER DIST	13124MAH8	5026	NCB	745,000.00	2.601	01/01/2016	01/06/2016	9,688.73	9,688.73	-
							Subtotal	9,688.73	9,688.73	
CAPITAL ONE NA	14042E4P2	3186	NC2	247,000.00	2.300	01/15/2016	01/18/2016	2,863.85	2,863.85	-
							Subtotal	2,863.85	2,863.85	
CITADEL FEDERAL CREDIT UNION	SYS2231	3190	BCD	249,000.00	2.000	12/30/2015	01/13/2016	409.32	422.96	13.64
							Subtotal	409.32	422.96	
COMENITY CAPITAL BANK	20033AAG13	3168	NC2	249,000.00	1.050	01/25/2016	01/26/2016	225.14	222.05	-3.09
							Subtotal	225.14	222.05	
CONNECTONE BANK N.J.	20786AAL9	3177	NC2	247,000.00	1.850	01/13/2016	01/14/2016	388.09	388.09	-
							Subtotal	388.09	388.09	
FEDERAL HOME LOAN MTG ASSOC.	3134G7YY1	2285	FAC	0.00	2.000	01/15/2016	01/18/2016	5,000.00	5,000.00	-
							Subtotal	5,000.00	5,000.00	
G.E. CAPITAL CORP.	36962G7G3	5014	MTN	500,000.00	2.300	01/14/2016	01/18/2016	5,750.00	5,750.00	-
							Subtotal	5,750.00	5,750.00	

CITY OF HEMET
 Received Interest
 Received January 1, 2016 - January 31, 2016

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Due	Date Received	Interest		Variance
								Amount Due	Amount Received	
GEORGIA BANK AND TRUST	373128DS3	3167	NC2	249,000.00	1.000	01/17/2016	01/20/2016	214.42	211.48	-2.94
							Subtotal	214.42	211.48	
HSBC BANK USA NA	40434AZA0	3189	NC2	248,000.00	2.500	01/25/2016	01/26/2016	526.58	475.62	-50.96
							Subtotal	526.58	475.62	
INDIANA BOND BANK	45462TEJ7	5032	NCB	990,000.00	2.710	01/15/2016	01/18/2016	8,943.00	8,943.00	-
							Subtotal	8,943.00	8,943.00	
PARK NATIONAL BANK	700654AV8	3182	NC2	249,000.00	2.100	01/26/2016	01/27/2016	444.11	444.11	-
							Subtotal	444.11	444.11	
PRIVATEBANK & TRUST CO.	74267GUQ8	3179	NC2	247,000.00	2.000	01/22/2016	01/25/2016	2,490.30	2,490.30	-
							Subtotal	2,490.30	2,490.30	
WELLS FARGO	94974BFG0	5013	MTN	500,000.00	1.500	01/16/2016	01/20/2016	3,750.00	3,750.00	-
							Subtotal	3,750.00	3,750.00	
Total								54,461.75	54,418.40	
Total Cash Overpayment								13.64		
Total Cash Shortfall								-56.99		

CITY OF HEMET
 Received Interest
 Received January 1, 2016 - January 31, 2016

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Received	Interest
							Amount Received
Cash Accounts							
BANK OF NEW YORK	SYS5009	5009	PA1	1,001,007.68		01/05/2016	8.94
						Subtotal	8.94
Citibank	SYS5001	5001	PA1	100,709.66	0.150	01/29/2016	10.28
						Subtotal	10.28
CITIBANK3	SYS5004	5004	PA1	6,795,428.08	0.450	01/29/2016	315.95
						Subtotal	315.95
LOCAL AGENCY INVESTMENT FUND	SYS1001	1001	LA1	20,318,312.41	0.370	01/15/2016	19,440.76
						Subtotal	19,440.76
						Total	19,775.93

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 February 22, 2016

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

January 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
1/15/2016	1/14/2016	QRD	1491435	SYSTEM	19,440.76

Account Summary

Total Deposit:	19,440.76	Beginning Balance:	20,298,871.65
Total Withdrawal:	0.00	Ending Balance:	20,318,312.41

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	776,803.08	302,771.66	(0.00)	0.00	0.00	274,141.25	1,353,715.99
7/31/2015	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	776,803.08	302,771.66	(0.00)	0.00	0.00	274,141.25	1,353,715.99
8/31/2015	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	776,803.08	302,771.66	(0.00)	0.00	0.00	274,141.25	1,353,715.99
9/30/2015	Interest								0.00
	Transfer funds								0.00
	City of Hemet		(543,371.25)						(543,371.25)
	Debt Service								0.00
	Khov prepay (31 lots)								0.00
	Trust fees								0.00
	BALANCE	0.00	233,431.83	302,771.66	(0.00)	0.00	0.00	274,141.25	810,344.74
10/31/2015	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	233,431.83	302,771.66	(0.00)	0.00	0.00	274,141.25	810,344.74
11/30/2015	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	233,431.83	302,771.66	(0.00)	0.00	0.00	274,141.25	810,344.74
12/31/2015	Interest								0.00
	Transfer funds								0.00
	City of Hemet		0.57	0.74				0.67	1.98
	Debt Service								0.00
	Khov prepay (31 lots)								0.00
	Trust fees								0.00
	BALANCE	0.00	233,432.40	302,772.40	(0.00)	0.00	0.00	274,141.92	810,346.72
1/31/2016	Interest		0.22	0.28				0.25	0.75
	Transfer funds		0.25					(0.25)	0.00
	City of Hemet		418,081.18						418,081.18
	Debt Service								0.00
	Khov prepay (31 lots)								0.00
	Trust fees								0.00
	BALANCE	0.00	651,514.05	302,772.68	(0.00)	0.00	0.00	274,141.92	1,228,428.65
	First American Treasury Oblig		1,228,428.65						
	US Treasury Notes, various								not carried on COH books
	Misc Assets		1.00						
			1,228,429.65						
	Cash held by FA, net of Escrow acct		1,228,428.65						
			0.00						

HEMET SUCCESSOR AGENCY to
 Former Hemet Redevelopment Project Area
 Cash W/Fiscal Agent: MUFJ Union Bank N.A.
 2014 Hemet Refunding Project TAB Series A

		Riverside County Public Financing - Fiscal Agent					City of Hemet as SA to former Hemet RDA							
Date	Activity	6712115701	6712115702	6712115703	6712115704	6712115705	6712115800	6712115801	6712115802	6712115803	6712115804	6712115805	6712115806	TOTAL
		Revenue Fund	Interest Fund	Principal Fund	Bond Purchase Fund	Cost of Issuance Fund	SA to Hemet RDA 2014 TTE	Debt Service Fund	Interest Account	Principal Account	Reserve Account	Redemption Account	Refunding Fund	All Accounts
	BALANCE	0.00	0.00	0.00	10,529,999.00	0.00	0.00	0.00	25.89	0.00	0.00	0.00	0.00	25.89
1/31/2016	Interest													0.00
	Interfund transfer													0.00
	Debt Service from SA Hemet Rdev													0.00
	Debt Service Pmt													0.00
	SA to Redevelopment Agy													0.00
	BALANCE	0.00	0.00	0.00	10,529,999.00	0.00	0.00	0.00	25.89	0.00	0.00	0.00	0.00	25.89

Morgan Stanley Prime Instl 10,529,999.00
 Municipal Bond Insurance - BAM 1.00 not carried on City books
 Held by Fiscal Agent 10,530,000.00
 0.00

HEMET SUCCESSOR AGENCY to
Former Hemet Redevelopment Project Area
Cash W/Fiscal Agent: MUFG Union Bank N.A.
2014 Hemet Refunding Project TAB Series A

		Riverside County Public Financing - Fiscal Agent					City of Hemet as SA to former Hemet RDA							
Date	Activity	6712115701	6712115702	6712115703	6712115704	6712115705	6712115800	6712115801	6712115802	6712115803	6712115804	6712115805	6712115806	TOTAL
		Revenue Fund	Interest Fund	Principal Fund	Bond Purchase Fund	Cost of Issuance Fund	SA to Hemet RDA 2014 TTE	Debt Service Fund	Interest Account	Principal Account	Reserve Account	Redemption Account	Refunding Fund	All Accounts
	BALANCE	0.00	0.00	0.00	11,109,999.00	0.00	0.00	7,899.19	0.00	0.00	0.00	0.00	0.00	7,899.19
7/31/2015	Interest							0.16						0.16
	Interfund transfer							(0.16)	0.16					0.00
	Debt Service from SA Hemet Redev													0.00
	Debt Service Pmt													0.00
	SA to Redevelopment Agy													0.00
	BALANCE	0.00	0.00	0.00	11,109,999.00	0.00	0.00	7,899.19	0.16	0.00	0.00	0.00	0.00	7,899.35
8/31/2015	Interest							0.59	0.59					1.18
	Interfund transfer							(797,822.47)	217,821.88	580,000.00				(0.59)
	Debt Service from SA Hemet Redev													0.00
	Debt Service Pmt							789,922.69						789,922.69
	SA to Redevelopment Agy													0.00
	BALANCE	0.00	0.00	0.00	11,109,999.00	0.00	0.00	0.00	217,822.63	580,000.00	0.00	0.00	0.00	797,822.63
9/30/2015	Interest							15.43	2.98					18.41
	Interest								6.73	(6.73)				0.00
	Interest							(15.43)	15.43					0.00
	Interfund transfer	217,821.88							(217,821.88)					(217,821.88)
	Interfund transfer	(580,000.00)		580,000.00										0.00
	Interfund transfer	(217,821.88)	217,821.88											0.00
	Interfund transfer	580,000.00		(580,000.00)										0.00
	Debt Service from SA Hemet Redev		(217,821.88)											0.00
	Debt Service Pmt				(580,000.00)					(579,993.27)				(579,993.27)
	SA to Redevelopment Agy													0.00
	BALANCE	0.00	0.00	0.00	10,529,999.00	0.00	0.00	0.00	25.89	0.00	0.00	0.00	0.00	25.89
10/31/2015	Interest													0.00
	Interfund transfer													0.00
	Debt Service from SA Hemet Redev													0.00
	Debt Service Pmt													0.00
	SA to Redevelopment Agy													0.00
	BALANCE	0.00	0.00	0.00	10,529,999.00	0.00	0.00	0.00	25.89	0.00	0.00	0.00	0.00	25.89
11/30/2015	Interest													0.00
	Interfund transfer													0.00
	Debt Service from SA Hemet Redev													0.00
	Debt Service Pmt													0.00
	SA to Redevelopment Agy													0.00
	BALANCE	0.00	0.00	0.00	10,529,999.00	0.00	0.00	0.00	25.89	0.00	0.00	0.00	0.00	25.89
12/31/2015	Interest													0.00
	Interfund transfer													0.00
	Debt Service from SA Hemet Redev													0.00
	Debt Service Pmt													0.00
	SA to Redevelopment Agy													0.00



Staff Report

TO: Honorable Mayor and Members of the City Council

FROM: Jessica A. Hurst, DCM/Administrative Services
Alexander P. Meyerhoff, City Manager 

DATE: March 8, 2016

RE: Warrant Register

The City of Hemet's warrant register dated February 18, 2016 in the amount of \$1,221,763.95 is currently posted on the City's website in the Finance Department section, under *Financial Information*. Payroll for the period of February 1, 2016 to February 14, 2016 was \$586,532.80.

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

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 # 10

Staff Report

TO: Honorable Mayor and Members of the City Council

FROM: Alex Meyerhoff, City Manager 
Sarah McComas, City Clerk

DATE: March 8, 2016

RE: Adopting and Promulgating the City's Conflict of Interest Code

RECOMMENDATION:

Adopt Resolution Bill No. 16-013 adopting and promulgating the Conflict of Interest Code and Designated Officials and Employees of the City of Hemet required to file a Statement of Economic Interest. This resolution will rescind Resolution No. 4564.

BACKGROUND:

The Political Reform Act requires every local government agency to adopt and promulgate a conflict of interest code, and to renew it biennially to determine if it is accurate or needs amending. Section 18730 of Title 2 of the California Code of Regulations allows local government agencies to incorporate by reference the terms of Section 18730 along with the designation of employees and the formulation of disclosure categories in the Appendix referred to in Section 18730 to constitute adoption and promulgation of the conflict of interest code. Previously the City adopted a conflict of interest code in 1976 by referring to then Section 18730 of the California Administrative Code. Thus now needs to be based on changes in the law. A review of Exhibit A of Resolution No. 4564 indicates the need to amend certain positions for filing of Statement of Economic Interest.

FISCAL IMPACT:

There is no fiscal impact for this amendment.

Respectfully submitted,



Sarah McComas
City Clerk



Eric S. Vail
City Attorney



CITY OF HEMET
Hemet, California
RESOLUTION BILL NO. 16-013

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA, ADOPTING AND PROMULGATING THE CONFLICT OF INTEREST CODE AND DESIGNATED OFFICIALS AND EMPLOYEES OF THE CITY REQUIRED TO FILE A STATEMENT OF ECONOMIC INTEREST AND RESCINDING RESOLUTION NO. 4564

WHEREAS, Government Code § 87300 requires every local government agency to adopt and promulgate a conflict of interest code, and to review its conflict of interest code biennially to determine if it is accurate or needs amending; and

WHEREAS, Section 18730 of Title 2 of the California Code of Regulations allows local government agencies to incorporate by reference the terms of Section 18370 along with the designation of employees and the formulation of disclosure categories in the Appendix referred to in Section 18730 to constitute adoption and promulgation of a conflict of interest code within the meaning of Government Code Section 87300; and

WHEREAS, The City previously adopted such a Conflict of Interest Code in 1976 by referring to then Section 18730 of the former California Administrative Code, which code has since been amended and incorporated as part of the California Code of Regulations; and

WHEREAS, as part of its biennial review, the City Clerk has indicated the need to amend certain positions for filing of Statements of Economic Interest.

NOW, THEREFORE, BE IT RESOLVED:

1. Resolution No. 4564 and each prior resolution of the City Council regarding the subject matter herein, is hereby superceded by this resolution.
2. The City hereby incorporates by reference the terms of Section 18730 of Title 2 of the California Code of Regulations, as that section may from time to time be amended, along with the description of employees and the formulation of disclosure categories in the Appendix referred to in Section 18730, as that Appendix may from time to time be amended, as the City's Conflict of Interest Code required under Government Code Section 87300.

1 3. The City hereby adopts the List of Designated Employees attached here to as
2 "Exhibit A" required to file Statements of Economic Interest, Assuming Office
3 Statements, Annual Statements and Leaving Office Statements. The list of
4 Designated Employees shall govern where there is a conflict with the Appendix
5 referred in Section 18730 of Title 2 of the California Code of Regulations
6

7 **PASSED, APPROVED, AND ADOPTED** by the City Council this 8th day of March,
8 2016
9

10
11
12 _____
13 Bonnie Wright, Mayor
14

15
16 ATTEST:

17 APPROVED AS TO FORM:
18

19
20 _____
21 Sarah McComas, City Clerk
22

23 _____
24 Eric S. Vail, City Attorney
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48

1 State of California)
2 County of Riverside)
3 City of Hemet)
4

5 I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the
6 foregoing Resolution is the actual Resolution adopted by the City Council of the City
7 of Hemet and was passed at a regular meeting of the City Council on the 8th day of
8 March, 2016 by the following vote:
9

10 AYES:
11 NOES:
12 ABSTAIN:
13 ABSENT:
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Sarah McComas, City Clerk

**List of Designated Employees
Resolution No.
Exhibit A**

The following positions are required to file a FPPC Form 700, Statement of Economic Interests, with the City Clerk's Office each position is required to report all Interests in Real Property, Investments, Income, and Business Positions in business entities that provide services, supplies, materials, machinery or equipments of the type utilized by the designated employee's department or division

DEPARTMENT	TITLE
Elected Official	Mayor
Elected Official	Mayor Pro Tem
Elected Official	Council Member
Elected Official	Treasurer
Appointed Official	Planning Commissioner
Appointed Official	Library Board Trustee
Appointed Official	Park Commissioner
Appointed Official	Traffic & Parking Commissioner
Appointed Official	Oversight Board Member
Appointed Official	Mobile Home Rent Review Commissioner
Administration	City Manager
Administration	Assistant City Manager
Administration	Deputy City Manager
City Attorney	City Attorney
City Attorney	Assistant City Attorney
City Clerk	City Clerk
City Clerk	Deputy City Clerk
Administrative Services/Finance	Deputy City Manager/Administrative Services Director
Administrative Services/Finance	Finance Director
Administrative Services/Finance	Accounting Manager
Administrative Services/Finance	Principal Accountant
Administrative Services/Finance	Accounting Supervisor
Administrative Services/Finance	Customer Services/Billing Supervisor
Administrative Services/Finance	Procurement Administrator
Administrative Services/Finance	Purchasing Manager
Administrative Services/Finance	Purchasing Assistant
Administrative Services/Human Resources	Human Resources Director
Administrative Services/Human Resources	Human Resources Manager
Administrative Services/Information Tech.	IT Operations & Network System Supervisor
Administrative Services/Information Tech.	Information Technology Manager
Administrative Services/Information Tech.	Information Technology Specialist II
Administrative Services/Information Tech.	Information Technology Specialist I

Administrative Services/Information Tech.	Multi Media & Website Administrator
Community Development/Planning	Community Development Director
Community Development/Planning	Principal Planner
Community Development/Planning	Planner – Contract
Community Development/Code Compliance	Housing & Code Enforcement Manager
Community Development/Code Compliance	Code Compliance Manager
Community Development/Code Compliance	Senior Code Enforcement Officer
Community Development/Building	Building Official
Community Development/Building	Building Inspector I
Community Development/Building	Building Inspector II
Community Investment	Community Investment Director
Engineering	Engineering Director/City Engineer
Engineering	Principal Engineer
Engineering	Senior Public Works Inspector
Fire	Fire Chief
Fire	Fire Division Chief
Fire	Fire Battalion Chief
Fire	Emergency Services Coordinator
Library	Library Director
Library	Senior Librarian
Library	Literacy Coordinator
Police	Police Chief
Police	Police Captain
Police	Management Assistant
Public Works - Administration	Public Works Director
Public Works - Streets	Streets Superintendent
Public Works - Streets	Streets Supervisor
Public Works - Water	Water/Waste Water Superintendent
Public Works - Water	Water/Waste Water Supervisor
Public Works – Equipment Maintenance	Equipment Maintenance Supervisor
Public Works - Facilities Maintenance	Facilities Maintenance Supervisor
Public Works – Facilities Maintenance	Facilities Maintenance Manager
Public Works - Parks	Park Maintenance Supervisor
Public Works - Administration	Environmental Services Manager



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Alexander Meyerhoff, City Manager 
Carla Callahan, CDBG Coordinator

DATE: March 8, 2016

RE: Consideration of Allocations for 2016-2017 Program Year Community Development Block Grant entitlement and previously unexpended funding.

RECOMMENDATION:

That the City Council accepts and approves the City Council Ad Hoc Committee recommended allocations of \$752,245 in 2016-2017 Community Development Block Grant (CDBG) funding and previously unexpended funding of \$85,608.60.

BACKGROUND:

The City of Hemet (City) is an entitlement city of the Community Development Block Grant (CDBG) program and as such, receives annual grants on a formula basis from U.S. Department of Housing and Urban Development (HUD). The purpose of CDBG is to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services, with maximum feasible priority given to activities which benefit low and moderate income persons. The City is responsible for developing its own programs and funding priorities within CDBG and HUD requirements, as well as monitoring sub-recipients of the funds awarded under this grant. The goal of the City of Hemet, with funding from CDBG, is to increase self-sufficiency and economic opportunity for lower-income residents and individuals with special needs so that they can achieve a reasonable standard of living.

During this year's annual CDBG funding process the City received a total of fifteen applications by the December 22, 2015 due date. Of these applications, totaling \$1,174,358, eighteen met the HUD established criteria for eligibility. On December 8, 2015 the City Council reactivated the Ad Hoc City Council Committee (Ad Hoc) comprised of Councilpersons Linda Krupa and Shellie Milne to review the eligible applications and provide funding recommendations for full council consideration. The Ad Hoc Committee members and staff met February 8 & 29, 2015 to review and discuss the 2016-2017 CDBG applications.

The Annual Action Plan is a short range (one year) planning document used to address the City's annual needs, goals and objectives by allocating funds to eligible activities. CDBG allocation funding for the 2016-2017 Program Year will be incorporated into the Annual Action Plan (AAP) draft. The AAP draft will be available for 30 days for public review and comment

prior to a Public Hearing of the City Council, tentatively scheduled for April 12, 2016, before final approval and submission to HUD. The final AAP must be submitted no later than May 16, 2016.

DISCUSSION:

In their recommendation, the Ad Hoc Committee continues to advance the City's Five Year Consolidated Plan (2015-2019) goals by allocating CDBG funding toward activities that improve the quality of life, enhance neighborhood stabilization and provide the basis for economic growth in the City of Hemet. The funding recommendations presented in **Attachment 1**, are a result of these discussions and the City of Hemet 2016-2017 Program Year CDBG Allocation of \$752,245 and previously unexpended funding of \$85,608.60.

FISCAL IMPACT:

No impact to the General fund. Approval of the recommendation of the Ad Hoc Committee will advance the potential receipt of CDBG funds to benefit the City of Hemet and the community.

Respectfully submitted,



Carla Callahan
CDBG Coordinator

Approved:



Alexander Meyerhoff
City Manager

ATTACHMENT:

- 1) Copy of 2016/17 CDBG Funding Recommendations by the Ad Hoc Committee

2016/17 CDBG Ad Hoc Recommendations

Agency/Department	Activity	Activity Type	Requested \$	Eligible?	\$Recommended	P.S. 15% cap
City of Hemet - Code Enforcement Division	Code Enforcement	Housing	\$180,000.00	Y	\$ 180,000.00	
City of Hemet - Community Development	Crime Free Multi Family Housing Program	Public Service	\$55,000.00	Y	\$ 55,000.00	\$ 55,000.00
City of Hemet - Housing Division	Senior or Disabled Home Repair Program	Housing	\$150,000.00	Y	\$ 200,000.00	
City of Hemet - Engineering	Sidewalk infill and ADA Ramps	Infrastructure	\$192,011.00	Y	\$ 197,558.60	
City of Hemet - Library	Fencing	Public Facilities	\$225,000.00	Y	\$ -	
		Total COH	\$802,011.00		\$ 632,558.60	
California Family Life Center	Kin Care	Public Service	\$25,000.00	Y	\$ -	
Care-A-Van Transit	Care-A-Van Transit	Public Service	\$25,000.00	Y	\$ 10,000.00	\$ 10,000.00
Center Against Sexual Assault (C.A.S.A.)	Sexual Assault Response Team for Hemet	Public Service	\$13,946.00	Y	\$ 13,946.00	\$ 13,946.00
Fair Housing Council of Riverside County, Inc.	Fair Housing and Landlord/Tenant Counseling	Public Service or Admin	\$30,900.00	Y	\$ 30,900.00	\$ 30,900.00
			<i>*required element of CDBG</i>			
Family Services Association dba FSA	FSA More Than a Meal	Public Service	\$15,000.00	Y	\$ -	
The Wheelhouse Skate Center	ADA upgrade and Storefront Improvements	Economic Development	\$41,548.00	N	\$ -	
Valley Restart Shelter	Housing Outreach Navigator	Public Service	\$27,008.00	Y	\$ -	
Valley-Wide Recreation	Youth Scholarship Program	Public Service	\$10,000.00	Y	\$ -	
Voices for Childen	Brighter Futures for Hemet Foster Children	Public Service	\$15,000.00	Y	\$ -	
		Total Community Agencies	\$203,402.00		\$54,846.00	
City of Hemet - Building Division	COH ADA Self-Evaluation and Transition Plan	Administration	\$20,000.00	Y	\$20,000.00	
City of Hemet	CDBG Administration (20% Cap)	Administration	\$ 150,449.00	Y	\$ 130,449.00	

2/16/2016

previously unexpended = \$85,608.60
 15/16 allocation = \$752,245
16/17 expected balance = \$837,853.60

PS limit \$752,245 x 15% = \$112,836
Admin limit \$752,245 x 20% = \$150,449

Total Requests	\$1,175,862.00	\$ 837,853.60	\$ 109,846.00
-----------------------	-----------------------	----------------------	----------------------



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Alexander P. Meyerhoff, City Manager 
Jessica Hurst, Deputy City Manager/Administrative Services

DATE: March 8, 2016

RE: Approval to Amend the City's Classification Plan by Adding the Classification of Media and Intelligence Analyst

RECOMMENDATION:

It is recommended that the City Council approve amending the City's Classification Plan to include the classification of Media and Intelligence Analyst and setting the salary range for the position.

BACKGROUND:

On June 23, 2015, the City Council adopted the Fiscal Year 2015-16 Budget which included authorization and budget for the new classification of Media and Intelligence Analyst to be utilized within the Police Department. At that time, a proposed job description was not available for City Council approval.

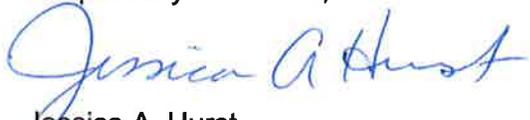
Due to the increase in technology usage by public safety, such as camera systems, social media and other digital means; a need for specialized analysis of data obtained through this use of technology; and the sensitive nature of the programs assigned to this position, the Media and Intelligence Analyst is being requested as an addition to the Hemet Mid-Managers Association (HMMA) with a salary range of HMMA 32 (\$5,237-\$6,684 per month).

As this requested position would be represented by HMMA, the City fulfilled its obligation to meet and confer pursuant to the provisions of the Meyers-Milias-Brown Act. On February 29, 2016, representatives of HMMA and the City signed a Side Letter of Agreement agreeing to add the exempt position of Media and Intelligence Analyst.

FISCAL IMPACT:

No additional funding required. The City Council approved funding for the Media and Intelligence Analyst position in the Fiscal Year 2015-16 Adopted Budget.

Respectfully submitted,



Jessica A. Hurst
Deputy City Manager/Administrative Services

Attachment:

1. Media and Intelligence Analyst job description
2. Side Letter of Agreement

CITY OF HEMET

Class Code: 7200
Page 1 of 3

Date Adopted: 03/08/2016
Date Last Revised: NEW CLASS

MEDIA AND INTELLIGENCE ANALYST

Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are not intended to reflect all duties performed or assigned within the job.

DEFINITION

Provides professional level comprehensive analysis, management, financial, operations or administrative system assistance in the development, administration, and implementation of public safety media, software and intelligence programs. Incumbents may be assigned to provide assistance in a variety of subjects and project areas for City public safety departments.

DISTINGUISHING CLASS CHARACTERISTICS

This class functions as an administrative specialist responsible for performing highly complex and analytical work, and providing recommendations to management. Assignments will vary, but may involve matters which are either specific or City-wide in scope. This class differs from other generalized staff classifications in that the incumbent may report to more than one department head at any given time.

SUPERVISION RECEIVED AND EXERCISED

Receives general direction from the Department Head or his/her designee. Incumbents in this class do not routinely exercise supervision, but may give direction to staff under the direction of the Department Head.

ESSENTIAL FUNCTIONS

Essential functions, as defined under the Americans with Disabilities Act may include, but are not limited to the following characteristics, duties, responsibilities, knowledge, skills and other characteristics.

Manage and maintain the daily operations of the City's Public Safety Computer Aided Dispatch and Records Management Systems (WCSG).

Manage and maintain the daily operations of the police officers body worn camera system including hardware issues, software issues, warranty, repair, and replacement.

Manage and maintain the daily operations of the Police Department's internal and external surveillance camera system.

Manage and maintain the daily operations of the City's Community Camera integrated system including the management and scheduling of volunteer staff.

Develop contacts and positive relationships with stakeholders that include vendors, City staff, outside agencies, and the business community to facilitate daily operations of surveillance systems.

Facilitate the transfer of video and other digital evidence for internal use, to the District Attorney's Office, and to other law enforcement agencies or media as required.

Provide training to department members as it relates to camera use, downloading, viewing, storage, and other operational issues.

Collect and analyze data from a variety of sources regarding criminal activity.

Prepare statistical reports, bulletins, maps, charts, and wanted posters used for the deployment of resources and the suppression of criminal activities.

Identify criminal trends and hot spots (predictive policing).

Enter and extract data to be used for crime analysis.

Testify in court or other proceedings as required.

Exchange, collect, and compare information with other jurisdictions.

Assist with social media messaging, posting, monitoring, and analyzing social media posts, photos, and video as they relate to department functions or criminal activity.

Communicate issues on social media that require immediate attention such as threats, misconduct, and criminal activity.

Prepare and present complex statistical reports, staff reports, recommendations, agendas, minutes, and correspondence; provide research assistance and other support as needed.

Perform technical assistance by serving as a liaison between the police administration, elected officials, organizational units, and department management on organization, procedure, operation, and budget matters; and staffing and managing public task forces, committees, and commissions.

Build and maintain positive working relationships within the department, City organization, and outside organizations.

Perform other duties as assigned.

ENVIRONMENTAL AND PHYSICAL WORKING CONDITIONS

Requires the mobility and manual dexterity to work in a standard office environment, use standard office equipment and attend off-site meetings; speech and hearing to communicate in person and by telephone; vision to read handwritten and printed materials and a computer screen; strength and agility to lift and carry items weighing up to 20 pounds. Some accommodations may be made for some physical demands for otherwise qualified individuals who require and request such accommodations.

QUALIFICATIONS GUIDELINES

Knowledge, Skills, and Abilities:

Knowledge of computer and office equipment, and software applications such as those used for word processing, spreadsheets, and data bases. Basic knowledge of geographic information system (GIS) and crime mapping software. Basic understanding of wireless surveillance cameras and current social media trends (i.e. Facebook, Twitter, Pinterest, Instagram, You Tube, etc.).

Ability to interpret and apply local, state, and federal laws, regulations, policies and procedures; conduct research and prepare clear, concise, and comprehensive reports; communicate effectively both orally and in writing; organize and prioritize duties and assignments; establish and maintain effective working relationships with other City employees, agencies, vendors, and the public; maintain confidential information.

Education and/or Experience:

Education: Bachelor's Degree or equivalent with major course work in criminal justice, public administration, business administration, computer science, statistics, or other related field.

Experience: Crime analysis work experience or training is preferred. Prior or current experience in a criminal justice agency is preferred.

Certification/License and/or Other Special Requirements:

Possession of a valid California Class C Driver's License and maintain a satisfactory driving record.

Must be able to pass an intensive law enforcement background check.

**Side Letter of Agreement
Between the City of Hemet
and the Hemet Mid-Managers Association (HMMA)**

This agreement is entered into between the City of Hemet (City) and the Hemet Mid-Managers Association (HMMA) pursuant to the provisions of the Meyers-Milias-Brown Act (MMBA).

Pursuant to the MMBA, the City and HMMA have met and conferred and agreed to add the position of Media and Intelligence Analyst to the classifications represented by the HMMA, under the Professional, Administrative & Supervisory Employees unit. This position is exempt, and therefore not entitled to overtime.

APPROVALS

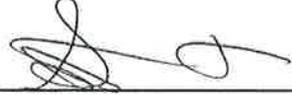
City of Hemet



Alexander P. Meyerhoff, City Manager

03-01-16
Date

Hemet Mid-Managers Association



Steve Wolny, HMMA President

022916
Date

AGENDA # 13



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Alexander P. Meyerhoff, City Manager
Kristen Jensen, Public Works Director

DATE: March 8, 2016

RE: Authorize the City Manager to Award Purchase Orders for Maintenance Materials

RECOMMENDED ACTION:

It is respectfully recommended that the City Council authorize the City Manager to award purchase orders for Superior Ready Mix Concrete, LP, and Vulcan Materials in the amounts of \$75,000 and \$60,000, respectively.

BACKGROUND:

The Public Works Department consists of multiple operational divisions. Each division has a separate operational budget, but often utilize the same vendors for various material needs of the divisions. At the start of each fiscal year, staff solicits material price quotes for a twelve month period. Quotes are requested for a variety of materials including, concrete, asphalt, crack sealer, road base, and sand. Upon obtaining competitive pricing, a single blanket purchase order is requested for the most competitively priced material vendor. The blanket purchase order, and essentially the expenditure capacity with that vendor, is then shared by the multiple divisions. Blanket purchase orders establish a "not to exceed" amount with the vendor.

In July 2015, initial blanket purchase orders were established in the amount of \$30,000 for each Superior Ready Mix Concrete, LP, and Vulcan Materials. Through course of normal work, each of the blanket purchase orders has been exhausted. Staff is now requesting that Council authorize the City Manager to award an additional \$30,000 for Vulcan Materials and \$45,000 for Superior Ready Mix Concrete, in order to continue material purchase capacity with these vendors through June 30, 2016. This brings the total FY15/16 authorized purchase amount with Superior Ready Mix Concrete to \$75,000, and with Vulcan Materials to \$60,000. Authorization by Council is required as the cumulative total purchase amount for each vendor separately exceeds the current City Manager signing authority of \$50,000.

FISCAL IMPACT:

No General Fund Impact. Funding for these materials are available through FY15/16 Operating Budgets in Water Fund No. 571 and Gas Tax (Streets) Fund No. 221.

Respectfully submitted,

Kristen Jensen
Public Works Director

Fiscal Review,

Jessica A. Hurst
Deputy City Manager

AGENDA # 14



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Alexander P. Meyerhoff, City Manager
Kristen Jensen, Public Works Director 

DATE: March 8, 2016

RE: Approve Additional Contract Costs with L.O. Lynch Quality Wells and Pumps for Rehabilitation of Well #10 located at 777 Augusta Lane, Hemet, CA – City Project No. 5594

RECOMMENDED ACTION:

It is respectfully recommended that the City Council:

- Approve additional contract work with L.O. Lynch Quality Wells & Pumps for a total contract amount not to exceed \$90,137.20 to perform rehabilitation maintenance work at Well #10; and
- Authorize the City Manager to execute purchase orders and change orders necessary to support the contract amount.

BACKGROUND:

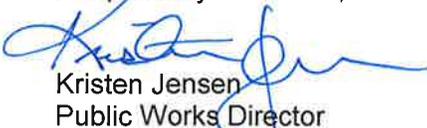
Well #10 is one of five potable wells currently in operation to supply water to City residents. As part of regular preventative maintenance, and to ensure efficient operation, wells are normally scheduled for planned rehabilitation every five to seven years. Well #10 was installed in 1943, was last rehabilitated in 2006, and is now in need of scheduled maintenance. Well rehabilitations are performed during the winter months when demand for water production is at its lowest, and the remaining wells can meet customer demand. On January 26, 2016, Council approved a Public Works Contract with L.O. Lynch Quality Wells & Pump to perform planned rehabilitation work on Well #10. The initial contract award was in the amount of \$62,202.

The rehabilitation project began in February, 2016. After initial inspection of the well, the contractor and staff determined that quantities and sizes of some of the originally bid materials and equipment required adjustment. Those adjustments are reflected in Attachment "A" and resulted in a lower initial project cost of \$50,768.50. In addition to the decrease in initial project costs, there were also a number of maintenance tasks that were determined to be required for well repair that were not initially included in the original bid scope. The additional maintenance work is detailed in Attachment "B" to this report at an additional cost of \$39,386.70. Staff is now requesting that Council authorize an increase in contract costs not to exceed a total amount of \$90,137.20.

FISCAL IMPACT:

No General Fund Impact. Funding for this project is available through FY15/16 Operating Budgets in Water Fund No. 571-9000-2450 in an amount of \$125,000. Project costs are now estimated at a total of \$90,155.20, a savings of \$34,844.80 over original budgets.

Respectfully submitted,


Kristen Jensen
Public Works Director

Approved as to form,


Eric S. Vail
City Attorney

Fiscal Review,


Jessica A. Hurst
Deputy City Manager

Attachments: Attachment "A" – LO Lynch Pump Estimate 10149
Attachment "B" – LO Lynch Pump Estimate 10150

Pump Estimate

L.O. LYNCH

Quality Wells and Pumps, Inc.

Mud & Air Drilling • Well Cleaning • Repairing • Design • Construction

Contractors License
No. 740156

856 W. Seventh St.
San Jacinto, CA 92582

951-654-7724 Toll Free 888-654-7724 Fax 951-654-2060



Date	Estimate #
2/29/2016	10149

Customer Phone	Customer Fax
951-634-3103	951-765-2493

Name / Address
City of Hemet Attn Accounts Payable 445 E. Florida Ave. Hemet, CA 92543-4209

Ship To
Well 10 Rehabilitation CIP 5594 CHANGE ORDERS from Original Contract #1
Terms
Due on receipt

Item	Description	Qty	U/M	Cost	Total
LUMP SUM C...	LUMP SUM CONTRACT			0.00	0.00
CONDITION4	SCOPE OF WORK TO BE DONE:CLEANING, BRUSHING BAILING,SURGING CHEMICALS, AND VIDEOING THE WELL CASING; INSPECTING, SERVICING, AND REPAIRING COLUMN PIPE, PUMP, AND WELL HEAD SEAL; REMOVE WELL MOTOR, FURNISH AND INSTALL NEW AIRLINE AND SOUNDING TUBING, TRANSDUCER CABLE CONDUIT; AND DISINFECTING THE WELL. FURNISHING AND INSTALLING NEW COLUMN PIPE, PUMP OR BOWLS MAY BE NEEDED BASED ON INSPECTION RESULTS. L. O. LYNCH ... DIR REGISTRATION # IS P1000000640			0.00	0.00
MISC1	Item #1 - Mobilization, demobilization, clean-up, removal of all debris and excess materials from site, restore site. - L.S.	1	ea	3,600.00	3,600.00
MISC1	Item #2 - Remove and reinstall column piping, suction pipe, pump and related equipment. (Pump set at 310) - L.S.	1	ea	12,800.00	12,800.00
MISC1	Item # 3 - Brush and bail existing 335 feet of 14" well casing with new nylon brush and surge block. - Hrs	12	ea	400.00	4,800.00
MISC1	Item #4 - Sonar Jet 100 feet of existing 12" casing - L.S.	1	ea	4,300.00	4,300.00
MISC1	Item #4a - Change Order - Remove Sonar Jet-L.S.	1	ea	-4,300.00	-4,300.00
MISC1	Item #5 - Furnish and install new pump w/brass wear rings, s/s bolts & collets. Goulds or equal to supplying 650 gpm's against 110 psi. - L.S.	1	ea	8,916.00	8,916.00
MISC1	Item #5a - Furnish and install new pump w/brass wear rings, s/s bolts & collets. (American Marsh 9H 14 Stage OL LH 6 625 @550T.D.H. - L.S. (\$9,491) Change amount (\$9,491.00 - \$8,916.00 = \$575.00)	1	ea	575.00	575.00
MISC1	Item #6 - Furnish and install up too, new 8"x20' column piping, spider bearings, inspect and make recommendations on existing column pipe. - L.F.	310	ea	29.00	8,990.00

THE FOLLOWING APPLIES UNLESS OTHERWISE STATED: Any item not specifically mentioned is not included nor was it intended. Delivery/shipment is estimated and L.O. Lynch is not responsible for delays beyond their reasonable control. Prices DO NOT include special equipment (if required) or freight. This quote is firm for 30 days from above date. L.O. Lynch takes complete and total exception to any requirements, plans and/or specifications not provided to company for review.

Total

Signature _____

Interest will begin to accrue 10 days after date of Invoice at a rate of 1-1/2% per month. If any legal action or proceeding arising out of or relating to this Contract is brought by either party to this Contract, the prevailing party will be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorney's fee, costs and expenses incurred in the action or proceeding by the prevailing party.

Pump Estimate

L.O. LYNCH

Quality Wells and Pumps, Inc.

Mud & Air Drilling • Well Cleaning • Repairing • Design • Construction

Contractors License
No. 740156

856 W. Seventh St.
San Jacinto, CA 92582

951-654-7724 Toll Free 888-654-7724 Fax 951-654-2060



Date	Estimate #
2/29/2016	10149

Customer Phone	Customer Fax
951-634-3103	951-765-2493

Name / Address
City of Hemet Attn Accounts Payable 445 E. Florida Ave. Hemet, CA 92543-4209

Ship To	Terms
Well 10 Rehabilitation CIP 5594 CHANGE ORDERS from Original Contract #1	Due on receipt

Item	Description	Qty	U/M	Cost	Total
MISC1	Item #6a - Furnish and Install up to, new 8"x20' column piping, spider bearings, inspect and make recommendations on existing column pipe - L.F. Change Order (Change to 6" x 20' Column pipe)	-310	ea	29.00	-8,990.00
MISC1	Item 6b - Furnish and Install up to new 6"x20' column piping, spider bearings. - L.F.	310	ea	21.15	6,556.50
MISC1	Item #7 - Furnish and install new pump shafts 1-1/2" & bearings & 2-7/8" seamless oil tube. - L.F.	310	ea	39.00	12,090.00
MISC1	Item #7a - Furnish and install new pump shafts 1-1/2" & bearings & 2-7/8" seamless oil tube - L.F. - Change Order - (Change size to 1-3/16" x 2" seamless oil tube and shaft)	-310	ea	39.00	-12,090.00
MISC1	Item 7b - Furnish an install new pump shafts 1-3/16" & 2" seamless oil tube - L.F.	310	ea	16.50	5,115.00
MISC1	Item #8 - Furnish and install two 1" Sch. 80 PVC pipes flush thread (sounding & transducer cable). Strap SS bands every 20 feet. L.F.	620	ea	3.10	1,922.00
MISC1	Item #9 - Blank	1	ea	0.00	0.00
MISC1	Item #10 - Furnish and install continuous new 1/4" stainless steel airline. L.F.	310	ea	1.40	434.00
MISC1	Item #11 - Furnish and install new cone strainer made of 304SS. - EA	1	ea	950.00	950.00
MISC1	Item #12 - Disinfect well and perform 2 separate bac-t tests 15 minutes apart and pass. - L.S.	1	ea	900.00	900.00
MISC1	Item #13 - Video Log - EA	2	ea	1,000.00	2,000.00
MISC1	Item #14 - Modify existing Water box to accept 2-each. 1" pvc pipes - EA	1	ea	500.00	500.00
MISC1	Item #14a - Modify existing Water Box to accept 6" Column - EA (Change Order)	1	ea	1,700.00	1,700.00
Note	Note - Change Order for relining Well to be send separately.			0.00	0.00

THE FOLLOWING APPLIES UNLESS OTHERWISE STATED: Any item not specifically mentioned is not included nor was it intended. Delivery/shipment is estimated and L.O. Lynch is not responsible for delays beyond their reasonable control. Prices DO NOT include special equipment (if required) or freight. This quote is firm for 30 days from above date. L.O. Lynch takes complete and total exception to any requirements, plans and/or specifications not provided to company for review.

Total

Signature _____

Interest will begin to accrue 10 days after date of Invoice at a rate of 1-1/2% per month. If any legal action or proceeding arising out of or relating to this Contract is brought by either party to this Contract, the prevailing party will be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorney's fee, costs and expenses incurred in the action or proceeding by the prevailing party.

L.O. LYNCH

Quality Wells and Pumps, Inc.

Mud & Air Drilling • Well Cleaning • Repairing • Design • Construction

Contractors License
No. 740156

856 W. Seventh St.
San Jacinto, CA 92582

951-654-7724 Toll Free 888-654-7724 Fax 951-654-2060



Pump Estimate

Date	Estimate #
2/29/2016	10149

Customer Phone	Customer Fax
951-634-3103	951-765-2493

Ship To	
Well 10 Rehabilitation CIP 5594 CHANGE ORDERS from Original Contract #1	
Terms	
Due on receipt	

Name / Address
City of Hemet Attn Accounts Payable 445 E. Florida Ave. Hemet, CA 92543-4209

Item	Description	Qty	U/M	Cost	Total
Signature	Please indicate acceptance of this estimate by signing below and returning estimate/Change Order .			0.00	0.00

THE FOLLOWING APPLIES UNLESS OTHERWISE STATED: Any item not specifically mentioned is not included nor was it intended. Delivery/shipment is estimated and L.O. Lynch is not responsible for delays beyond their reasonable control. Prices DO NOT include special equipment (if required) or freight. This quote is firm for 30 days from above date. L.O. Lynch takes complete and total exception to any requirements, plans and/or specifications not provided to company for review.

Total	\$50,768.50
--------------	--------------------

Signature _____

Interest will begin to accrue 10 days after date of Invoice at a rate of 1-1/2% per month. If any legal action or proceeding arising out of or relating to this Contract is brought by either party to this Contract, the prevailing party will be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorney's fee, costs and expenses incurred in the action or proceeding by the prevailing party.

ATTACHMENT(B)

Pump Estimate

L.O. LYNCH

Quality Wells and Pumps, Inc.

Mud & Air Drilling • Well Cleaning • Repairing • Design • Construction

Contractors License
No. 740156

856 W. Seventh St.
San Jacinto, CA 92582

951-654-7724 Toll Free 888-654-7724 Fax 951-654-2060



Date	Estimate #
2/29/2016	10150

Customer Phone	Customer Fax
951-634-3103	951-765-2493

Name / Address
City of Hemet Attn Accounts Payable 445 E. Florida Ave. Hemet, CA 92543-4209

Ship To	Terms
Well 10 Rehabilitation CIP 5594 Change Order # 2	Due on receipt

Item	Description	Qty	U/M	Cost	Total
LUMP SUM C...	LUMP SUM CONTRACT			0.00	0.00
	SCOPE OF WORK (OPTION ONE FOR REPAIRING WELL #10 AFTER VIDEO SHOWED HOLES IN THE LINER RELINE WELL WITH 10"S.S. WIRE WRAP SCREEN FROM TOTAL DEPTH OF WELL 335' TO 215' AND SOLID,STANDARD STEEL CASING FROM 215' TO TOP OF WELL HEAD DUE TO CASING SIZE THE CONDITIONS OF THE TURBINE PUMP WILL BE 625 G.P.M @ 550 T.D.H. WE FEEL LITE BRUSHING,BAILING AND SURGING CHEMICALS WOULD BENFIT THIS WELL.				
MISC1	CHEMICALS - L.S.	1	ea	7,245.00	7,245.00
MISC1	MECHANICAL WORK FOR CHEMICALS (SURGEBLOCKING AND BAILING) - L.S.	1	ea	4,000.00	4,000.00
MISC1	INSTALL PUMP AND NEUTRALIZE ACID - HR	16	ea	400.00	6,400.00
Casing	10"S.S.WIRE WRAP CASING - FT	120	ft	74.14	8,896.80
Casing	STEEL CASING - FT	215	ft	34.86	7,494.90
Casing	S.S. CAP - L.S.	1	ft	50.00	50.00
MISC1	GRAVEL PACK - L. S.	1	ea	500.00	500.00
LPS200	(INSTALL S.S. AND STEEL LINER) - HR	12	hr	400.00	4,800.00
Signature	Please indicate acceptance of this estimate by signing below and returning estimate.			0.00	0.00

THE FOLLOWING APPLIES UNLESS OTHERWISE STATED: Any item not specifically mentioned is not included nor was it intended. Delivery/shipment is estimated and L.O. Lynch is not responsible for delays beyond their reasonable control. Prices DO NOT include special equipment (if required) or freight. This quote is firm for 30 days from above date. L.O. Lynch takes complete and total exception to any requirements, plans and/or specifications not provided to company for review.

Total	\$39,386.70
--------------	--------------------

Signature _____

Interest will begin to accrue 10 days after date of Invoice at a rate of 1-1/2% per month. If any legal action or proceeding arising out of or relating to this Contract is brought by either party to this Contract, the prevailing party will be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorney's fee, costs and expenses incurred in the action or proceeding by the prevailing party.



AGENDA # 15

Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Alexander P. Meyerhoff, City Manager
Kristen Jensen, Public Works Director

DATE: March 8, 2016

RE: Approval of Participation in the Eastern Municipal Water District Recycled Water Accelerated Retrofit Program

RECOMMENDED ACTION:

It is respectfully recommended that the City Council:

- 1.) Approve participation in, and authorize the City Manager to execute, an Agreement for Recycled Water Retrofit Funding Between Eastern Municipal Water District and City of Hemet for Cawston Community Park in the amount of \$18,598.59; and
- 2.) Authorize the Deputy City Manager to increase revenue projections, and establish a supplemental appropriation, in the amount of the retrofit funding in Parks Fund 110.

BACKGROUND:

The City of Hemet was invited by Eastern Municipal Water District (EMWD) to participate in the Recycled Water Accelerated Retrofit Program (APR) in the fall of 2015. The program was created by EMWD in response to the State Water Resources Control Board's mandated goal for EMWD to reduce potable water production by 28% by February 29, 2016. The program goal is to transition 400 acre feet of potable water currently produced for irrigation purposes to recycled water use for irrigation. EMWD identified customers throughout their service area with large irrigated properties located in close proximity to existing EMWD recycled water main lines, and invited them to participate in the program.

Staff attended multiple informational meetings at EMWD, discussed the program with the then Interim City Manager and the City Attorney, and submitted Notices of Intent to evaluate participation at Brubaker Park, Cawston Community Park, and David R. Oltman Park. After much discussion and review with EMWD and City staff, Cawston Community Park (Cawston Park) and David R. Oltman Park (Oltman Park) were recommended for potential participation in the program. Staff did not include Brubaker Park for consideration at this time as this would be a much more extensive project and completion was not feasible within the accelerated program time frame. Brubaker Park may be reassessed for transition to recycled water at a future time.

Over the past few months, City staff has been working with EMWD to review and approve onsite retrofit plans, prepare project cost estimates, and conduct necessary project bidding. Staff has performed a cost/benefit analysis for Cawston Park participation in the APR program and believes that transition of the Park to recycled water for irrigation purposes is both a fiscally and an environmentally responsible decision. All anticipated project costs for Cawston Park have been provided to EMWD, and are reflected in the attached agreement (Attachment "A").

At this time, staff is recommending Council authorize the City Manager to enter into an Agreement for Recycled Water Retrofit Funding Between Eastern Municipal Water District and City of Hemet for Cawston Community Park in the amount of \$18,598.59. Staff is still in the process of gathering Oltman Park project costs. Upon finalizing costs, staff will perform a cost/benefit analysis and return to Council with recommendations for that site.

ANALYSIS

The City of Hemet owns and operates Cawston Park, located on Cawston Avenue just north of Devonshire Avenue. The park is 0.84 acres in size and uses approximately 4.7 acre feet of potable water annually. The proposed retrofit project will transition the entire park site from potable to recycled water. There are no drinking fountains or other equipment intended for personal water consumption in the park that are required to remain on a potable system. Retrofit work at this site will be performed by City staff, by force account, as allowable by Public Contracting Code 22032 (a). Transitioning the park will allow the City to take advantage of reduced water rates.

EMWD is proposing to provide funding to the City in the amount of \$18,598.59 to offset the upfront costs of on-site retrofit work. This amount fully covers the onsite retrofit costs. Services for off-site work required to connect the park to recycled water will be performed by EMWD, and costs related to that work will be absorbed by EMWD.

The following is a general summary of the commitments of both EMWD and the City, should the City decided to participate in the APR program:

EMWD:

- Prepare and provide onsite plans for retrofitting existing potable irrigation systems to recycle water irrigation systems. These plans may be used for bidding and construction.
- Perform all right-of-way work to connect the existing system to their recycled water distribution main lines, and install the recycled water meter.
- Providing immediate funding in the amount of \$5,000 per acre foot of potable water used at the site to offset one-time construction costs required for the recycled water retrofit.

City:

- Dedicate staff resources to support EMWD plan review and preparation of project cost estimates.
- Support EMWD in receiving project grant funding or other funding that may be available through the Metropolitan Water District (MWD) for retrofit at the identified City-owned properties.
- Perform any required bid solicitation, contractor award, and onsite construction oversight.
- Agree to pay 75% of the then current potable rate for recycled water for a period not to exceed eight (8) years.

Transitioning to recycled water supplies for park irrigation purposes will generate immediate general fund savings with the payment of a reduced potable water rate that is less than the current full price potable water rate being charged. Water rate savings for Cawston Park are expected to be \$975 annually while paying 75% of the potable water rate, and \$2,015 annually thereafter, while paying the recycled water rate.

COST/BENEFIT ANALYSIS:

Staff performed a cost/benefit analysis on Cawston Park project to determine if it was more beneficial for the City to fully fund the project and immediately receive the recycled water rate, or participate in the APR program, receiving program funding, and paying a 75% potable water rate for up to eight years. The analysis was performed using current water rates. All estimated costs and savings were projected over an eight year period for easy comparison to the APR program requirements.

In the case of Cawston Park, the retrofit project work is valued at \$33,898. If the City were to fully fund the project without the benefit of the APR program offerings, the net cost to the City over an eight year period would be \$13,278.50. By participating in the APR Program, the cost to the City over the same period would be \$522.00. *Through the analysis, it was determined that participation in the APR program for retrofit at Cawston Park results in a \$12,756.50 cost/benefit to the City.* A table representing a summary of the project cost/benefit analysis is provided with this report as Attachment "B".

The proximity to recycled water access at this park site, coupled with the availability of immediate funding to fully cover one-time costs, creates a unique opportunity for the City to transition to recycled water with no upfront costs to the City. In addition, responsible use of available recycled water resources allows the City to partner with EMWD in positively protecting local groundwater resources. With Council approval, this project is expected to begin retrofit work in March, with project completion by mid April.

COORDINATION & REVIEW:

Staff met with EMWD representatives to discuss the project details, prepare plans, and review agreement requirements. Review and coordination of both public right-of-way work and onsite retrofit work will require continued coordination.

The City Attorney has reviewed and approved both the APR program and funding agreement form.

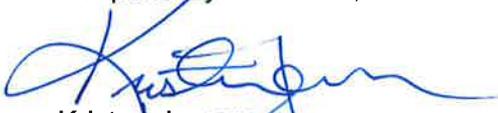
Participation in this program is in line with Council's goal of offsetting project costs with alternative funding sources.

FISCAL IMPACT:

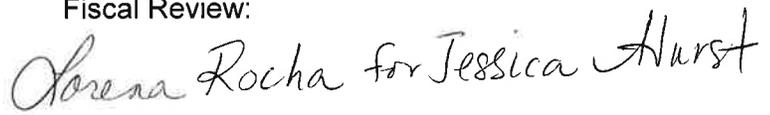
General Fund savings are anticipated as the program provides water rates lower than the potable rates being charged currently at Cawston Community Park. All one-time construction costs are offset through funding provided by the EMWD APR Funding program.

Respectfully submitted,

Fiscal Review:



Kristen Jensen
Public Works Director



Jessica A. Hurst
Deputy City Manager/Admin. Services

Attachments: Agreement for Recycled Water Retrofit Funding Between Eastern Municipal Water District and City of Hemet for Cawston Community Park – *Maps Excluded* (Attachment "A")
Project Cost/Benefit Analysis Tables – (Attachment "B")

**AGREEMENT FOR RECYCLED WATER RETROFIT FUNDING
BY AND BETWEEN EASTERN MUNICIPAL WATER DISTRICT,**

CITY OF HEMET

This Agreement is made as of _____, 2016 ("**Effective Date**"), by and between **EASTERN MUNICIPAL WATER DISTRICT**, a municipal water district organized and operating pursuant to Division 20 of the California Water Code ("**EMWD**"), and **City of Hemet** ("**Customer**"), whose mailing address is (**445 E. Florida Avenue Hemet, CA**). EMWD and Customer are sometimes individually referred to herein as the "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, EMWD is committed to the efficient use of its valuable water supplies, including maximizing the beneficial use of recycled water in order to offset potable water use; and

WHEREAS, Customer owns real property located at **4110 Devonshire Avenue, Hemet, CA 92543 – Cawston Park ("Site")**. The Site is adjacent to EMWD's recycled water distribution system. Customer currently irrigates the Site with domestic water purchased from EMWD; and

WHEREAS, EMWD owns and operates four regional reclamation facilities which generate recycled water and Customer desires to purchase such recycled water from EMWD for allowable, suitable non-potable uses, specifically, for landscape irrigation; and

WHEREAS, in order to implement Customer's use of recycled water, Customer must make modifications (retrofits) to its existing on-site

irrigation system; and

WHEREAS, in recognition that the cost of retrofitting irrigation facilities from domestic to recycled water impedes the ability of some of EMWD's customers to comply with the requirements of EMWD's Recycled Water Guidelines, and in order to encourage conservation of water resources and provide a means for greater control over the use of recycled water, EMWD has established the "EMWD Recycled Water Retrofit Funding Program" (the "**Program**"); and

WHEREAS, under the terms of the Program, EMWD will reimburse Customers for approved costs of connecting to EMWD's recycled water distribution facilities and retrofitting its on-site irrigation system(s) as more thoroughly described herein; and

WHEREAS, following Customer's construction, Customer agrees to pay 75% of EMWD's then current potable water rate for the Site for a period not-to-exceed eight (8) years following connection and Customer's initial billing for recycled water; and

WHEREAS, Customer additionally acknowledges and agrees that any grant, or other, funding associated with the Site retrofit to recycled water that is offered or provided by the Metropolitan Water District of Southern California (MWD) shall be assigned to, or otherwise be the property of EMWD; and

WHEREAS, Customer desires that EMWD assist in Project completion by providing technical design assistance and the aforementioned funding pursuant to and in accordance with the Program; and

WHEREAS, Customer has executed a Notice of Intent dated **October 20, 2015** confirming its commitment to construct on-site irrigation modifications for purposes of purchasing EMWD supplied recycled water subject to EMWD's approval; and

WHEREAS, the purpose of this Agreement is to set forth the terms, conditions and financial considerations whereby EMWD will provide funding assistance to Customer; and whereby Customer will construct and install facilities necessary to connect and utilize EMWD supplied recycled water.

NOW, THEREFORE, in consideration of the recitals and mutual understanding of the Parties as herein expressed, EMWD and Customer agree as follows:

AGREEMENT

1. The Recitals set forth above are incorporated into and are a part of this Agreement.
2. EMWD, at its own expense, has completed a design and cost estimate, attached hereto and incorporated herein as **Exhibit A**, and Customer hereby acknowledges and agrees that it has reviewed and approved said design and estimate for implementation. EMWD further hereby approves Customer's bid and/or cost proposal for Customer's own construction of Site irrigation modifications for purposes of purchasing and accepting deliveries of EMWD supplied recycled water, attached hereto and incorporated herein as **Exhibit B**.

Customer shall procure all materials and services, where applicable, and complete construction of all required Site retrofits and improvements in accordance with Customer's own rules, regulations and requirements governing such acquisitions and work. Customer shall schedule and ensure completion of the Project such that Customer will initiate the use of recycled water no later than four (4) calendar months following the Effective Date of this Agreement.

The retrofitted system shall comply with all EMWD and regulatory requirements for the delivery and use of recycled water. In the event a change or modification to on-site recycled water system plans or designs is desired, Customer will request approval from EMWD, in writing, prior to any work performed.

2.1 As required by Title 22 of the California Code of Regulations, EMWD will perform cross connection and coverage testing. EMWD shall notify Customer two weeks prior to the cross connection test.

2.2 Customer shall make provisions for coordination between the contractor and EMWD to facilitate GPS asbuilding of the existing irrigation system and newly constructed elements including but not limited to; irrigation mainline, mainline components, irrigated area and point of connection sequence components.

3 **Funding Assistance.** EMWD hereby agrees to reimburse Customer for all direct and actual project costs and expenses up to **\$18,598.59** as described in **Exhibit "B"** of this agreement. Customer shall assemble and provide EMWD with evidence of such costs and expenses for reimbursement, not to exceed once per calendar month, throughout project construction. Such evidence shall include, but not be limited to bills, invoices, vouchers, statements, receipts or other documentation evidencing the amount expended, incurred, or due, and shall not

include any costs incurred or payments made for work or material not in conformance with approved specifications or requirements or otherwise authorized by EMWD. Expenditures for reimbursement shall in no way include any costs related to Customer's general administration, management, or overhead. EMWD shall reimburse Customer for all approved project expenditures within thirty (30) calendar days following receipt and approval of Customer's monthly expense submittal.

4 **MWD Funding.** Customer hereby acknowledges and agrees that any grant, or other funding associated with the Site retrofit to recycled water contemplated herein that is offered or provided by or through the Metropolitan Water District of Southern California (MWD) shall be assigned to, or otherwise be the property of EMWD.

5 **Recycled Water Rates and Charges.** Following Project completion, Customer hereby agrees to initiate receipt of recycled water. For a period not-to-exceed eight (8) years following connection and Customer's initial billing for recycled water, EMWD shall charge Customer a rate for recycled water representing 75% of EMWD's then current charges for potable water, currently **\$632.82** per acre feet. Upon completion of the aforementioned term EMWD will adjust Customer's charges to the then current recycled water rate, currently **\$407.77** per acre feet.

6 **Books and Records.** Customer shall keep accurate books and records of the actual direct Project costs, and EMWD may require Customer to verify that the materials and labor for which reimbursements were made have been installed and performed as required by this Agreement. Customer shall allow EMWD's authorized representative(s) to examine and duplicate any records relevant to the verification of the actual direct Project costs, including without limitation all contract bids and invoices. Any changes that occurred during the course of construction shall be properly documented. Customer shall retain all Project records for three (3) years after the completion of the Project and shall provide any Project records to EMWD for its review, upon request.

7 **Compliance with Laws.** Customer shall comply with all applicable statutes, ordinances, rules and regulations, as may be amended from time to time, of EMWD and all federal, state, and local regulatory agencies pertaining to use of recycled water.

8 **System Maintenance.** Customer be solely responsible to own, operate and maintain its on Site irrigation system, including without limitation repairing and maintaining any items necessary to insure proper and ongoing system performance.

9 **Insurance.** Customer shall require any contractor performing installation services hereunder to provide and maintain insurance coverage in an amount and type mutually approved by EMWD and Customer, naming EMWD as "additionally insured".

10 **Indemnification.** Customer shall indemnify, defend, and hold harmless EMWD and its directors, officers, employees, and agents from and against any and all claims asserted or liability established for damages or injuries of any kind to any person or property, including damages to Customer's property or injury to Customer's directors, officers, employees, agents, or contractors, arising from or related to, or alleged to arise from or relate to, the acts or omissions of EMWD or Customer and its respective directors, officers, employees, agents, or contractors, in performing the work or services herein, including without limitation all expenses of investigating and defending against same.

11 **General Provisions.**

11.1 **Notice.** Any notice, payment, or instrument required or permitted to be given hereunder shall be deemed received upon personal delivery or 72 hours after deposit in any United States mail depository, first class postage prepaid, and addressed to the Party for whom intended, as follows:

If to EMWD: Eastern Municipal Water District
2270 Trumble Road
Perris, CA 92572-8300
Attention: General Manager

If to Customer: City of Hemet
445 E. Florida Avenue
Hemet, CA 92543

Either Party may change such address by notice given to the other Party as provided in this section.

11.2 **Non-Waiver.** EMWD shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by EMWD, and then only to the extent specifically set forth in writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.

11.3 **Further Acts.** Each Party agrees to perform any further acts and to execute and delivery any documents which may be reasonably necessary to carry out the provisions of this Agreement.

11.4 **Time of the Essence.** Time is of the essence in the performance of this Agreement.

11.5 **Neutral Interpretation.** The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any Party based upon any attribution to such Party as the source of language in question.

11.6 **Binding Effect.** This Agreement is binding upon, and inures to the benefit of, each Party hereto and its respective agents, employees, representatives, officers, directors, affiliates, assigns, and successors.

11.7 **No Third-Party Beneficiaries.** This Agreement is made solely for the benefit of the Parties hereto and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement unless otherwise expressly agreed to by all the Parties hereto.

11.8 **Governing Law.** This Agreement shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law provisions.

11.9 **Jurisdiction; Venue.** Any action taken to enforce this Agreement shall be maintained in the Superior Court of Riverside County, California. The Parties expressly consent to the jurisdiction of said court and agree that said court shall be a proper venue for any such action.

11.10 **Integration.** This Agreement contains the entire understanding between the Parties and supersedes any prior understanding and/or written or oral agreements between them respecting the subject matter of this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, by and between the Parties relating to the subject matter of this Agreement, which are not fully expressed herein. The terms of this Agreement are intended by the Parties as a final expression of their agreement with respect to such terms as are included herein, and may not be contradicted by evidence of any prior agreement or any contemporaneous agreement. The Parties further intend that this Agreement constitutes the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial proceeding involving this Agreement.

11.11 **Severability.** If any provision of this Agreement shall be invalid or unenforceable, either in its entirety or by virtue of its scope or application to given circumstances, such provision shall be deemed modified to the extent necessary to render the same valid, or as not applicable to given circumstances, or to be excised from this Agreement, as the situation may require, and this Agreement shall be construed and enforced as if such provision had been included herein as so modified in scope or application, or had not been included herein, as the case may be, it being the stated intention of the parties that had they known of such invalidity or unenforceability at the time of entering into this Agreement, they would have nevertheless contracted upon the terms contained herein, either including such provisions only to the maximum scope and application permitted by law, or excluding such provisions, as the case may be.

11.12 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached without impairing the legal effect of the signatures thereon, provided such signature page is attached to any other counterpart identical to the first counterpart except having signature pages executed by other parties to this Agreement attached thereto.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

EASTERN MUNICIPAL WATER DISTRICT

By: _____
Paul D. Jones II, P.E.
General Manager

Dated: _____

CITY OF HEMET

By: _____
Alexander P. Meyerhoff
City Manager

Dated: _____

Exhibit A

EMWD - ACCELERATED RECYCLED WATER RETROFIT PROGRAM

DATE:

Cawston Park, Hemet, CA

Engineer's Estimate

W/O #: DESCRIPTION: On-Site Landscaping

ITEM NO.	ITEM DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT COST	AMOUNT
1	Remove existing irrigation domestic water meter. (by others)	EA	1		0.00
2	Remove existing backflow preventer. Cut, cap and remove unused pipe.	EA	1	250.00	250.00
3	Install new 2" Recycled water meter per EMWD standards PB-10 (by others)	EA	1		0.00
4	Provide and install Nelson 7645 (1") quick coupler valve with acme thread and purple locking cover	EA	1	350.00	350.00
5	Provide and install Yardney strainer MCS2-T. To be installed above ground with stainless steel enclosure per manufacturer standard and details	EA	1	2,000.00	2,000.00
6	Provide and install Griswold 2030 epoxy coated master valve (size:2") per detail. Run wires to irrigation controller location	EA	1	400.00	400.00
7	Provide and install Hunter Flow-Sync flow sensor (Size:2") per detail. Run wires to irrigation controller	EA	1	400.00	400.00
8	Provide and install new irrigation controller and pedestal per irrigation plans	EA	1	3,000.00	3,000.00
9	Replace all existing valve boxes and lids with purple recycled water and label (heat brand) accordingly.	LS	1	2,500.00	2,500.00
10	Provide purple cap for recycled water identification to all existing over head irrigation rotors/sprays system	LS	1	2,000.00	2,000.00
11	Provide and install recycled water signage per EMWD standards	EA	10	300.00	3,000.00
12	Provide and install Wilkins 510 series pressure regulator per detail	EA	1	300.00	300.00
13					
14					
15					

SUBTOTAL Items
1 - 28

14,200.00

MOBILIZATION

30	MOBILIZATION (ALL PREVIOUS ITEMS) [@ 10%]	LS	1	1,420.00	1,420.00
----	---	----	---	----------	----------

CONTINGENCY

	CONTINGENCY [@ 10%]	LS	1	1,562.00	1,562.00
--	-----------------------	----	---	----------	----------

GRAND TOTAL _____

17,182.00

"Words"

Prepared by: _____

Checked by: _____



Cawston Park.
In-house project
cost estimate.

WORK ORDER DETAIL

ID	Description
Cawston Park EMWD Retrofit	Converting irrigation from potable to recycled water

BASIC INFORMATION

Owner Charles Russell
Status Planned
Task Count 12
Progress 0.00 %

COSTS

Labor	\$2,966.45
Equipment	\$1,674.00
Material	\$0.00
Other	\$13,958.14
Total	\$18,598.59

TASKS

ID	Activity	Details	Asset	Status	Total Cost
17256	Construct	#2. Remove existing backflow preventer, Cut, cap and remove unused pipe.	Non-Asset	In Progress	\$549.73
17258	Construct	#4. Provide and install Nelson 7645 (1") quick coupler valve and acme thread and purple locking cover.	Non-Asset	In Progress	\$503.74
17259	Construct	#5. Provide and install Yardney Strainer MCS2-T. To be installed above ground with stainless steel enclosure per manufacturer standard	Non-Asset	In Progress	\$3,237.53

WORK ORDER DETAIL

ID	Description
Cawston Park EMWD Retrofit	Converting irrigation from potable to recycled water

TASKS

ID	Activity	Details	Asset	Status	Total Cost
		and details.			
17263	Construct	#6. Provide and install Griswold 2030 epoxy coated master valve (size:2") per detail. Run wires to irrigation controller location.	Non-Asset	In Progress	\$501.21
17264	Construct	#7. Provide and Install Hunter Flow Sensor (Size 2") per detail. Run wires to irrigation controller.	Non-Asset	In Progress	\$556.71
17274	Construct	#8. Provide and install a new irrigation controller and pedestal per irrigation plans.	Non-Asset	In Progress	\$3,048.61
17278	Construct	#9. Replace all existing valve boxes and lids with purple recycled water and label (heat brand) accordingly.	Non-Asset	In Progress	\$1,392.64
17285	Construct	#10. Provide purple caps for recycled water identification to all existing over head irrigation rotors/spray system.	Non-Asset	In Progress	\$2,682.74
17286	Construct	#11. Provide and install	Non-Asset	In Progress	\$2,062.13

WORK ORDER DETAIL

ID	Description
Cawston Park EMWD Retrofit	Converting irrigation from potable to recycled water

TASKS

ID	Activity	Details	Asset	Status	Total Cost
		recycled water signage per EMWD standards.			
17291	Construct	#12. Provide and install wilkens 510 series pressure regulator per detail.	Non-Asset	In Progress	\$831.55
17298	Construct	#13. Mobilization (All previous items) @ 10%	Non-Asset	In Progress	\$1,539.00
17299	Construct	#14. Contingency @ 10%	Non-Asset	In Progress	\$1,693.00

Cawston Community Park APR Program Cost/Benefit Analysis (8 Year Period)

	Project EMWD APR Program	Project Fully City Funded
Initial Project Costs (Inc. EMWD Costs)	\$ 33,898.00	\$ 33,898.00
MWD Rebate	\$ (4,504.50)	\$ (4,504.50)
Revised Project Cost	\$ 29,393.50	\$ 29,393.50
EMWD APR Funding	\$ (18,598.00)	\$ -
<i>Unfunded Costs</i>	<i>\$ 10,795.50</i>	<i>\$ 29,393.50</i>
EMWD 75% Potable Water Rate - Program Costs	\$ 8,318.00	\$ -
EMWD Program - Additional Water Rate Savings	\$ (7,796.00)	\$ -
City Funded Project - Recycled Water Rate Savings	\$ -	\$ (16,115.00)
City Total Project Cost Over 8 Year Period	\$ 522.00	\$ 13,278.50

APR Program Cost benefit to City: \$ 12,756.50



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council
FROM: Alexander Meyerhoff, City Manager *A*
DATE: March 8, 2016
RE: Plan for Establishment of Electoral Districts

RECOMMENDATION:

That the City Council open the public hearing and take public testimony regarding the draft potential electoral district boundaries, and after the close of the public hearing adopt

RESOLUTION BILL NO. 16-015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA, SPECIFYING THE CRITERIA TO GUIDE THE ESTABLISHMENT OF ELECTORAL DISTRICTS

And

RESOLUTION BILL NO. 16-016

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA, INITIATING PROCEDURES FOR ESTABLISHING AND IMPLEMENTING BY-DISTRICT ELECTIONS FOR THE CITY OF HEMET CITY COUNCIL MEMBERS

BACKGROUND:

In late December of 2015, the City received a letter containing unsubstantiated allegations that the City's current at-large system of electing City Council members violates the California Voting Rights Act (CVRA). On January 9, 2016, the City Council, after meeting in closed session with its attorneys concluded that the public interest would be better served by avoiding the tremendous expense of litigation and unanimously issued direction to commence the process to establish by-district elections to avoid spending tax dollars in the defense of a meritless but potentially extremely expensive suit, even if the City is victorious. The City retained the services of National Demographics Corporation and Marguerite Leoni of Nielsen, Merksamer, Parrinello, Gross and Leoni LLP to assist in establishing a by-district electoral system. At its Work Study session on February 9, 2016, the City Council, and the public received presentation regarding the current

demographics of the City under the 2010 census and American Community Survey, and the procedures and legal and policy criteria governing districting, and received public comment regarding appropriate criteria.

ANALYSIS:

The City currently uses an at-large method of election in which all voters vote for all candidates for City Council. In the single-member district system, a “by-district system” under California law, a candidate must live in the district he or she wishes to represent and is elected only by the voters in that district. The council will take advantage of a new law, California Government Code section 34886, enacted by the California Legislature last year that permits city councils of small cities to change to district elections by ordinance. The City’s five electoral districts will be formulated in accordance with federal and state law requirements. State law also requires an open and public process, including a minimum of three public hearings. This public hearing is the first of the three required public hearings.

National Demographics Corporation has prepared three draft maps defining potential district boundaries within the City and tables showing the demographic makeup of each of the potential districts. Those maps and demographics are being provided to the Council and the public for review and consideration. No final action is to be taken on those maps at this time.

In addition, Marguerite Leoni has prepared the attached Resolutions for Council adoption. Those resolutions provide the procedures that will be used for establishing and implementing by-district elections consistent with legal requirements, including the CVRA, and a timeline for the process.

FISCAL IMPACT:

The City has already approved contracts for National Demographics Corporation and Marguerite Leoni and the matters before the Council this evening are within the scope of those contracts. These items present no additional fiscal impacts to the City.

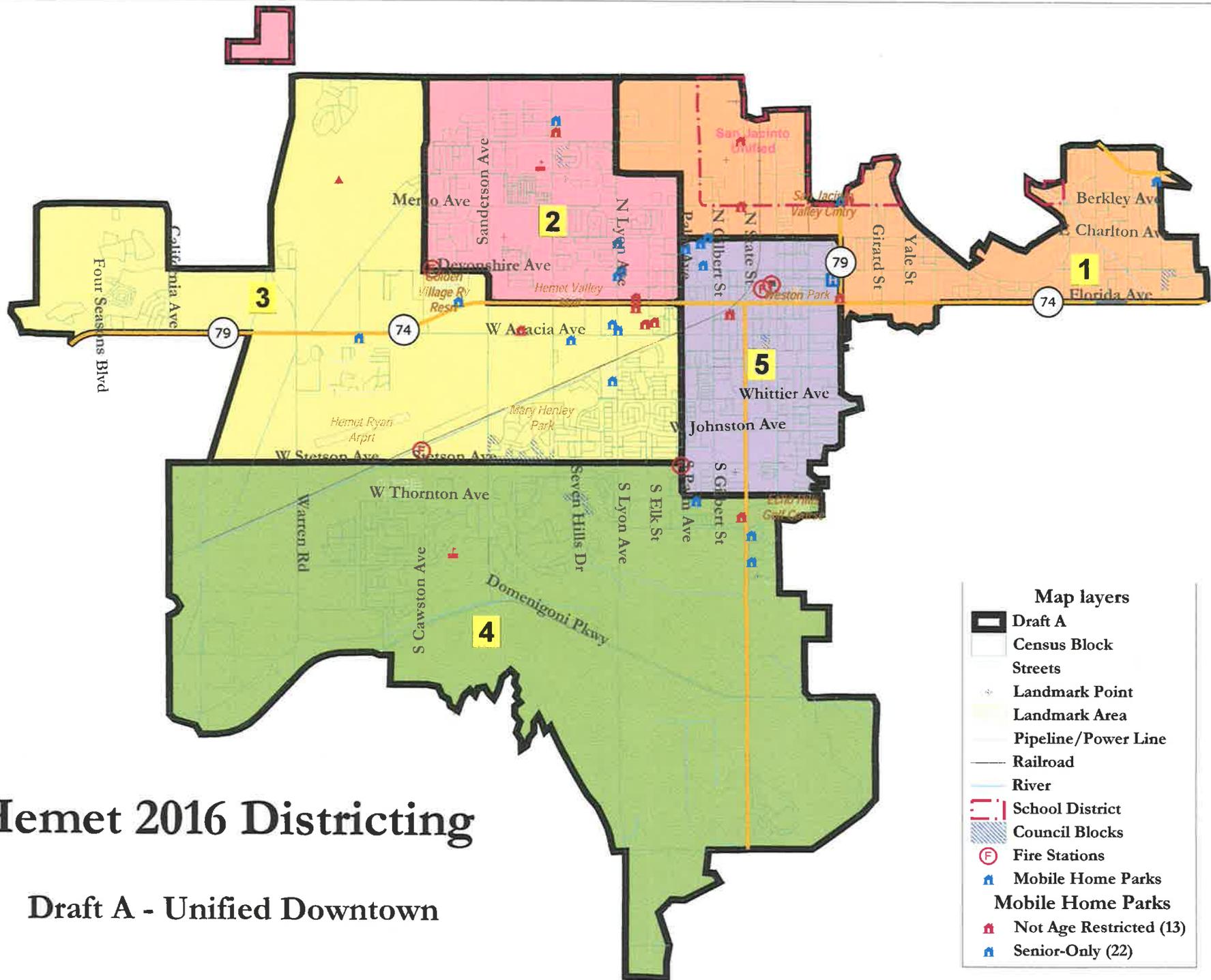
Respectfully submitted,

Alexander Meyerhoff
City Manager

Attachment(s): Draft District Maps and Demographic Information
Resolution Bill No. 16-015
Resolution Bill No. 16-016

Hemet 2016 Districting

Draft A - Unified Downtown

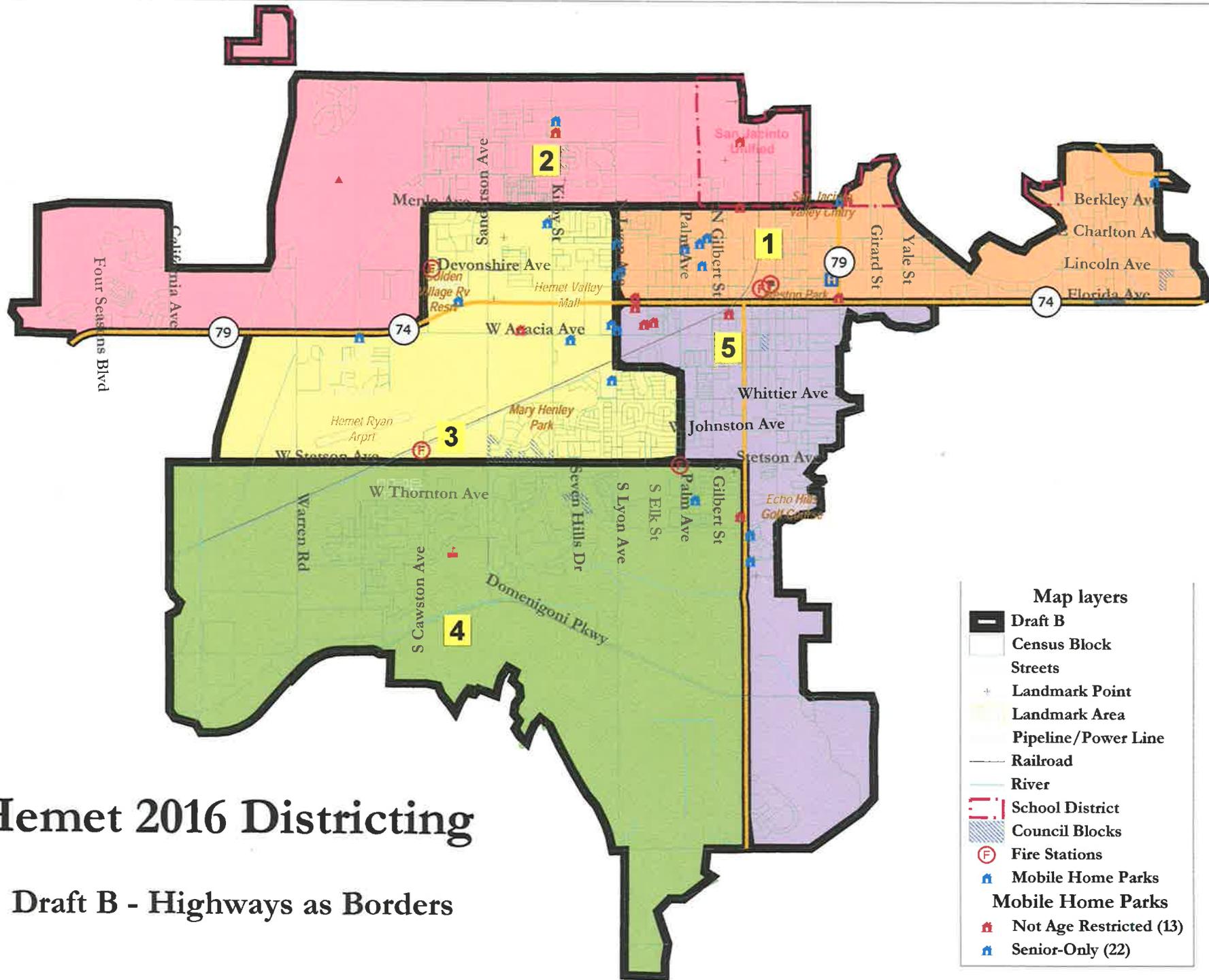


City of Hemet - Draft Map A

District		1	2	3	4	5	Total
	Total Pop	15,813	15,993	15,650	16,037	15,217	78,710
	Deviation from ideal	71	251	-92	295	-525	820
	% Deviation	0.45%	1.59%	-0.58%	1.87%	-3.34%	5.21%
Total Pop	% Hisp	41%	33%	26%	31%	49%	36%
	% NH White	48%	55%	63%	53%	39%	52%
	% NH Black	7%	7%	5%	7%	8%	7%
	% Asian-Amer./PI	2%	4%	4%	7%	2%	4%
Voting Age Pop	Total	11,185	12,460	12,608	11,556	10,545	58,354
	% Hisp	35%	27%	21%	25%	42%	30%
	% NH White	55%	62%	70%	61%	47%	59%
	% NH Black	6%	6%	4%	6%	7%	6%
	% Asian-Amer./PI	2%	4%	4%	6%	2%	4%
Citizen Voting Age Pop	Total	10,421	10,786	12,747	11,406	9,372	54,732
	% Hisp	28%	23%	19%	25%	42%	27%
	% NH White	59%	67%	72%	57%	46%	61%
	% NH Black	9%	7%	4%	10%	9%	7%
	% Asian/Pac.Isl.	2%	1%	1%	2%	2%	1%
Voter Registration (Nov 2014)	Total	5,681	7,208	8,029	7,569	5,044	33,531
	% Latino	27%	21%	18%	22%	36%	24%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	1%	1%	1%	1%
Voter Turnout (Nov 2014)	Total	2,155	3,233	3,981	3,552	1,600	14,522
	% Latino	18%	15%	11%	12%	26%	15%
	% Asian-Surnamed	0%	1%	1%	1%	0%	1%
	% Filipino-Surnamed	0%	1%	1%	1%	0%	1%
Voter Turnout (Nov 2012)	Total	3,706	4,884	5,878	5,048	2,830	22,346
	% Latino	21%	17%	15%	16%	26%	18%
	% Asian-Surnamed	1%	1%	1%	1%	0%	1%
	% Filipino-Surnamed	1%	1%	0%	1%	1%	1%
ACS Pop. Est.	Total	16,398	15,769	16,273	16,781	15,733	80,954
Age	age0-19	31%	23%	23%	30%	32%	28%
	age20-60	50%	43%	43%	41%	50%	45%
	age60plus	20%	34%	34%	29%	18%	27%
Immigration	immigrants	29%	39%	37%	36%	30%	34%
	naturalized	47%	46%	47%	65%	42%	49%
Language spoken at home	english	71%	72%	73%	76%	62%	71%
	spanish	27%	22%	22%	17%	35%	25%
	asian-lang	1%	3%	3%	3%	1%	2%
	other lang	1%	3%	2%	4%	2%	2%
Language Fluency	Speaks Eng. "Less than Very Well"	13%	12%	10%	9%	14%	11%
Education (among those age 25+)	hs-grad	67%	68%	66%	68%	65%	67%
	bachelor	8%	6%	8%	11%	5%	8%
	graduatedegree	4%	5%	5%	5%	2%	4%
Child in Household	child-under18	34%	22%	24%	29%	35%	28%
Work (percent of pop age 16+)	employed	43%	35%	36%	38%	42%	38%
	Commute on Public Transit	1%	0%	0%	0%	1%	1%
Household Income	income 0-25k	38%	43%	33%	31%	43%	37%
	income 25-50k	33%	28%	31%	27%	35%	31%
	income 50-75k	13%	15%	16%	17%	12%	15%
	income 75-200k	16%	14%	19%	23%	9%	16%
	income 200k-plus	1%	0%	1%	2%	0%	1%
Housing Stats	single family	69%	79%	85%	92%	79%	81%
	multi-family	31%	21%	15%	8%	21%	19%
	vacant	13%	15%	13%	8%	15%	13%
	occupied	87%	85%	87%	92%	85%	87%
	rented	53%	43%	34%	30%	50%	41%
	owned	47%	57%	66%	70%	50%	59%
Total and Voting Age population data from the 2010 Decennial Census.							
Voter Registration and Turnout data from the California Statewide Database.							
Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2010-2014 American Community Survey 5-year data.							

Hemet 2016 Districting

Draft B - Highways as Borders



City of Hemet - Draft Map B

District		1	2	3	4	5	Total
	Total Pop	16,169	15,562	15,951	15,526	15,502	78,710
	Deviation from ideal	427	-180	209	-216	-240	667
	% Deviation	2.71%	-1.14%	1.33%	-1.37%	-1.52%	4.24%
Total Pop	% Hisp	39%	36%	27%	33%	44%	36%
	% NH White	50%	52%	61%	51%	44%	52%
	% NH Black	7%	6%	6%	7%	7%	7%
	% Asian-Amer./PI	2%	4%	3%	7%	3%	4%
Voting Age Pop	Total	11,888	11,398	13,035	11,069	10,964	58,354
	% Hisp	32%	30%	22%	27%	38%	30%
	% NH White	58%	60%	68%	59%	51%	59%
	% NH Black	6%	5%	5%	6%	6%	6%
	% Asian-Amer./PI	2%	4%	3%	6%	3%	4%
Citizen Voting Age Pop	Total	10,817	10,665	12,281	10,834	10,134	54,732
	% Hisp	29%	24%	20%	28%	35%	27%
	% NH White	61%	66%	72%	54%	52%	61%
	% NH Black	7%	6%	5%	10%	10%	7%
	% Asian/Pac.Isl.	1%	1%	1%	2%	2%	1%
Voter Registration (Nov 2014)	Total	6,170	7,057	7,787	7,160	5,357	33,531
	% Latino	25%	23%	19%	21%	33%	24%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	1%	1%	1%	1%
Voter Turnout (Nov 2014)	Total	2,456	3,305	3,542	3,401	1,817	14,522
	% Latino	17%	14%	13%	12%	24%	15%
	% Asian-Surnamed	1%	1%	1%	1%	0%	1%
	% Filipino-Surnamed	1%	1%	1%	1%	0%	1%
Voter Turnout (Nov 2012)	Total	3,865	5,183	5,343	4,795	3,159	22,346
	% Latino	20%	17%	15%	16%	25%	18%
	% Asian-Surnamed	1%	1%	1%	1%	0%	1%
	% Filipino-Surnamed	1%	1%	0%	1%	1%	1%
ACS Pop. Est.	Total	16,606	15,898	15,991	16,311	16,148	80,954
Age	age0-19	29%	26%	22%	30%	30%	28%
	age20-60	49%	42%	45%	40%	49%	45%
	age60plus	21%	31%	33%	29%	21%	27%
Immigration	immigrants	28%	43%	35%	37%	30%	34%
	naturalized	43%	45%	50%	66%	42%	49%
Language spoken at home	english	70%	70%	74%	75%	66%	71%
	spanish	27%	25%	21%	18%	31%	25%
	asian-lang	1%	3%	3%	3%	1%	2%
	other lang	1%	2%	2%	4%	2%	2%
Language Fluency	Speaks Eng. "Less than Very Well"	12%	13%	10%	10%	12%	11%
Education (among those age 25+)	hs-grad	67%	66%	67%	69%	66%	67%
	bachelor	7%	8%	7%	10%	5%	8%
	graduatedegree	3%	7%	4%	5%	3%	4%
Child in Household	child-under18	32%	27%	22%	28%	33%	28%
Work (percent of pop age 16+)	employed	41%	38%	36%	37%	41%	38%
	Commute on Public Transit	1%	1%	0%	0%	1%	1%
Household Income	income 0-25k	44%	30%	38%	32%	42%	37%
	income 25-50k	30%	29%	32%	28%	33%	31%
	income 50-75k	11%	17%	15%	18%	12%	15%
	income 75-200k	13%	23%	14%	21%	12%	16%
	income 200k-plus	1%	1%	1%	1%	1%	1%
Housing Stats	single family	71%	90%	78%	90%	78%	81%
	multi-family	29%	10%	22%	10%	22%	19%
	vacant	14%	13%	15%	8%	14%	13%
	occupied	86%	87%	85%	92%	86%	87%
	rented	49%	34%	42%	33%	47%	41%
	owned	51%	66%	58%	67%	53%	59%

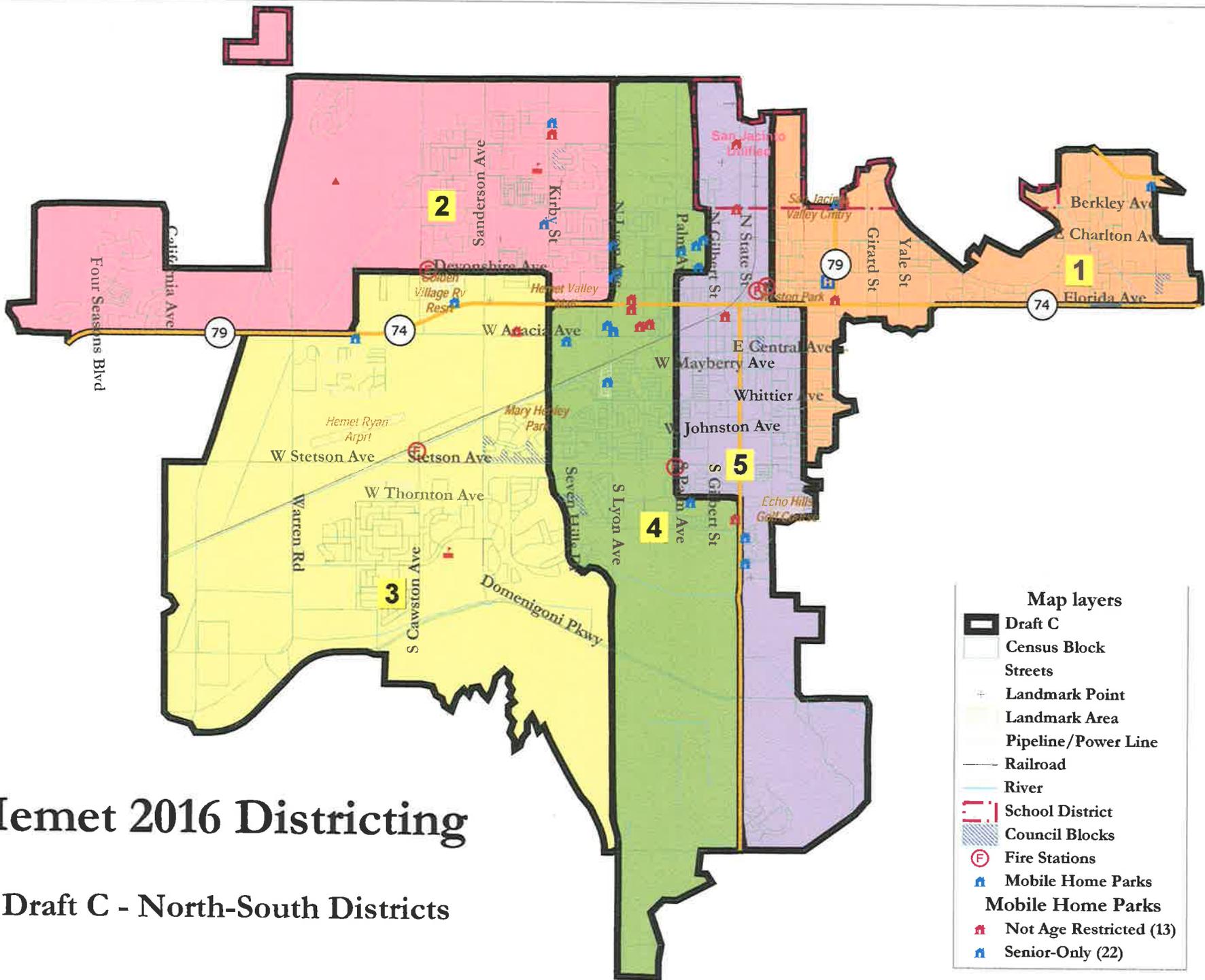
Total and Voting Age population data from the 2010 Decennial Census.

Voter Registration and Turnout data from the California Statewide Database.

Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2010-2014 American Community Survey 5-year data.

Hemet 2016 Districting

Draft C - North-South Districts



City of Hemet - Draft Map C

District		1	2	3	4	5	Total
	Total Pop	15,404	15,949	15,726	16,158	15,473	78,710
	Deviation from ideal	-338	207	-16	416	-269	754
	% Deviation	-2.15%	1.31%	-0.10%	2.64%	-1.71%	4.79%
Total Pop	% Hisp	41%	30%	32%	30%	48%	36%
	% NH White	47%	57%	51%	61%	41%	52%
	% NH Black	7%	6%	8%	5%	7%	7%
	% Asian-Amer./PI	2%	5%	7%	3%	3%	4%
Voting Age Pop	Total	10,878	12,452	11,316	13,017	10,691	58,354
	% Hisp	35%	24%	26%	23%	41%	30%
	% NH White	55%	63%	59%	69%	48%	59%
	% NH Black	6%	5%	7%	4%	6%	6%
	% Asian-Amer./PI	2%	5%	6%	2%	3%	4%
Citizen Voting Age Pop	Total	10,107	11,272	10,948	12,755	9,651	54,732
	% Hisp	31%	22%	25%	22%	38%	27%
	% NH White	57%	70%	57%	69%	49%	61%
	% NH Black	7%	4%	10%	5%	11%	7%
	% Asian/Pac.Isl.	2%	1%	2%	1%	1%	1%
Voter Registration (Nov 2014)	Total	5,497	7,939	7,195	7,611	5,289	33,531
	% Latino	28%	20%	22%	19%	34%	24%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	1%	0%	1%	1%
Voter Turnout (Nov 2014)	Total	2,070	3,874	3,294	3,607	1,678	14,522
	% Latino	19%	13%	13%	12%	25%	15%
	% Asian-Surnamed	0%	1%	1%	1%	0%	1%
	% Filipino-Surnamed	0%	1%	1%	0%	0%	1%
Voter Turnout (Nov 2012)	Total	3,445	5,866	4,752	5,200	3,082	22,346
	% Latino	22%	15%	17%	15%	25%	18%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	1%	0%	1%	1%
ACS Pop. Est.	Total	16,024	16,200	16,075	16,594	16,060	80,954
Age	age0-19	31%	23%	31%	23%	30%	28%
	age20-60	51%	41%	42%	44%	48%	45%
	age60plus	18%	36%	27%	33%	21%	27%
Immigration	immigrants	27%	43%	38%	34%	31%	34%
	naturalized	44%	47%	57%	52%	45%	49%
Language spoken at home	english	70%	72%	75%	73%	66%	71%
	spanish	28%	22%	19%	23%	32%	25%
	asian-lang	1%	4%	4%	2%	1%	2%
	other lang	1%	3%	3%	3%	2%	2%
Language Fluency	Speaks Eng. "Less than Very Well"	12%	11%	11%	10%	13%	11%
Education (among those age 25+)	hs-grad	67%	67%	69%	67%	66%	67%
	bachelor	7%	8%	10%	7%	6%	8%
	graduatedegree	3%	7%	6%	3%	3%	4%
Child in Household	child-under18	35%	22%	31%	23%	33%	28%
Work (percent of pop age 16+)	employed	44%	35%	39%	34%	41%	38%
	Commute on Public Transit	1%	0%	0%	1%	1%	1%
Household Income	income 0-25k	38%	33%	27%	45%	42%	37%
	income 25-50k	31%	28%	26%	33%	35%	31%
	income 50-75k	13%	18%	19%	13%	12%	15%
	income 75-200k	17%	20%	27%	9%	11%	16%
	income 200k-plus	1%	1%	2%	1%	1%	1%
Housing Stats	single family	72%	87%	92%	77%	78%	81%
	multi-family	28%	13%	8%	23%	22%	19%
	vacant	13%	13%	11%	14%	14%	13%
	occupied	87%	87%	89%	86%	86%	87%
	rented	51%	37%	27%	45%	48%	41%
	owned	49%	63%	73%	55%	52%	59%
Total and Voting Age population data from the 2010 Decennial Census.							
Voter Registration and Turnout data from the California Statewide Database.							
Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2010-2014 American Community Survey 5-year data.							



**CITY OF HEMET
Hemet, California
RESOLUTION BILL NO. 16-015**

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF HEMET, CALIFORNIA, SPECIFYING THE
CRITERIA TO GUIDE THE ESTABLISHMENT OF
ELECTORAL DISTRICTS**

WHEREAS, in December 2015, the City received a letter dated December 16, 2015 asserting the its at-large electoral system violates the California Voting Rights Act, and threatening litigation if the City declined to adopt by-district elections; and

WHEREAS, though the letter was not accompanied by any evidence to support the claim of a violation, on January 9, 2016, the City Council, after meeting in closed session with its attorneys concluded that the public interest would be better served by avoiding the tremendous expense of litigation; and

WHEREAS, the City Council unanimously issued direction to commence the process to establish by-district elections to avoid spending tax dollars in the defense of a meritless but potentially extremely expensive suit, even if the City is victorious; and

WHEREAS, the City has retained an experienced demographer and special legal counsel to assist the City in establishing a by-district electoral system; and

WHEREAS, at its Work Study session on February 9, 2016, the City Council, and the public received presentation regarding the current demographics of the City under the 2010 census and American Community Survey, and the procedures and legal and policy criteria governing districting, and received public comment regarding appropriate criteria; and

WHEREAS, the City Council has fully considered the presentations of its consultants and all of the public comments received and provided instruction for the development of sample districting plans for its review and that of the public; and

WHEREAS, the City Council now wishes to confirm the criteria to guide the establishment of electoral districts consistent with legal requirements, including reasonably equal population and Section 2 of the federal Voting Rights Act, and which address other concerns and considerations important to the City.

NOW, THEREFORE, BE IT RESOLVED as follows:

A. The above recitals are true and correct.

1 B. The City Council hereby formally adopts the criteria identified in Exhibit A
2 to this Resolution as criteria to guide the establishment of electoral districts for the 2016
3 City Council elections.

4 C. The City's redistricting/demographic consulting firm, acting under the
5 supervision of the City Manager, is hereby authorized and directed to formulate all
6 sample electoral district plan scenarios based upon the criteria specified in Exhibit A for
7 review by the public and by the City Council at three public hearings (or more if
8 necessary), in accordance with the adopted timeline.

9 D. The City Manager shall consult with legal counsel to resolve all legal
10 issues necessary to give effect to this Resolution.

11
12 **PASSED, APPROVED, AND ADOPTED** this 8th day of March, 2016.
13
14
15

16
17 _____
18 Bonnie Wright, Mayor
19

20
21 ATTEST:

22 APPROVED AS TO FORM:
23

24
25 _____
26 Sarah McComas, City Clerk
27

28
29 _____
30 Eric S. Vail, City Attorney
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45

1 | **State of California**)
2 | **County of Riverside**)
3 | **City of Hemet**)
4 |

5 | **I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the**
6 | **foregoing Resolution is the actual Resolution adopted by the City Council of the City**
7 | **of Hemet and was passed at a regular meeting of the City Council on the 8th day of**
8 | **March, 2016 by the following vote:**

9 |
10 | **AYES:**
11 | **NOES:**
12 | **ABSTAIN:**
13 | **ABSENT:**
14 |
15 |
16 |
17 |
18 |
19 |
20 |
21 |
22 |
23 |
24 |
25 |
26 |
27 |

Sarah McComas, City Clerk

EXHIBIT A

Specification of Criteria to Guide the Establishment of Electoral Districts

1. The boundaries of the electoral districts shall be established so that the electoral districts are equal in population as defined by law.
2. The boundaries of the electoral districts shall not be gerrymandered in violation of the principles established by the United States Supreme Court in *Shaw v. Reno*, 509 U.S. 630 (1993), and its progeny.
3. The boundaries of the electoral districts shall be established so that the electoral districts do not result in a denial or abridgement of the right of any citizen to vote on account of race or color as provided in Section 2 of the federal Voting Rights Act.
4. The boundaries of the electoral districts shall observe communities of interest as identified in public comment or identified by the city council, including, but not limited to rural or urban populations; social interests; agricultural, industrial or service industry interests; residential and commercial areas, the location of city facilities and historical sites, and the like, insofar as practicable.
5. The boundaries of the electoral districts shall be compact, insofar as practicable.
6. The boundaries of the electoral districts shall be created to contain cohesive, contiguous territory, insofar as practicable.
7. The boundaries of the electoral districts may observe topography and geography, such as the existence of mountains, flat land, forest lands, man-made geographical features such as highways, major roadways and canals, etc., as natural divisions between districts, insofar as practicable.
8. Unless otherwise required by law, the electoral districts shall be created using whole census blocks, insofar as practicable.
9. The boundaries of the electoral districts may avoid the "pairing" of incumbents in the same electoral district, insofar as this does not conflict with the constitution and laws of the State of California and the United States.
10. The boundaries of the electoral districts shall comply with such other factors which become known during the districting process and are formally adopted by the City Council, including the location of the established senior communities within the City.



CITY OF HEMET
Hemet, California
RESOLUTION BILL NO. 16-016

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF HEMET, CALIFORNIA, INITIATING
PROCEDURES FOR ESTABLISHING AND
IMPLEMENTING BY-DISTRICT ELECTIONS FOR
THE CITY OF HEMET CITY COUNCIL MEMBERS

WHEREAS, members of the City Council of the City of Hemet (“City”) are currently elected in “at-large” elections, in which each City Council member is elected by the registered voters of the entire city; and

WHEREAS, California Government Code section 34886, effective January 1, 2016, permits the City Council of a city with a population of fewer than 100,000 people, to change the city’s method of election by ordinance, with certain formalities, to a “by-district” system in which each City Council member is elected only by the voters in the district in which the candidate resides; and

WHEREAS, in December 2015, the City received a letter dated December 16, 2015 asserting the its at-large electoral system violates the California Voting Rights Act, and threatening litigation if the City declined to adopt by-district elections in time for the 2016 City Council elections; and

WHEREAS, though the letter was not accompanied by any evidence to support the claim of a violation, on January 9, 2016, the City Council, after meeting in closed session with its attorneys concluded that the public interest would be better served by avoiding the tremendous expense of litigation to defend against the baseless assertions in the December 16, 2015 letter; and

WHEREAS, the City Council unanimously issued direction to commence the process to establish by-district elections to avoid spending tax dollars defending a meritless but potentially extremely expensive suit, even if the City is victorious; and

WHEREAS, the City has retained an experienced demographer and special legal counsel to assist the City in establishing a by-district electoral system;

NOW, THEREFORE, BE IT RESOLVED as follows:

A. The above recitals are true and correct.

1 B. The City Council hereby resolves to adopt a by-district election system as
2 authorized by Government Code section 34886 for use in the City's General Municipal
3 Election for City Council Members in November 2016.

4 C. The City Council hereby approves the tentative timeline contained in
5 Exhibit A hereto, and incorporated herein by this reference, for conducting a public
6 process to solicit public input and testimony on proposed by-district electoral plans
7 before adopting any such plan.

8 D. The timeline contained in Exhibit A shall be subject to adjustment by the
9 City Council as it deems necessary, provided that such adjustments shall not prevent
10 the City from meeting its goal of finalizing the change to by-district elections in time for
11 the November 2016 elections.

12 E. The City Manager shall consult with legal counsel to resolve all legal
13 issues necessary to give effect to this Resolution.

14
15 **PASSED, APPROVED, AND ADOPTED** this 8th day of March, 201
16
17
18

19 _____
20 Bonnie Wright, Mayor

21
22
23
24 ATTEST:

APPROVED AS TO FORM:

25
26
27 _____
28 Sarah McComas, City Clerk

29 _____
30 Eric S. Vail, City Attorney

1 State of California)
2 County of Riverside)
3 City of Hemet)
4

5 I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the
6 foregoing Resolution is the actual Resolution adopted by the City Council of the City
7 of Hemet and was passed at a regular meeting of the City Council on the 8th day of
8 March, 2016 by the following vote:
9

10 AYES:
11 NOES:
12 ABSTAIN:
13 ABSENT:
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38

Sarah McComas, City Clerk

EXHIBIT A
TENTATIVE TIMELINE: ADOPTION OF “BY-DISTRICT” ELECTION METHOD

DATE	ACTION
January 12, 2016 City Council Meeting	City Council determines to begin process of adopting a “by-district” method of election; approves the retention of a qualified demographic consultant.
February 9, 2016	Presentations by special redistricting counsel regarding legal considerations and appropriate policy criteria governing districting, and by demographic consultant regarding City demographics. Council solicits public input regarding appropriate criteria, and adopts same to guide districting process. Council notices three public hearings regarding draft plans. (Elec. Code § 10010.)
March 1, 2016	Initial draft of district plans to be made publicly available (e.g., posted on City’s website for public consideration and/or hard copies made available at appropriate public location such as City Hall).
March 8, 2016 City Council Meeting	Demographic consultant to present initial draft of district plans; Council holds <u>first</u> public hearing on draft plans; Council may request modifications to any of the plans.
March 22, 2016 City Council Meeting	Council holds <u>second</u> public hearing on district plans; Council may request modifications to any of the plans.
April 12, 2016 City Council Meeting	Council holds <u>third</u> public hearing on district plans; if Council requests modifications to any of the plans, another public hearing will be required. City Council introduces ordinance establishing a “by-district” method of elections and setting election schedule in districts. (Gov. Code §§ 34886(a) & 34878.)
April 26, 2016 City Council Meeting	City Council adopts ordinance establishing a “by-district” method of elections. (Gov. Code § 34886(a).)
May 1, 2016	Goal date prior to November 2016 election that districts may be approved or use at that election.
May 31, 2016	End of Referendum Period after adoption of ordinance establishing a “by-district” method of election.
November 8, 2016	First election using new by-district election system.



AGENDA # 17

Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Alex Meyerhoff, City Manager 
Deanna Elliano, Community Development Director 
Erica Vega, City Attorney

DATE: March 8, 2016

RE: **RESOLUTION TO AUTHORIZE THE FORMATION OF A COMMUNITY FACILITIES DISTRICT FOR INFRASTRUCTURE IMPROVEMENTS FOR THE MCSWEENEY FARMS SPECIFIC PLAN:** Adoption of a Resolution authorizing the California Statewide Communities Development Authority (CSCDA) to form a Community Facilities District (CFD) for Phases 2 and 3 of the McSweeney Farms Specific Plan, for the financing of public infrastructure improvements within the development.

RECOMMENDED ACTION:

That the City Council:

1. ***ADOPT City Council Resolution Bill No. 16-011 to Authorize the California Statewide Communities Development Authority to form a Community Facilities District to fund the construction of public improvements for the McSweeney Farms Specific Plan and approve the form of a Construction Funding and Acquisition Agreement between the City and the Developer, authorizing the City Manager to execute the Final Agreement; and,***
2. *Direct staff to cooperate with the Authority and its consultants in the formation and administration of the District.*

BACKGROUND

At the January 26, 2016 meeting of the City Council, a work study was conducted regarding a request from Raintree Investment Corporation to form a Community Facilities District (CFD) for the purpose of financing the construction of master planned infrastructure within the McSweeney Farms Specific Plan (SP-01-02), located at the southeast corner of State Street and Gibbel Road. Raintree Investment is the master developer for the property, and their letter request is included as Attachment 2. At the conclusion of the work study, the Council agreed in concept that a CFD administered by the California Statewide Communities Development Authority (CSCDA) would be appropriate for the project, and directed staff and the developer to prepare the necessary documents for formal Council consideration and action.

The McSweeney Farms Specific Plan was originally approved by the City in 2003, and allows for the construction of up to 1,640 single family homes, three Neighborhood Parks, a Clubhouse & Pool Facility, an elementary school, a 12 acre commercial site, 100 acres of open space, and a system

of connecting paseos, bike paths, equestrian trails, and pedestrian walkways on a 673 acre property. An aerial photo of the property and the Specific Plan Land Use Plan are included as Attachments 3 and 4 to this report.

The proposed project was planned to be constructed in 3 Phases, as shown in Attachment 5. Sun Cal was the original Master Developer and installed the majority of the backbone infrastructure for Phase 1, and processed a series of subdivision maps for the property (all Phases). At present, all of the maps in Phase 1 have been recorded, and all 310 homes in Phase 1 are currently occupied or are under construction. The Final Maps for Phase 2 are in process, and the Tentative Maps for Phase 3 will expire in December of 2021.

During 2008, the property went into bankruptcy due to the recession. Raintree Investment Corporation purchased the property and took over as the Master Developer. However, before the remaining maps can be recorded and homes constructed in Phases 2 and 3, major infrastructure – like Cactus Valley Wash Drainage Channel - needs to be constructed. Raintree is requesting that the City support the formation of a Community Facilities District (CFD) to provide a financing tool to reimburse the developer for the infrastructure costs so that the project can continue to move forward with new home construction. Raintree has indicated that they have several quality homebuilders who are interested in purchasing the lots in Phases 2 and 3, but are reluctant to move forward until there is greater certainty regarding the financing and construction of the required master planned infrastructure facilities.

The adoption by the City Council of the proposed Resolution Bill No. 16-011 will allow the process to move forward for the formation of a Community Facilities District (CFD) to provide a funding/reimbursement mechanism for the infrastructure. A more detailed description of the CFD, the formation process, the City's role, and the proposed infrastructure is provided below.

PROPOSED COMMUNITY FACILITIES DISTRICT (CFD)

The Mello-Roos Community Facility District Act of 1982 was established to assist new development in providing public improvements to developing areas using tax exempt bond financing. Examples of the types of public facilities that are financed through Community Facility Districts ("CFD") include roads, water and sewer systems, storm drain facilities, public parks and school facilities, and certain operational costs.

Formation and Administration of the CFD

The City can form and administer the CFD, or the CFD can be formed and administered by the California Statewide Communities Development Authority (CSCDA). The CSCDA was created by and for local governments in California, and is sponsored by the California State Association of Counties and the League of California Cities. The CSCDA is a joint powers agency ("JPA") whose members include cities and counties across the state, including the City of Hemet. CSCDA was established in 1988 to provide local governments with an effective tool for financing public infrastructure and other projects of benefit to communities. As a JPA consisting of local governments, CSCDA is a "local agency" under the Mello-Roos Community Facilities Act of 1982 and may establish CFDs on behalf of member agencies. Government Code section 53316.2 requires a "Joint Community Facilities Agreement" to be executed between a member agency and the JPA prior to the commencement of proceedings to establish the CFD by the JPA.

The proposed Resolution would authorize the CSCDA to establish a CFD within Phases 2 and 3 of the McSweeney Farms development in Hemet to finance the improvements listed in Exhibit B to the Resolution, and would constitute the joint community facilities agreement required by

Government Code section 53316.2. In establishing the CFD, the CSCDA would determine the amount of bonds to be issued to fund the improvements and the amount of the special tax levies on the lots within the CFD to repay the bonds. However, the Resolution includes a limitation on the amount of the special tax so that the special tax, plus ad valorem property taxes and any other special assessments on the property, would not exceed 2% of the assessed or appraised value of the property, whichever is higher.

CSCDA will be fully responsible for the administration of the CFD, including employing and paying all consultants, annually levying the special tax and all aspects of paying and administering the bonds, and complying with all State and Federal requirements. The Developer would be responsible for the construction of the public improvements which would ultimately be dedicated to the City. A "Construction Funding and Acquisition Agreement" is attached to the Resolution, and the Resolution would authorize the City Manager to execute the Agreement. The Agreement would require the Developer to design and construct the improvements, and the City would submit to the state for reimbursement to the Developer for the costs of construction from the bond and special tax proceeds available from the CFD after determining that the construction has been completed to City standards.

The bonds are issued as limited obligation bonds secured solely by the special taxes and the underlying property subject to the lien of special taxes. The bonds will only be issued as the value of the property can support them – usually at least a 3:1 value to lien ratio. Therefore, the developer will be responsible for privately funding any infrastructure not financed through the bonds. It is also important to note that because the homes in Phase 1 are already built and occupied, the CFD would only be applied to the future homes in Phase 2 and Phase 3. No existing residents in McSweeney Farms would be affected by the formation of the CFD.

City of Hemet Responsibilities in the CFD Process

In summary, if the Council adopts the proposed Resolution Bill No. 16-011 to authorize CSCDA to form and administer the CFD, the City's roles and responsibilities would be limited to the following:

1. City adopts Resolution to authorize CSCDA to form CFD (acts as a "Joint Community Facilities Agreement")
2. City enters into Funding and Acquisition Agreement between City and Developer
3. City approves all infrastructure plans and inspects the public improvements in the development.
4. City approves all requests for reimbursement for construction of the public facilities by the developer.
5. City submits reimbursement requests to the CSCDA for payment to the developer.
6. City is able to approve final maps and issue building permits for new homes in Phase 2 and 3 when the required master planned construction has satisfied the tract map Conditions of Approval.

The overall benefits to the City of having the CSCDA form and administer the CFD include the following:

- CSCDA is responsible for all the work to form the CFD, and develop the Tax Formula with the Developer, pursuant to the 2% cap
- CSCDA will be responsible for issuing the bonds at a low rate
- CSCDA will administer the CFD and conduct all the annual proceedings and Public Hearings and conducts Election

For the reasons noted above, staff recommends that the Council adopt the proposed resolution

authorizing CSCDA to form and administer the CFD for the project.

PROPOSED INFRASTRUCTURE IMPROVEMENTS

A list of the “authorized infrastructure improvements” that can be constructed with the bond proceeds is contained in Exhibit B of the Resolution, and Exhibits A and D of the Agreement (provided in Attachment 1). The list of authorized improvements will likely exceed the available bond funding, but the list provides the priority of the improvements to be funded and flexibility in the event that there are cost savings to allow additional facilities. The construction of the Cactus Valley Wash Drainage Channel is the number one priority for the bond proceeds. Additional improvements authorized include roadways within and adjacent to the development, parks, community landscaping, and secondary drainage improvements.

For most of the improvements, reimbursement will only occur after the full improvement is completed and the City is willing to accept ownership of the improvement. Reimbursements will be available in installments for the Cactus Valley Wash Channel as portions of the improvement are completed due to the size and cost of the improvement. The Agreement also conditions the payment of reimbursements to the Developer on the formation of a Landscape and Lighting Maintenance District (LLMD) to fund the maintenance of the improvements. The Developer has already submitted engineered plans to the City to facilitate the construction of the channel and the creation of the LLMD.

Cactus Valley Wash Drainage Channel

At the January 26th work study, the Council had questions regarding the drainage system within and downstream of the McSweeney Farms development, and concerns regarding flooding potential. The City Engineering Director, Steve Latino, has provided the following information regarding the existing drainage conditions at the site and the future design of the onsite and downstream drainage. To aid in the description below, maps showing the Drainage Master Plan for the development (Attachment 6), and the existing, interim and ultimate drainage/flooding conditions onsite (Attachment 7) are provided. Please note that as shown in the Aerial Photo (Attachment 3), the channel is currently rough graded (and thus provides some storm water retention capacity), but will need the sides of the channel to be concrete lined and all underground culverts completed.

Cactus Valley Channel and the area surrounding it are currently located in Flood Zone A, which is identified as a 1% annual chance of flood hazard with no base flood elevation. This is due to the fact that the flood maps have not been updated to include the grading of the Cactus Valley Channel. Albert A. Webb Associates have created three exhibits which show the “Pre-Project”, “Interim-Project” and “Post-Project (Attachment 7). The “Interim-Project” (graded condition) is accurate as of the work that has been completed today. It should be noted, that even though the channel is currently graded, completion of the channel will still require the developer to obtain a drainage easement from Metropolitan Water District (MWD) to disperse flows across their property. Currently, the culvert under State Street is not in. In the “interim project” the culverts are in but are back filled so that they do not purvey water. In the “post project” the culverts are completed, and the back fill is removed so they purvey water. As shown in Attachment 7, the northerly portion of the site is subject to flooding until the channel is completed and the flow easement in place.

Engineering staff has been coordinating with the Developer, and has been aware of conversations between the Developer and MWD noting that both the Developer and MWD understand the necessity of the easement and that timing is important. Once the connection is made from Cactus Valley Channel to MWD’s property, the water will flow through MWD’s property as identified in the Diamond Valley Lake Park Specific Plan, through a double 12’X14’ foot reinforced concrete box

(RCB) that has already been installed under Domenigoni Parkway as well as the area graded to concentrate the drainage flows under Domenigoni Parkway. Once the water crosses to the north of Domenigoni Parkway, it is channeled into Salt Creek and ultimately purveyed to the west.

As a part of the Cactus Valley Channel construction, the developer has paid for and submitted a sediment transport study, which is necessary to obtain the appropriate drainage easement onto Metropolitan Water District's property. The decision to move forward with this is due to the fact that even if a temporary detention basin was installed on the commercial property at the southeast corner of State Street and Domenigoni Parkway, it couldn't handle a 100-year storm (it could only handle approximately a 25-year storm) so the ultimate improvements will need to be completed. Once the work is completed, the "Post-Project" exhibit will be submitted to FEMA to get the flood maps revised removing the intersection of State Street and Domenigoni Parkway, as well as all remaining lots in McSweeny Farms.

CONSISTENCY WITH ADOPTED GOALS, PLANS, AND PROGRAMS

The proposed Resolution and formation of the CFD for public infrastructure is consistent with the McSweeny Farms Specific Plan, and the General Plan Goals and Policies under CSI-1 (adequate infrastructure to serve development), and CSI-4 (stormwater management systems). The Resolution is also consistent with the City's adopted policies for CFD formation and maximum tax rates of 2% as embodied in previously approved City Council Resolutions 3168 and 3944.

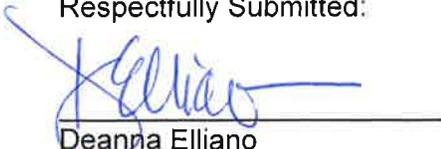
COORDINATION AND PUBLIC REVIEW

The Community Development Director, Engineering Director, Public Works Director, and the City Attorney have been working closely with the developer and his consultant team on the proposed Resolution and the list of authorized infrastructure improvements. A work study on the concepts, policies, and administration of the CFD was held at the City Council meeting of January 26, 2016. No members of the public spoke at that time regarding the proposal. A noticed public hearing is not required for the adoption of the Resolution by the Council.

FISCAL IMPACT

Most importantly from a fiscal standpoint, the CFD bonds are not secured by any funds of the City, such as the General Fund. The bonds are issued as limited obligation bonds secured solely by the special taxes and the underlying property subject to the lien of special taxes. The bonds will only be issued as the value of the property can support them – usually at least a 3:1 value to lien ratio. The CFD would be set up as "reimbursement funding" – the developer would construct the facilities and then be reimbursed by the bond proceeds. Therefore, the City and the future residents can be assured that the infrastructure will be in place to serve the development. In addition, by City policy embedded in the Resolution, the total tax burden (property tax, LLMD, CFD, other agencies, etc.) for the future homeowners would not exceed 2% of the assessed valuation. No existing residents in Phase 1 will be affected or required to pay additional taxes as a result of the formation of the CFD.

Respectfully Submitted:



Deanna Elliano

Community Development Director

ATTACHMENTS:

1. City Council Resolution Bill No. 16-011 authorizing formation of the CFD for McSweeny Farms
2. Letter from the Applicant, Matt Villalobos of Raintree Investment Corp., dated January 21, 2016
3. Aerial Photo of the McSweeny Farms SP property
4. McSweeny Farms SP 01-02 Adopted Land Use Plan
5. Phasing Plan for SP 01-02
6. Drainage Master Plan for SP 01-02
7. Cactus Valley Wash Floodplain Maps for Current, Interim, and Post-project Conditions

ATTACHMENT 1

RESOLUTION BILL NO. 16-011

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA (1) AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (THE "AUTHORITY") TO FORM A COMMUNITY FACILITIES DISTRICT WITHIN THE TERRITORIAL LIMITS OF THE CITY OF HEMET TO FINANCE CERTAIN PUBLIC IMPROVEMENTS; (2) EMBODYING A JOINT COMMUNITY FACILITIES AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS OF THE COMMUNITY FACILITIES DISTRICT FINANCING; (3) APPROVING AN ACQUISITION AGREEMENT BETWEEN THE CITY AND THE DEVELOPER; AND (4) AUTHORIZING STAFF TO COOPERATE WITH THE AUTHORITY AND ITS CONSULTANTS IN CONNECTION THEREWITH.

WHEREAS, the City of Hemet (the "City") is a municipal corporation duly organized and existing under and by virtue of the laws of the State of California (the "State");

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is a California joint-exercise of powers authority lawfully formed and operating within the State pursuant to an agreement (the "Joint Powers Agreement") entered into as of June 1, 1988 under the authority of Title 1, Division 7, Chapter 5 (commencing with Section 6500) of the California Government Code;

WHEREAS, the City is a party to the Joint Powers Agreement and by virtue thereof a member (a "Program Participant") of the Authority;

WHEREAS, the Joint Powers Agreement was entered into to establish the Authority as an agency authorized to issue bonds to finance projects within the territorial limits of its Program Participants;

WHEREAS, the Joint Powers Agreement authorizes the Authority to undertake financing programs under any applicable provisions of State law to promote economic development, the stimulation of economic activity, and the increase of the tax base within the jurisdictional boundaries of its Program Participants;

WHEREAS, the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State (the "Act") is an applicable provision of State law available to, among other things, finance public improvements necessary to meet increased demands placed upon local agencies as a result of development;

WHEREAS, there is a development project in the City commonly known as McSweeney Farms (the "Development Project") owned by McSweeney Farms Recovery Acquisition, LLC, (the "Developer") and the Developer has requested the City to

consider formation of a community facilities district for the Development Project under the Act;

WHEREAS, the City does not desire to allocate City resources and City staff time to the formation and administration of a community facilities district and to the issuance of bonds;

WHEREAS, the Development Project will promote economic development, the stimulation of economic activity, and the increase of the tax base within the City;

WHEREAS, both the Authority and the City are “local agencies” under the Act;

WHEREAS, the Act permits two or more local agencies to enter into a joint community facilities agreement to exercise any power authorized by the Act;

WHEREAS, the City desires to enter into such an agreement with the Authority to authorize the Authority to form a community facilities district within the territorial limits of the City to finance public improvements required of the Development Project;

WHEREAS, a form of Construction Funding and Acquisition Agreement (the “Acquisition Agreement”) between the City and the Developer has been presented to the City Council and is on file with the City Clerk;

WHEREAS, nothing herein constitutes the City’s approval of any applications, Development Project entitlements and/or permits, and such, to the extent required in the future, are subject to and contingent upon City Council approval following, to the extent applicable, environmental review in compliance with the California Environmental Quality Act (“CEQA”);

WHEREAS, nothing herein affects, without limitation, requirements for and/or compliance with any and all applicable and/or necessary improvement standards, land use requirements or subdivision requirements relating to the Development Project or any portion thereof, which obligations are and shall remain independent and subsisting; and

WHEREAS, the City Council is fully advised in this matter.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Hemet that it does hereby find, determine, declare and resolve as follows:

Section 1. The City hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to municipal affairs of the City and the statements, findings and determinations of the City set forth in the recitals above and in the preambles of the documents approved herein are true and correct.

Section 2. This resolution shall constitute full “local approval,” under Section 9 of the Joint Powers Agreement, and under the Authority’s Local Goals and Policies (see below), for the Authority to undertake and conduct proceedings in accordance herewith

and under the Act to form a community facilities district (the "Community Facilities District") with boundaries substantially as shown on Exhibit A, attached hereto, and to authorize a special tax and to issue bonds with respect thereto.

Section 3. The Joint Powers Agreement, together with the terms and provisions of this resolution, shall together constitute a joint community facilities agreement between the City and the Authority under the Act. As, without this resolution, the Authority has no power to conduct proceedings under the Act to form the Community Facilities District, adoption by the Commission of the Authority of the Resolution of Intention to form the Community Facilities District under the Act shall constitute acceptance of the terms hereof by the Authority.

Section 4. This resolution and the agreement it embodies are determined to be in the best interests of the residents of the City, and of the future residents of the area within the Community Facilities District.

Section 5. The Authority has adopted Local Goals and Policies as required by Section 53312.7 of the Act. The City approves the use of those Local Goals and Policies in connection with the Community Facilities District. The City hereby agrees that the Authority may act in lieu of the City under those Local Goals and Policies in forming and administering the Community Facilities District. The City has also adopted Local Goals and Policies similar to the Authority's Local Goals and Policies, but the City agrees that its Local Goals and Policies shall not apply to the Community Facilities District, except that the following policy from the City's Local Goals and Policies shall be followed: At the time the rate and method of apportionment for the special tax is approved, the amount of the special tax to be levied annually on each parcel of residential real property, together with ad valorem property taxes and any other special taxes or assessments, including Landscape, Lighting and Maintenance Districts assessments, levied on the property, does not exceed two percent (2%) of the assessed or appraised value of such property, whichever is higher.

Section 6. Pursuant to the Act and this resolution, the Authority may conduct proceedings under the Act to form the Community Facilities District and to have it authorize the financing of the facilities set forth on Exhibit B, attached hereto. All of the facilities are facilities that have an expected useful life of five years or longer and are facilities that the City or other local public agencies, as the case may be, are authorized by law to construct, own or operate, or to which they may contribute revenue. The facilities are referred to herein as the "Improvements," and the Improvements to be owned by the City are referred to as the "City Improvements."

Section 7. For the Improvements to be owned by other local agencies, the Authority will separately identify them in its proceedings, and will enter into joint community facilities agreements with those local agencies prior to issuing bonds to finance such Improvements, as required by the Act. Each joint community facilities agreement with a City will contain a provision that the City will provide indemnification to the City to the same extent that the City provides indemnification to the local agencies under the terms of this resolution.

Section 8. The City Council certifies to the Commission of the Authority that all of the City Improvements are necessary to meet increased demands placed upon the City of Hemet as a result of development occurring or expected to occur within the Community Facilities District. Joint community facilities agreements with other local agencies will each contain a certification with respect to the Improvements to be owned by the City equivalent to that made by the City in this paragraph.

Section 9. The Authority will apply the special tax collections initially as required by the documents under which any bonds are issued; and thereafter, to the extent not provided in the bond documents, may pay its own reasonable administrative costs incurred in the administration of the Community Facilities District. The Authority will remit any special tax revenues remaining after the final retirement of all bonds to the City and to the other local agencies in the proportions specified in the Authority's proceedings. The City will apply any such special tax revenues it receives for authorized City Improvements and its own administrative costs only as permitted by the Act. The joint community facilities agreements with other local agencies must require the other local agencies to apply the special tax revenues they receive for their authorized Improvements under the Community Facilities District and for their own related administrative costs only as permitted by the Act.

Section 10. The Authority will administer the Community Facilities District, including employing and paying all consultants, annually levying the special tax and all aspects of paying and administering the bonds, and complying with all State and Federal requirements appertaining to the proceedings, including the requirements of the United States Internal Revenue Code. The City will cooperate fully with the Authority in respect of the requirements of the Internal Revenue Code and to the extent information is required of the City to enable the Authority to perform its disclosure and continuing disclosure obligations with respect to the bonds, although the City will not participate in nor be considered to be a participant in the proceedings respecting the Community Facilities District (other than as a party to the agreement embodied by this resolution) nor will the City be or be considered to be an issuer of the bonds. The Authority is required to obtain a provision equivalent to this paragraph in all joint community facilities agreements with other local agencies.

Section 11. In the event the Authority completes issuance and sale of bonds, and bond proceeds become available to finance the Improvements, the Authority shall establish and maintain a special fund to be known as the "City of Hemet McSweeney Farms Community Facilities District Acquisition and Construction Fund" (the "Acquisition and Construction Fund"). The portion of bond proceeds which is intended to be utilized to finance the Improvements shall be deposited in the Acquisition and Construction Fund. The Acquisition and Construction Fund will be available both for City Improvements and for the Improvements pertaining to the other local agencies.

Section 12. As respects the Authority and the other local agencies, the City agrees to fully administer, and to take full governmental responsibility for, the construction or acquisition of the City Improvements including but not limited to environmental review, approval of plans and specifications, bid requirements,

performance and payment bond requirements, insurance requirements, contract and construction administration, staking, inspection, acquisition of necessary property interests in real or personal property, the holding back and administration of retention payments, punch list administration, and the Authority and the other local agencies shall have no responsibility in that regard. The City reserves the right, as respects the Developer, to require the Developer to contract with the City to assume any portion or all of this responsibility. The Authority is required to obtain provisions equivalent to this paragraph in the joint community facilities agreement with the other local agencies.

Section 13. The City agrees to indemnify and to hold the Authority, its other members, and its other members' officers, agents and employees, and the other local agencies and their officers, agents and employees (collectively, the "Indemnified Parties") harmless from any and all claims, suits and damages (including costs and reasonable attorneys' fees) arising out of the design, engineering, construction and installation of the City Improvements. The City reserves the right, as respects the Developer, to require the Developer to assume by contract with the City any portion or all of this responsibility. The Authority is required to obtain a provision equivalent to this paragraph in all joint community facilities agreements with the other local agencies naming the City and its officers, agents and employees as Indemnified Parties with respect to the other local agencies' Improvements.

Section 14. As respects the Authority and the other local agencies, the City agrees – once the City Improvements are constructed according to the approved plans and specifications, and the City and the Developer have put in place their agreed arrangements for the funding of maintenance of the City Improvements – to accept ownership of the City Improvements, to take maintenance responsibility for the City Improvements, and to indemnify and hold harmless the Indemnified Parties to the extent provided in the preceding paragraph from any and all claims, etc., arising out of the use and maintenance of the City Improvements. The City reserves the right, as respects the Developer, to require the Developer by contract with the City to assume any portion or all of this responsibility. The Authority is required to obtain a provision equivalent to this paragraph in all joint community facilities agreements with other local agencies naming the City and its officers, agents and employees as Indemnified Parties.

Section 15. The City acknowledges the requirement of the Act that if the City Improvements are not completed prior to the adoption, by the Authority Commission, of the Resolution of Formation of the Community Facilities District, the City Improvements must be constructed as if they had been constructed under the direction and supervision, or under the authority of, the City. The City acknowledges that this means all City Improvements must be constructed under contracts that require the payment of prevailing wages as required by Section 1720 and following of the Labor Code of the State of California. The Authority makes no representation that this requirement is the only applicable legal requirement in this regard. The City reserves the right, as respects the Developer, to assign appropriate responsibility for compliance with this paragraph to the Developer.

Section 16. The form of the Construction Funding and Acquisition Agreement attached hereto as Exhibit C is hereby approved, and the City Manager or such officer's designee (the "Authorized Officer") is authorized to execute, and deliver to the Developer, the Acquisition Agreement on behalf of the City in substantially that form, with such changes as shall be approved by the Authorized Officer after consultation with the City Attorney and the Authority's bond counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 17. After completion of the City Improvements and appropriate arrangements for the maintenance of the City Improvements, or any discrete portion thereof as provided in Section 53313.51 of the Act and in the Construction Funding and Acquisition Agreement, to the satisfaction of the City, and in conjunction with the City's acceptance thereof, acquisition of the City Improvements shall be undertaken as provided in the Construction Funding and Acquisition Agreement.

Section 18. The City hereby consents to the formation of the Community Facilities District in accordance with this resolution and consents to the assumption of jurisdiction by the Authority for the proceedings respecting the Community Facilities District with the understanding that the Authority will hereafter take each and every step required for or suitable for consummation of the proceedings, the levy, collection and enforcement of the special tax, and the issuance, sale, delivery and administration of the bonds, all at no cost to the City and without binding or obligating the City's general fund or taxing authority. The City consents to the levy of a special tax within the Community Facilities District to be established by the Authority, provided that at the time the rate and method of apportionment for the special tax is approved by the Authority the amount of the special tax to be levied annually on each parcel of residential real property, together with ad valorem property taxes and any other special taxes or assessments, including Landscape, Lighting and Maintenance Districts assessments, levied on the property, does not exceed two percent (2%) of the assessed or appraised value of such property, whichever is higher.

Section 19. The terms of the Agreement embodied by this resolution may be amended by a writing duly authorized, executed and delivered by the City and the Authority, except that no amendment may be made after the issuance of the bonds by the Authority that would be detrimental to the interests of the bondholders without complying with all of the bondholder consent provisions for the amendment of the bond resolutions, bond indentures or like instruments governing the issuance, delivery and administration of all outstanding bonds.

Section 20. Except to the extent of the indemnifications extended to the other local agencies in the Agreement embodied by this resolution, and the City's agreement to take responsibility for and ownership of the City Improvements, no person or entity, including the Developer, shall be deemed to be a third party beneficiary of this resolution, and nothing in this resolution (either express or implied) is intended to confer upon any person or entity other than the Authority and the City (and their respective successors and assigns) any rights, remedies, obligations or liabilities under or by reason of this resolution.

Section 21. The City shall be identified as a third-party beneficiary of all joint community facilities agreements between the Authority and the other local agencies to the extent of the indemnification provisions and the provisions whereby the local agencies agree to take responsibility for and ownership of their Improvements.

Section 22. This resolution shall remain in force until all bonds have been retired and the authority to levy the special tax conferred by the Community Facilities District proceedings has ended or is otherwise terminated.

Section 23. The City Council hereby authorizes and directs the Authorized Officer and other appropriate City staff to cooperate with the Authority and its consultants and to do all things necessary and appropriate to carry out the intent of this resolution and the Community Facilities District financing, and to execute any and all certificates and documents in connection with the bond issuance as shall be approved by the Authorized Officer after consultation with the City Attorney and the Authority's bond counsel.

Section 24. The City Council hereby approves delivery of a certified copy of this resolution to the Authority's Bond Counsel, Orrick, Herrington & Sutcliffe LLP.

Section 25. This Resolution shall take effect upon its adoption.

PASSED, APPROVED, AND ADOPTED this ____ day of _____, 2016

Bonnie Wright, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

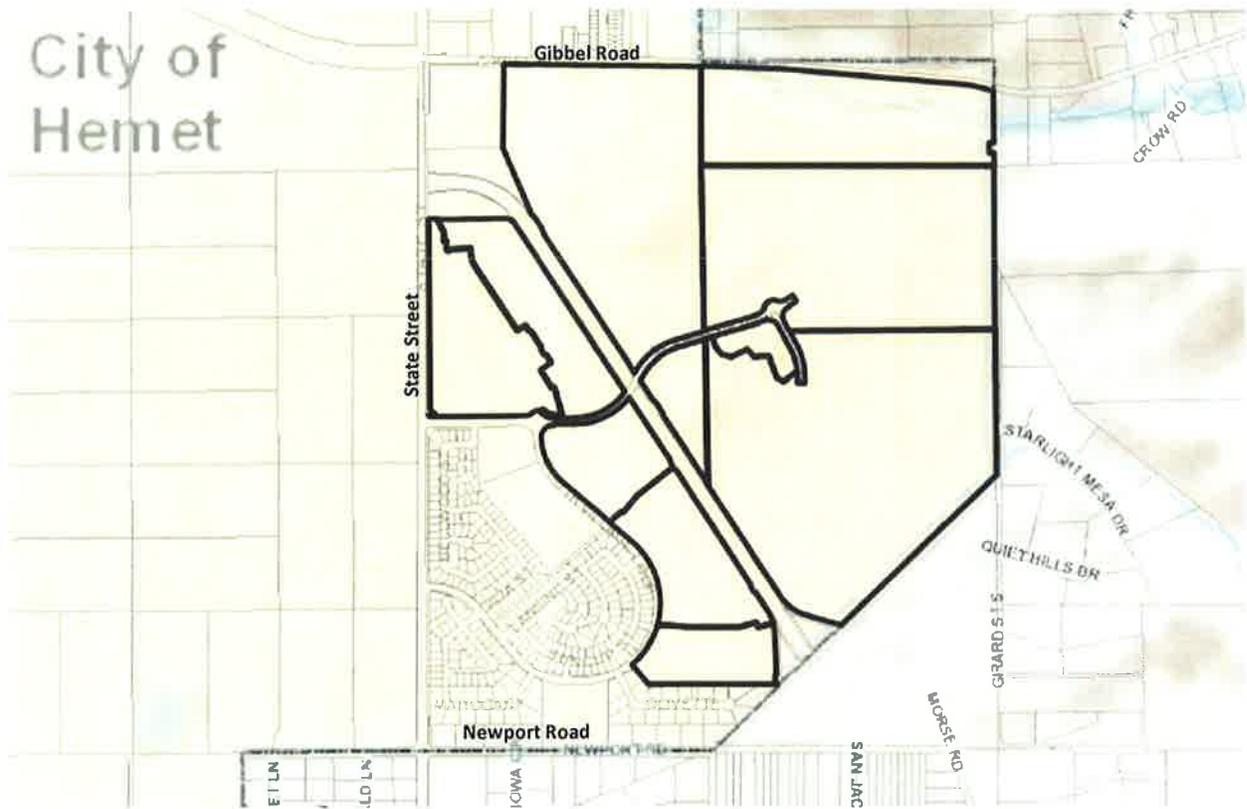
EXHIBIT A

COMMUNITY FACILITIES DISTRICT BOUNDARIES

[ATTACHED]

Proposed CFD Boundary Area

McSweeny



APN List

- 454-400-015
- 454-400-016
- 454-400-012
- 454-400-013
- 454-400-014
- 454-170-011
- 454-100-018
- 454-180-005
- 454-180-012
- 454-170-013

EXHIBIT B

AUTHORIZED IMPROVEMENTS

<u>AUTHORIZED IMPROVEMENTS</u>	<u>BUDGETED AMOUNTS</u>
1. Cactus Valley Wash Improvements	\$19,394,595
2. Phase 1 Punch List:	\$2,243,035
a) State Street Improvements	
b) McSweeny Parkway Improvements	
c) Newport Road Improvements	
3. Phase 2 Master Plan Landscaping & Park	\$2,392,737
4. Phase 3 Road Improvements	\$6,958,936
a) McSweeny Parkway	
b) North Village Loop	
5. Phase 3 Park Improvements	\$3,861,278
a) PA 37	
b) PA 38	
6. Phase 3 Gibbel Road Improvements	\$5,145,795
7. Phase 3 Drainage Improvements	\$6,393,143
a) Avery Canyon Wash	
b) Lorenz Canyon Wash	

Specific improvements and their budgeted costs for Authorized Improvements 1-7 are listed in the Developer's cost estimate dated February, 2016 and included in the Construction Funding and Acquisition Agreement.

EXHIBIT C

FORM OF CONSTRUCTION FUNDING AND ACQUISITION AGREEMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

CONSTRUCTION FUNDING AND ACQUISITION AGREEMENT

BY AND BETWEEN

CITY OF HEMET

AND

MCSWEENEY FARMS RECOVERY ACQUISITION, LLC

Dated as of _____, 20__

CONSTRUCTION FUNDING AND ACQUISITION AGREEMENT

Recitals

A. The parties to this Construction Funding and Acquisition Agreement (the "Agreement") are the CITY OF HEMET, (the "City"), and MCSWEENY FARMS RECOVERY ACQUISITION, LLC (the "Developer").

B. The effective date of this Agreement is _____, 20__.

C. The Developer has applied for the financing of certain public capital improvements (collectively, the "Acquisition Improvements") through the California Statewide Communities Development Authority (the "Authority") and its Statewide Community Infrastructure Program ("SCIP"). The public capital improvements are to be owned and operated by the City, and the financing is to be accomplished through a Community Facilities District which will be administered by the Authority under and pursuant to the Mello-Roos Community Facilities Act of 1982 – California Government Code Sections 53311 and following (the "Act"). On [____], 20__, the City adopted Resolution No. [____] authorizing the Authority to form a community facilities district (the "Community Facilities District") within the territorial limits of the City to finance the Acquisition Improvements. On [____], 20__, the Authority formed the Community Facilities District and, on the same date, a landowner election was conducted in which all of the votes were cast unanimously in favor of conferring the Community Facilities District authority on the Authority Commission.

D. Under SCIP, the Authority intends to levy special taxes and issue bonds to fund, among other things, all or a portion of the costs of the Acquisition Improvements. The portion of the proceeds of the special taxes and bonds allocable to the cost of the Acquisition Improvements, together with interest earned thereon, is referred to herein as the "Available Amount".

E. The Authority will provide financing for the acquisition by the City of the Acquisition Improvements and the payment of the Acquisition Price (as defined herein) of the Acquisition Improvements from the Available Amount. Attached hereto as Exhibit A is a description of the Acquisition Improvements, which includes authorized discrete and usable portions, if any, of the public capital improvements, pursuant to Section 53313.51 of the Act, to be acquired from the Developer.

F. The parties anticipate that, upon completion of the Acquisition Improvements and subject to the terms and conditions of this Agreement, the City will acquire the completed Acquisition Improvements.

G. Any and all monetary obligations of the City arising out of this Agreement are the special and limited obligations of the City payable only from the Available Amount, and no other funds whatsoever of the City shall be obligated therefor under any circumstances.

H. Attached to this Agreement are Exhibit A (the Acquisition Improvements

and the Eligible Portions thereof), Exhibit B (form of Requisition), and Exhibit C (Bidding, Contracting and Construction Requirements for Acquisition Improvements), all of which are incorporated into this Agreement for all purposes.

Agreement

ARTICLE I

DEFINITIONS; COMMUNITY FACILITIES DISTRICT FORMATION AND FINANCING PLAN

Section 1.01. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

“Acceptable Title” means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except those items which are reasonably determined by the City Engineer not to interfere with the intended use and therefore are not required to be cleared from the title.

“Acquisition and Construction Fund” means the “City of Hemet McSweeny Farms Community Facilities District Acquisition and Construction Fund” established by the Authority pursuant to the Resolution and Section 1.03 hereof for the purpose of paying the Acquisition Price of the Acquisition Improvements.

“Acquisition Improvement” means a public capital improvement described in Exhibit A hereto.

“Acquisition Price” means the total amount eligible to be paid to the Developer upon acquisition of an Acquisition Improvement as provided in Section 2.03 not to exceed the Actual Cost of the Acquisition Improvement.

“Actual Cost” means the total cost of an Acquisition Improvement, as documented by the Developer to the satisfaction of the City and as certified by the City Engineer in an Actual Cost Certificate including, without limitation, (a) the Developer’s cost of constructing such Acquisition Improvement including grading, labor, material and equipment costs, (b) the Developer’s cost of designing and engineering the Acquisition Improvement, preparing the plans and specifications and bid documents for such Acquisition Improvement, and the costs of inspection, materials testing and construction staking for such Acquisition Improvement, (c) the Developer’s cost of any performance, payment and maintenance bonds and insurance, including title insurance, required hereby for such Acquisition Improvement, (d) the Developer’s cost of any real property or interest therein that is either necessary for the construction of such Acquisition Improvement (e.g., temporary construction easements, haul roads, etc.), or is required to be conveyed with such Acquisition Improvement in order to convey Acceptable Title thereto to the City or its designee, (e) the Developer’s cost of environmental evaluation or mitigation required for such Acquisition Improvement, (f) the amount of any fees actually paid by the Developer to governmental agencies in order to obtain permits,

licenses or other necessary governmental approvals and reviews for such Acquisition Improvement, (g) the Developer's cost for construction and project management, administration and supervision services for such Acquisition Improvement, (h) the Developer's cost for professional services related to such Acquisition Improvement, including engineering, accounting, legal, financial, appraisal and similar professional services, and (i) the costs of construction financing incurred by the Developer with respect to such Acquisition Improvement.

"Actual Cost Certificate" means a certificate prepared by the Developer detailing the Actual Cost of an Acquisition Improvement, or an Eligible Portion thereof, to be acquired hereunder, as may be revised by the City Engineer pursuant to Section 2.03.

"Agreement" means this Construction Funding and Acquisition Agreement, dated as of [_____], 20__.

"Authority" means the California Statewide Communities Development Authority.

"Authority Trust Agreement" means a Trust Agreement entered into by the Authority and an Authority Trustee in connection with the issuance of bonds.

"Authority Trustee" means the financial institution identified as trustee in an Authority Trust Agreement.

"Available Amount" shall have the meaning assigned to the term in Recital D.

"Bonds" means bonds or other indebtedness issued by the Authority that is to be repaid with Special Taxes.

"City" means the City of Hemet.

"City Engineer" means the Engineer of the City or his/her designee who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

"Code" means the Government Code of the State of California.

"Community Facilities District" shall have the meaning assigned to the term in Recital C.

"Developer" means McSweeny Farms Recovery Acquisition, LLC, a Delaware Limited Liability Company, its successors and assigns.

"Disbursement Request Form" means a requisition for payment of funds from the Acquisition and Construction Fund for an Acquisition Improvement, or an Eligible Portion thereof in substantially the form contained in Exhibit B hereto.

"Eligible Portion" shall have the meaning ascribed to it in Section 2.03 below

“Installment Payment” means an amount equal to ninety percent (90%) of the Actual Cost of an Eligible Portion.

“Project” means the Developer’s development of the property in the Community Facilities District, including the design and construction of the Acquisition Improvements and the other public and private improvements to be constructed by the Developer within the Community Facilities District.

“Resolution” means City of Hemet Resolution No. [____], adopted [____], 20__ titled “A Resolution of the City of Hemet (1) Authorizing The California Statewide Communities Development Authority (The “Authority”) To Form A Community Facilities District Within The Territorial Limits Of the City of Hemet To Finance Certain Public Improvements; (2) Embodying A Joint Community Facilities Agreement Setting Forth The Terms And Conditions Of The Community Facilities District Financing; (3) Approving An Construction Funding and Acquisition Agreement Between the City And The Developer; and (4) Authorizing Staff To Cooperate With The Authority And Its Consultants In Connection Therewith.”

“Special Taxes” means annual special taxes, and prepayments thereof, authorized by the Community Facilities District to be levied by the Commission of the Authority.

“Title Documents” means, for each Acquisition Improvement acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements), or an irrevocable offer of dedication of such real property with interests therein necessary to the operation, maintenance, rehabilitation and improvement by the City of the Acquisition Improvement (including, if necessary, easements for ingress and egress) and a bill of sale or similar instrument evidencing transfer of title to the Acquisition Improvement (other than said real property interests) to the City, where applicable.

Section 1.02. Establishment of Community Facilities District. Developer has requested the City to permit the Authority to provide for financing of the Acquisition Improvements through the establishment and authorization of the Community Facilities District and the City agreed by its adoption of the Resolution. The Community Facilities District was established by the Authority on [____], 20__, and through the successful landowner election held that same day, the Commission of the Authority is authorized to levy the Special Taxes and to issue the Bonds to finance the Acquisition Improvements. Developer and the City agree to reasonably cooperate with one another and with the Authority in the completion of the financing through the issuance of the Bonds in one or more series.

Section 1.03. Deposit and Use of Available Amount .

(a) Prior to the issuance of Bonds, Special Taxes collected by the Authority shall be deposited in the Acquisition and Construction Fund established by the Resolution, and may be disbursed to pay the Acquisition Price of Acquisition

Improvements in accordance with Article II of this Agreement. All funds in the Acquisition and Construction Fund shall be considered a portion of the Available Amount, and upon the issuance of the Bonds the Acquisition and Construction Fund shall be transferred to the Authority Trustee to be held in accordance with the Authority Trust Agreement.

(b) Upon the issuance of the Bonds, the Authority will cause the Authority Trustee to establish and maintain the Acquisition and Construction Fund for the purpose of holding all funds for the Acquisition Improvements. All earnings on amounts in the Acquisition and Construction Fund shall remain in the Acquisition and Construction Fund for use as provided herein and pursuant to the Authority Trust Agreement. Money in the Acquisition and Construction Fund shall be available to respond to delivery of a Disbursement Request Form and to be paid to the Developer or its designee to pay the Acquisition Price of the Acquisition Improvements, as specified in Article II hereof. Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, any remaining funds in the Acquisition and Construction Fund (less any amount determined by the City as necessary to reserve for claims against the account) (i) shall be applied to pay the costs of any additional Acquisition Improvements eligible for acquisition with respect to the Project as approved by the Authority and, to the extent not so used, (ii) shall be applied by the Authority to call Bonds or to reduce Special Taxes as the Authority shall determine.

Section 1.04. No City Liability; City Discretion; No Effect on Other Agreements. In no event shall any actual or alleged act by the City or any actual or alleged omission or failure to act by the City with respect to SCIP subject the City to monetary liability therefor. Further, nothing in this Agreement shall be construed as affecting the Developer's or the City's duty to perform their respective obligations under any other agreements, public improvement standards, land use regulations or subdivision requirements related to the Project, which obligations are and shall remain independent of the Developer's and the City's rights and obligations under this Agreement.

ARTICLE II

DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

Section 2.01. Letting and Administering Design Contracts. The Developer has awarded and administered, or will award and administer, engineering design contracts for the Acquisition Improvements to be acquired from Developer. All eligible expenditures of the Developer for design engineering and related costs in connection with the Acquisition Improvements (whether as an advance to the City or directly to the design consultant) shall be reimbursed at the time of acquisition of the Acquisition Improvements. The Developer shall be entitled to reimbursement for any design costs of the Acquisition Improvements only out of the Acquisition Price as provided in Section 2.03 and shall not be entitled to any payment for design costs independent of the acquisition of Acquisition Improvements.

Section 2.02. Letting and Administration of Construction Contracts; Indemnification. State law requires that all Acquisition Improvements not completed prior to the formation of the Community Facilities District shall be constructed as if they were constructed under the direction and supervision, or under the authority, of the City. In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof, Developer agrees to comply with the requirements set forth in Exhibit C hereto with respect to the bidding and contracting for the construction of the Acquisition Improvements. The Developer agrees that all the contracts shall call for payment of prevailing wages as required by the Labor Code of the State of California. The Developer's indemnification obligation set forth in Section 3.01 of this Agreement shall also apply to any alleged failure to comply with the requirements of this Section, and/or applicable State laws regarding public contracting and prevailing wages. The parties agree that this Section 2.02 serves as a delegation to the Developer of all the City's responsibilities pursuant to Section 15 of Resolution No. __ of the City of Hemet.

Section 2.03. Sale of Acquisition Improvements. The Developer agrees to sell to the City each Acquisition Improvement to be constructed by Developer (including any rights-of-way or other easements necessary for the Acquisition Improvements, to the extent not already publicly owned), when the Acquisition Improvement is completed to the satisfaction of the City for an amount not to exceed the lesser of (i) the Available Amount or (ii) the Actual Cost of the Acquisition Improvement. Exhibit A, attached hereto and incorporated herein, contains a list of the Acquisition Improvements. Portions of an Acquisition Improvement eligible for Installment Payments prior to completion of the entire Acquisition Improvement are described as either a) discrete portions of any of the Acquisition Improvements listed in Exhibit A; capable of serviceable use or b) discrete portions or phases of the partially completed Cactus Valley Wash Channel Acquisition Improvement (the "Channel"), regardless of whether the portion or phase is capable of serviceable use, provided for each such disbursement the City Engineer certifies that the payment made is proportionate to the progress on the entire Channel and that remaining funds (including any developer equity previously deposited to the Acquisition and Construction Fund) are estimated to be sufficient to complete the Channel_ (each, an "Eligible Portion"). At the time of completion of each Acquisition Improvement, the Developer shall deliver to the City Engineer a written request for acquisition, accompanied by an Actual Cost Certificate, and by executed Title Documents for the transfer of the Acquisition Improvement where necessary. In the event that the City Engineer finds that the supporting paperwork submitted by the Developer fails to demonstrate the required relationship between the subject Actual Cost and eligible work, the City Engineer shall advise the Developer that the determination of the Actual Cost (or the ineligible portion thereof) has been disallowed and shall request further documentation from the Developer. If the further documentation is still not adequate, the City Engineer may revise the Actual Cost Certificate to delete any disallowed items and the determination shall be final and conclusive.

Certain soft costs for the Acquisition Improvements, such as civil engineering, may have been incurred pursuant to single contracts that include work relating also to the private portions of the Project. In those instances, the total costs under such

contracts will be allocated to each Acquisition Improvement as approved by the City Engineer. Where a specific contract has been awarded for design or engineering work relating solely to an Acquisition Improvement, one hundred percent (100%) of the costs under the contract will be allocated to that Acquisition Improvement. Amounts allocated to an Acquisition Improvement will be further allocated among the Eligible Portions of that Acquisition Improvement, if any, in the same proportion as the amount to be reimbursed for hard costs for each Eligible Portion bears to the amount to be reimbursed for hard costs for the entire Acquisition Improvement. Costs will be allocated to each Acquisition Improvement as approved by the City Engineer. The costs of certain environmental mitigation required to mitigate impacts of the public and private portions of the Project will be allocated to each Acquisition Improvement as approved by the City Engineer.

Section 2.04. Conditions Precedent to Payment of Acquisition Price. Payment to the Developer or its designee of the Acquisition Price for an Acquisition Improvement from the Acquisition and Construction Fund shall in every case be conditioned first upon the determination of the City Engineer, pursuant to Section 2.03, that the Acquisition Improvement satisfies all City regulations and ordinances and is otherwise complete and ready for acceptance by the City, and shall be further conditioned upon satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the City with lien releases or other similar documentation satisfactory to the City Engineer as evidence that none of the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvement, to the extent not already publicly owned) comprising the Acquisition Improvement, and the property which is subject to the special taxes of the Community Facilities District, is not subject to any prospective mechanics lien claim respecting the Acquisition Improvements.

(b) The Developer shall be current in the payment of all due and payable general property taxes, and all special taxes of the Community Facilities District, on property owned by the Developer or under option to the Developer within the Community Facilities District.

(c) The Developer shall certify that it is not in default with respect to any loan secured by any interest in the Project.

(d) The Developer shall have provided the City with Title Documents needed to provide the City with title to the site, right-of-way, or easement upon which the subject Acquisition Improvement is situated. All such Title Documents shall be in a form acceptable to the City and shall convey Acceptable Title. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the City Engineer and the City Attorney insuring the City as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the City and the Developer. Each title insurance policy required hereunder shall be in the amount equal to the Acquisition Price. The amount paid to the Developer or its designee upon satisfaction of the

foregoing conditions precedent shall be the Acquisition Price less all Installment Payments paid previously with respect to the Acquisition Improvement.

(e) The Developer shall have taken all step necessary, provided all information necessary, and shall have caused the requisite number of landowner votes to approve the district, for the City to establish a Landscaping and Lighting Maintenance District (LLMD) to take maintenance responsibility over the Acquisition Improvements, or such other type of district suitable to City. This Section 2.04(e) serves as a delegation to the Developer of all the City's maintenance responsibilities pursuant to Section 14 of Resolution No. _ of the City of Hemet. The Developer's indemnification obligation set forth in Section 3.01 of this Agreement shall also apply to any alleged failure to comply with the requirements of this Section, and/or applicable State laws.

Section 2.05. Payment for Eligible Portions. The Developer may submit an Actual Cost Certificate to the City Engineer with respect to any Eligible Portion. Payment to the Developer or its designee from the Acquisition and Construction Fund of an Installment Payment with respect to such Eligible Portion shall in every case be conditioned first upon the determination of the City Engineer, pursuant to Section 2.03, that the Eligible Portion has been completed in accordance with the applicable plans and specifications and that the Eligible Portion satisfies all City regulations and ordinances and is otherwise complete and, where appropriate, is ready for acceptance by the City, and shall be further conditioned upon satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the City with lien releases or other similar documentation satisfactory to the City Engineer as evidence that the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Eligible Portion, to the extent not already owned by the City) comprising the Eligible Portion is not subject to any prospective mechanics lien claim respecting the Eligible Portion.

(b) The Developer shall be current in the payment of all due and payable general property taxes, and all special taxes of the Community Facilities District, on property owned by the Developer or under option to the Developer within the Community Facilities District.

(c) The Developer shall have provided the City with Title Documents needed to provide the City with title to the site, right-of-way, or easement upon which the subject Eligible Portion is situated where necessary. All such Title Documents shall be in a form acceptable to the City Engineer and shall be sufficient, upon completion of the Acquisition Improvement of which the Eligible Portion is a part, to convey Acceptable Title.

(d) Payment and performance bonds, from a bonding company with an A.M. Best rating of at least "A-" or its equivalent, applying to plans and specifications for the Acquisition Improvement approved by the City, shall be in place to secure completion of the Acquisition Improvement of which the Eligible Portion is a part.

Section 2.06. Disbursement Request Form. Upon a determination by the City Engineer to pay the Acquisition Price of an Acquisition Improvement pursuant to Section 2.04 or to pay an Installment Payment for an Eligible Portion pursuant to Section 2.05, the City Engineer shall cause a Disbursement Request Form substantially in the form attached hereto as Exhibit B to be submitted to the Authority Trustee, and the Authority Trustee shall make payment directly to the Developer or its designee of the amount pursuant to the Authority Trust Agreement. The City and the Developer acknowledge and agree that the Authority Trustee shall make payment strictly in accordance with the Disbursement Request Form and shall not be required to determine whether or not the Acquisition Improvement or Eligible Portion has been completed or what the Actual Costs may be with respect to the Acquisition Improvement or Eligible Portion. The Authority Trustee shall be entitled to rely on the executed Disbursement Request Form on its face without any further duty of investigation.

In the event that the Actual Cost of an Acquisition Improvement or the Installment Payment for an Eligible Portion is in excess of the Available Amount, the Authority Trustee shall withdraw all funds remaining in the Acquisition and Construction Fund and shall transfer those amounts to the Developer or its designee. The unpaid portion of the Actual Cost shall be paid from funds that may subsequently be deposited in the Acquisition and Construction Fund from a subsequent issuance of Bonds or from Special Tax revenues, if either of those occurs.

Section 2.07. Limitation on Obligations. In no event shall the City be required to pay the Developer or its designee more than the amounts held in the Acquisition and Construction Fund.

ARTICLE III

MISCELLANEOUS

Section 3.01. Indemnification and Hold Harmless. The Developer hereby assumes the defense of, and indemnifies and saves harmless the City, the Authority and their respective officers, directors, employees and agents, including the Authority Trustee, and the other local agencies and their officers, agents and employees (collectively, the "Indemnified Parties") from and against any and all actions, damages, claims, suits, losses or expenses of every type and description (including costs and reasonable attorney's fees) to which they may be subjected or put, by reason of, or resulting from or alleged to have resulted from the acts or omissions of the City, the Developer or their agents and employees arising out of the design, engineering and construction of the Acquisition Improvements or arising out of the use and maintenance of the Acquisition Improvements or arising out of any alleged misstatements of fact or alleged omission of a material fact made by the Developer, its officers, directors, employees or agents to the Authority's underwriter, financial advisor, appraiser, district engineer or bond counsel or regarding the Developer, its proposed developments, its property ownership and its contractual arrangements contained in the official statement relating to the Authority financing (provided that the Developer shall have been

furnished a copy of the official statement and shall not have objected thereto); and provided, further, that nothing in this Section 3.01 shall limit in any manner the City's rights against any of the Developer's architects, engineers, contractors or other consultants. Except as set forth in this Section 3.01, no provision of this Agreement shall in any way limit the extent of the responsibility of the Developer for payment of damages resulting from the operations of the Developer, its agents and employees. Nothing in this Section 3.01 shall be understood or construed to mean that the Developer agrees to indemnify the City, the Authority or any of their respective officers, directors, employees or agents, for any wrongful acts or omissions to act of the Authority or its officers, employees, agents or any consultants or contractors, including the Authority Trustee, and for any wrongful acts, willful misconduct, active negligence or omissions to act of the City, or its officers, employees, agents or any consultants or contractors, including the Authority Trustee. This Section 3.01 serves as a delegation to the Developer of all of the City's responsibilities pursuant to Section 13, and all of the City's indemnification responsibilities pursuant Section 14, of Resolution No. _ of the City of Hemet.

Section 3.02. Audit. The City shall have the right, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer (for which the Developer seeks reimbursement pursuant to this Agreement) in constructing the Acquisition Improvements.

Section 3.03. Cooperation. The City and the Developer agree to cooperate with respect to the completion of the financing of the Acquisition Improvements by the Authority through the levy of the Community Facilities District Special Taxes and issuance of Bonds. The City and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

Section 3.04. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that the consent, approval or acceptance not be unreasonably withheld or delayed, unless the provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

Section 3.05. Third Party Beneficiaries. The Authority and its officers, employees, agents or any consultants or contractors are expressly deemed third party beneficiaries of this Agreement with respect to the provisions of Section 3.01. It is expressly agreed that, except for the Authority with respect to the provisions of Section 3.01, there are no third party beneficiaries of this Agreement, including without limitation any owners of bonds, any of the City's or the Developer's contractors for the Acquisition Improvements and any of the City's, the Authority's or the Developer's agents and employees.

Section 3.06. Conflict with Other Agreements. Nothing contained herein shall be construed as releasing the Developer or the City from any condition of development or requirement imposed by any other agreement between the City and the Developer, and, in the event of a conflicting provision, the other agreement shall prevail unless the conflicting provision is specifically waived or modified in writing by the City and the Developer.

Section 3.07. Notices. All invoices for payment, reports, other communication and notices relating to this Agreement shall be mailed to:

If to the City:

City of Hemet
Attn: City Manager
445 E. Florida Ave.
Hemet CA 92543

If to the Developer:

McSweeny Farms Recovery Acquisition, LLC
[Address to Come]

Either party may change its address by giving notice in writing to the other party.

Section 3.08. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 3.09. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

Section 3.10. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement.

Section 3.11. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section 3.12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 3.13. Successors and Assigns. This Agreement is binding upon the heirs, assigns and successors-in-interest of the parties hereto. The Developer may not assign its rights or obligations hereunder, except to successors-in-interest to the property within the District, without the prior written consent of the City.

Section 3.14. Remedies in General. It is acknowledged by the parties that the City would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, other than for the payment to the Developer or its designees of any (i) moneys owing to the Developer or its designees hereunder, or (ii) moneys paid by the Developer or its designees pursuant to the provisions hereof which are misappropriated or improperly obtained, withheld or applied by the City.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that the City shall not be liable in damages to the Developer, or to any assignee or transferee of the Developer other than for the payments to the Developer or its designees specified in the preceding paragraph. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement.

[THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

CITY OF HEMET

ATTEST:

By _____
Alexander Meyerhoff, City Manager

By _____
Sarah McComas, City Clerk

APPROVED AS TO FORM:

By _____
Eric S. Vail, City Attorney

MCSWEENY FARMS RECOVERY
ACQUISITION, LLC

By _____
(Signature)

(Print Name)

EXHIBIT A TO THE CONSTRUCTION FUNDING AND ACQUISITION AGREEMENT

DESCRIPTION OF ACQUISITION IMPROVEMENTS AND BUDGETED AMOUNTS

<u>AUTHORIZED IMPROVEMENTS</u>	<u>BUDGETED AMOUNTS</u>
1. Cactus Valley Wash Improvements	\$19,394,595
2. Phase 1 Punch List: d) State Street Improvements e) McSweeny Parkway Improvements f) Newport Road Improvements	\$2,243,035
3. Phase 2 Master Plan Landscaping & Park	\$2,392,737
4. Phase 3 Road Improvements c) McSweeny Parkway d) North Village Loop	\$6,958,936
5. Phase 3 Park Improvements c) PA 37 d) PA 38	\$3,861,278
6. Phase 3 Gibbel Road Improvements	\$5,145,795
7. Phase 3 Drainage Improvements c) Avery Canyon Wash d) Lorenz Canyon Wash	\$6,393,143

Specific improvements and their budgeted costs for Authorized Improvements 1-7 are listed in the Developer's cost estimate dated February, 2016 and included herewith as Exhibit D.

EXHIBIT B TO THE CONSTRUCTION FUNDING AND ACQUISITION AGREEMENT

**DISBURSEMENT REQUEST FORM
(Acquisition Improvement or Eligible Portion)**

To: Wilmington Trust, National Association
Attention: Jeanie Mar
Fax: 714-384-4153
Phone: 714-384-4151
Email: jmar@wilmingtontrust.com

Re: CSCDA Community Facilities District No. _____

The undersigned, a duly authorized officer of the CITY OF HEMET hereby requests a withdrawal from the City of Hemet [Project] Community Facilities District Acquisition and Construction Fund, as follows:

Request Date: [Insert Date of Request]

Name of Developer: _____

Withdrawal Amount: [Insert Acquisition Price/Installment Payment]

Acquisition Improvements: [Insert Description of Acquisition Improvement(s)/Eligible Portion(s) from Exhibit A]

Payment Instructions: [Insert Wire Instructions or Payment Address for Developer or Developer's designee as provided by the Developer]

The undersigned hereby certifies as follows:

The Withdrawal is being made in accordance with a permitted use of the monies pursuant to the Acquisition Agreement and the Withdrawal is not being made for the purpose of reinvestment.

None of the items for which payment is requested have been reimbursed previously from the Acquisition and Construction Fund.

If the Withdrawal Amount is greater than the funds held in the Acquisition and Construction Fund, the Authority Trustee is authorized to pay the amount of such funds and to pay remaining amount(s) as funds are subsequently deposited in the Acquisition and Construction Fund, should that occur.

The amounts being disbursed pursuant to this request are being used to finance or refinance certain public infrastructure and facilities (the "Acquisition Improvements"). The District will own, and for the entire useful life of such Acquisition Improvements reasonably expects to own, all of such Acquisition Improvements. To the extent any of such Acquisition Improvements are sold to an entity that is not a state or local

government agency, the District will seek the advice and approval of bond counsel to the Authority prior to any such sale. The District will not allow any of such Acquisition Improvements to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public). All of such Acquisition Improvements will be used in the performance of essential governmental functions of the District or another state or local government agency. The average expected useful life of such Acquisition Improvements is at least 20 years. The representations and covenants contained in this paragraph are intended to support the conclusion that the interest paid on the above-captioned Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

[Include if un-serviceable portion of Channel to be acquired] The withdrawal amount is proportionate to the progress on the entire Channel and the remaining funds (including any developer equity previously deposited to the Acquisition and Construction Fund) are estimated to be sufficient to complete the Channel.

CITY OF HEMET

By: _____

Title: _____

EXHIBIT C TO THE CONSTRUCTION FUNDING AND ACQUISITION AGREEMENT

BIDDING, CONTRACTING AND CONSTRUCTION REQUIREMENTS FOR ACQUISITION IMPROVEMENTS

With respect to construction contracts awarded after approval of the Agreement, bids for construction shall be solicited from at least three (3) qualified contractors, provided at least three (3) qualified contractors are reasonably available. The Developer may also directly solicit bids. The bid package may consist of preliminary plans and specifications.

The bidding response time shall be not less than ten (10) working days.

An authorized representative of the City shall be provided a copy of the tabulation of bid results upon request.

Contract(s) for the construction of the public Acquisition Improvements shall be awarded to the qualified contractor(s) submitting the lowest responsible bid(s), as determined by the Developer.

The contractor to whom a contract is awarded shall be required to pay not less than the prevailing rates of wages pursuant to Labor Code Sections 1770, 1773 and 1773.1. A current copy of applicable wage rates shall be on file in the Office of the City Clerk, as required by Labor Code Section 1773.2.

The Developer shall provide the City with certified payrolls.

**EXHIBIT D TO THE CONSTRUCTION FUNDING AND ACQUISITION AGREEMENT
COST ESTIMATES AND EXHIBITS FOR AUTHORIZED IMPROVEMENTS**

[TO BE ATTACHED]

ATTACHMENT 2



January 21, 2016

City Council
City of Hemet
445 E. Florida Avenue
Hemet, CA 92543

Dear City Council Members:

RE: McSweeney Farms Specific Plan – Phase 2 & 3 CFD

This letter is to serve as a formal request from McSweeney Farms Recovery Acquisition, LLC (the “Applicant”) for the City of Hemet (the “City”) to adopt a Resolution to allow California Statewide Communities Development Authority (“CSCDA”) to form a Community Facility District (the “CFD”) pursuant to Chapter 2.5 (commencing with Section 53311), Part 1, Division 2, Title 5, of the Government Code of the State of California, commonly known as the “Mello-Roos Community Facilities Act of 1982” (the “Act”), to include all of Phases 2 and 3 of McSweeney Farms (the “Property”) to finance certain public improvements found (the “Improvements”).

Please reference Exhibits A-D for more detailed information on the purpose and process of this CFD.

Please contact me if you have any further questions.

Sincerely,

Matthew Villalobos
RainTree Investment Corporation
858.500.6782

Exhibit A

Project Historical Overview

McSweeney Farms was approved in 2005 and ultimately purchased by SunCal Companies. SunCal developed Phase 1 of McSweeney Farms, installed the backbone infrastructure for Phase 1 (including the clubhouse), and then sold lots to Lennar Homes and Woodside Homes (“Builders”).

Builders constructed roughly 40% of the homes planned in Phase 1 before the housing market crashed in 2008. The Property went into bankruptcy protection in 2008 and was later purchased out of the bankruptcy court by the Applicant in 2011. The Builder’s stopped home construction during this period, but restarted in 2012. Now about 95% of the homes in Phase 1 are sold.

As Phase 1 finishes construction, it is in the best interest of the McSweeney Farms Community and the City to start home construction in Phases 2 & 3. The Applicant has homebuilders interested in building homes in Phase 2 and 3; unfortunately none of these builders are interested in construction the required Improvements for these homes. The Applicant seeks to construct these Improvements using CFD funds.

Backbone infrastructure in Phase 1 of McSweeney Farms was financed through a Hemet Unified School District (“HUSD”) sponsored CFD. There was also a HUSD CFD formed on Phase 2 and 3. The bankruptcy court dissolved these CFDs as they were viewed as an unfair burden on future homeowners due to their high tax rates. A new CFD will need to be formed in Phases 2 and 3 of McSweeney Farms.

As Phase 2 Improvements offer a significant financial burden and are required to be started in advance of home construction, the Applicant seeks to expedite the CFD reimbursement process to pay for periodic construction payments. Due to the current economic environment post 2008, most CFD bonds cannot be sold until about half the homes are sold in a CFD boundary district.

The Applicant has spent the last 12 months working with their CFD consultant and more recently have been meeting with City staff, to find a solution that will advance McSweeney Farms to overcome its infrastructure burden and start home construction on the 496 graded lots in Phase 2.

This proposed CFD will be a partnership between the Applicant, CSCDA, and the City. CSCDA will handle the formation and bond issuance, and carry the financial and administrative burden. The Applicant will construct the facilities. And the City will support the CFD and inspect and approve the authorized facilities as they are completed, making funding recommendations to CSCDA for developer reimbursement periodically during construction.

Exhibit B

McSweeny Farms Phase 2 & 3 Proposed CFD Facilities



Exhibit C

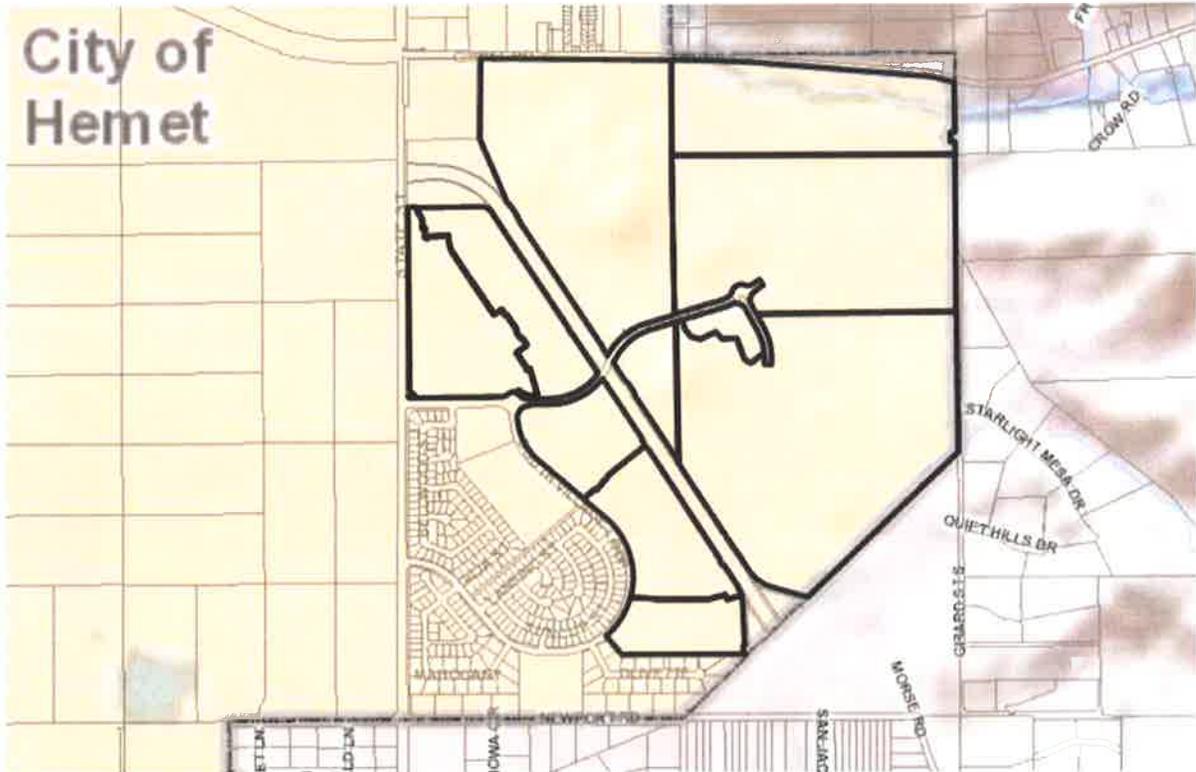
Proposed CFD through CSCDA

- 1) City adopts Resolution authorizing the CSCDA to form CFDs under the Mello-Roos Act within the territorial limits of the City to finance certain public improvements.
 - a. Resolution acts as a Joint Community Facilities Agreement (“JCFA”) between CSCDA and City providing CSCDA the authority to legally form the CFD.
 - b. Resolution approves Funding and Acquisition Agreement between City and Developer.
 - c. Resolution approves CSCDA staff and consultants to cooperate within their authority to form a CFD.
- 2) CSCDA adopts Resolution of Intent (“ROI”)
 - a. ROI outlines the facilities description, costs, the proposed boundaries of the CFD and the RMA of the special taxes.
- 3) CSCDA adopts Resolution of Formation
- 4) Special Election held between CSCDA and Developer to authorize bonded indebtedness and establish an appropriations limit under the provisions of Article XIII B of the State Constitution.
- 5) CSCDA approves the ROI documents allowing CFD bonds to be priced and ultimately closed.
- 6) Bond Issuance
 - a. The CSCDA will act as the issuer of the CFD bonds. The CSCDA finance team and underwriter will be responsible for completing the bond issuance.
 - b. The bonds are issued as limited obligation bonds secured solely by the special taxes and the underlying property subject to the lien of special taxes.
 - c. No financial risk to the City (i.e. bonds are secured by the property within the CFD, not by General Fund or other city funds).
- 7) Submittal of Reimbursement Request
 - a. Developer constructs public facilities in conformance with Acquisition Agreement and submits reimbursement requests to City.
 - b. City inspects public improvements, approves reimbursement request, and submits to CSCDA for payment from bond proceeds.
 - c. CSCDA authorizes bond trustee to remit payment to Developer for facilities constructed.

Exhibit D

Proposed CFD Boundary Area

McSweeney



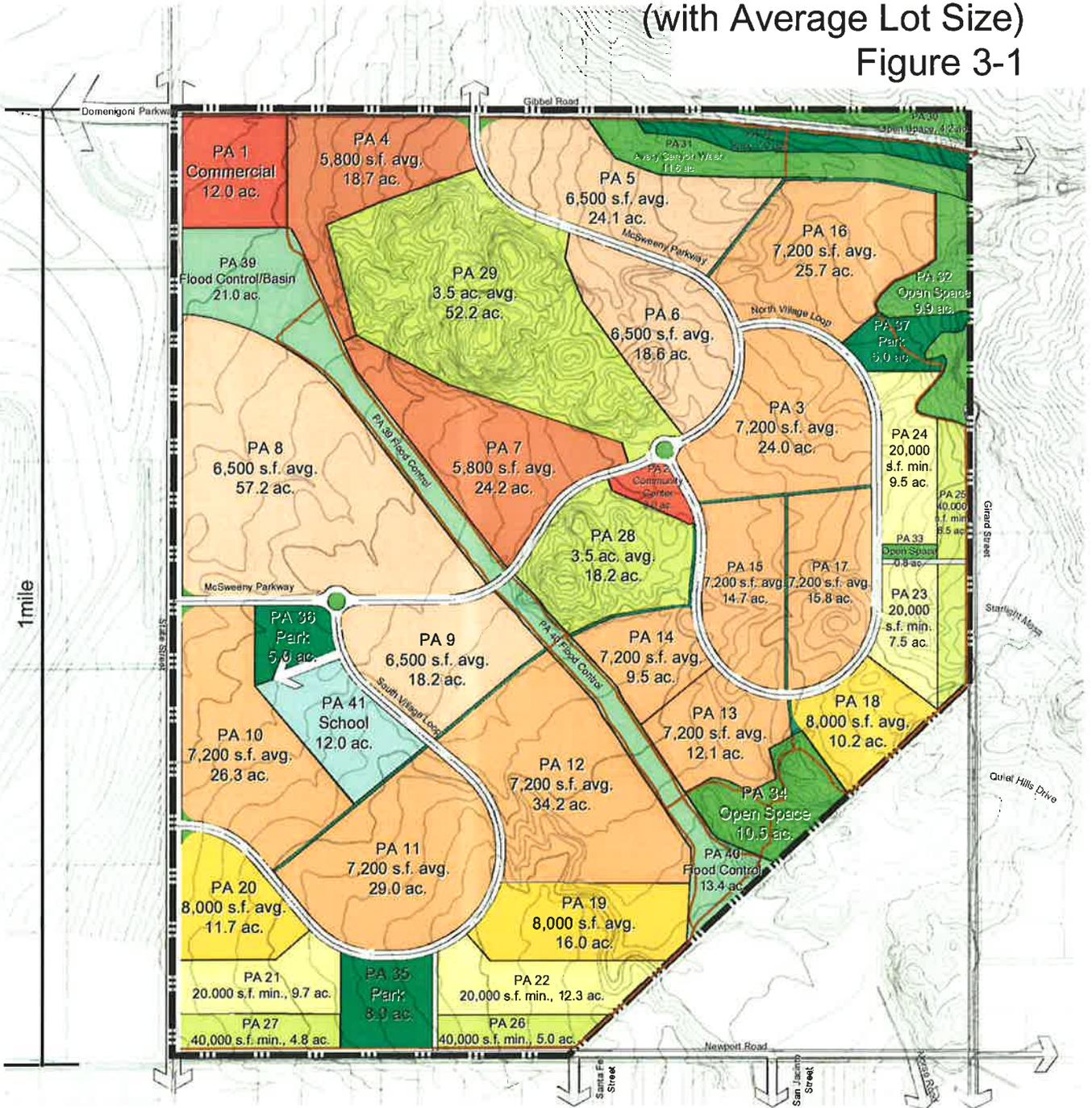
APN List

454-400-015
454-400-016
454-400-012
454-400-013
454-400-014
454-170-011
454-100-018
454-180-005
454-180-012
454-170-013

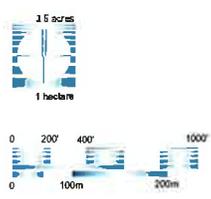
ATTACHMENT 3

ATTACHMENT 4

Land Use Plan (with Average Lot Size) Figure 3-1



1mile

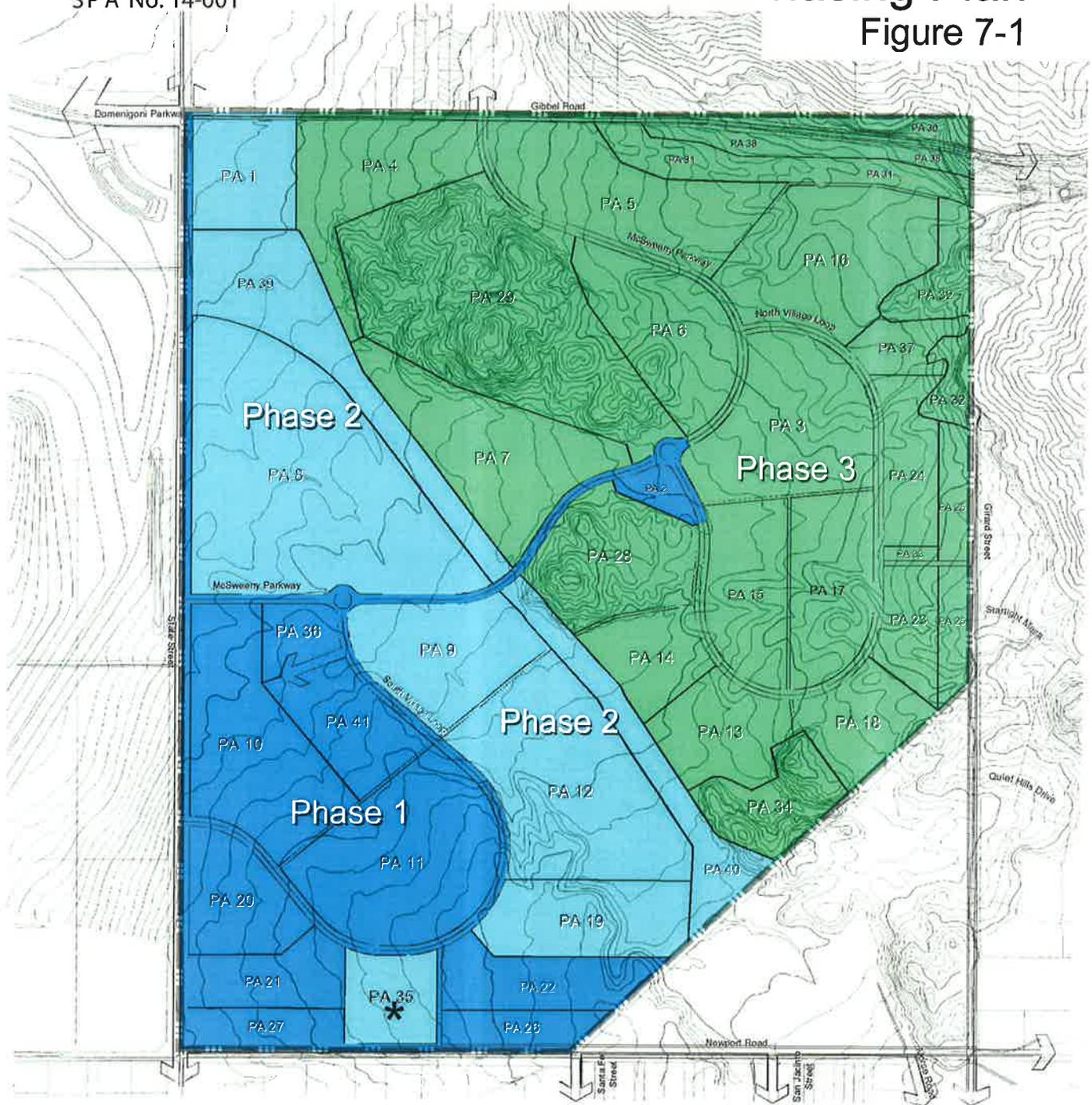


- | | |
|--|---|
| Commercial | Open Space |
| R-1 (5,800 sq.ft. avg.) | Cactus Valley Channel |
| R-1 (6,500 sq.ft. avg.) | Park |
| R-1 (7,200 sq.ft. avg.) | School |
| R-1 (8,000 sq.ft. avg.) | Equestrian Trail |
| R-1 (20,000 sq.ft. avg.) | Paseo |
| R-1 (40,000 sq.ft. avg.) | |

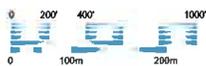
ATTACHMENT 5

Phasing Plan

Figure 7-1



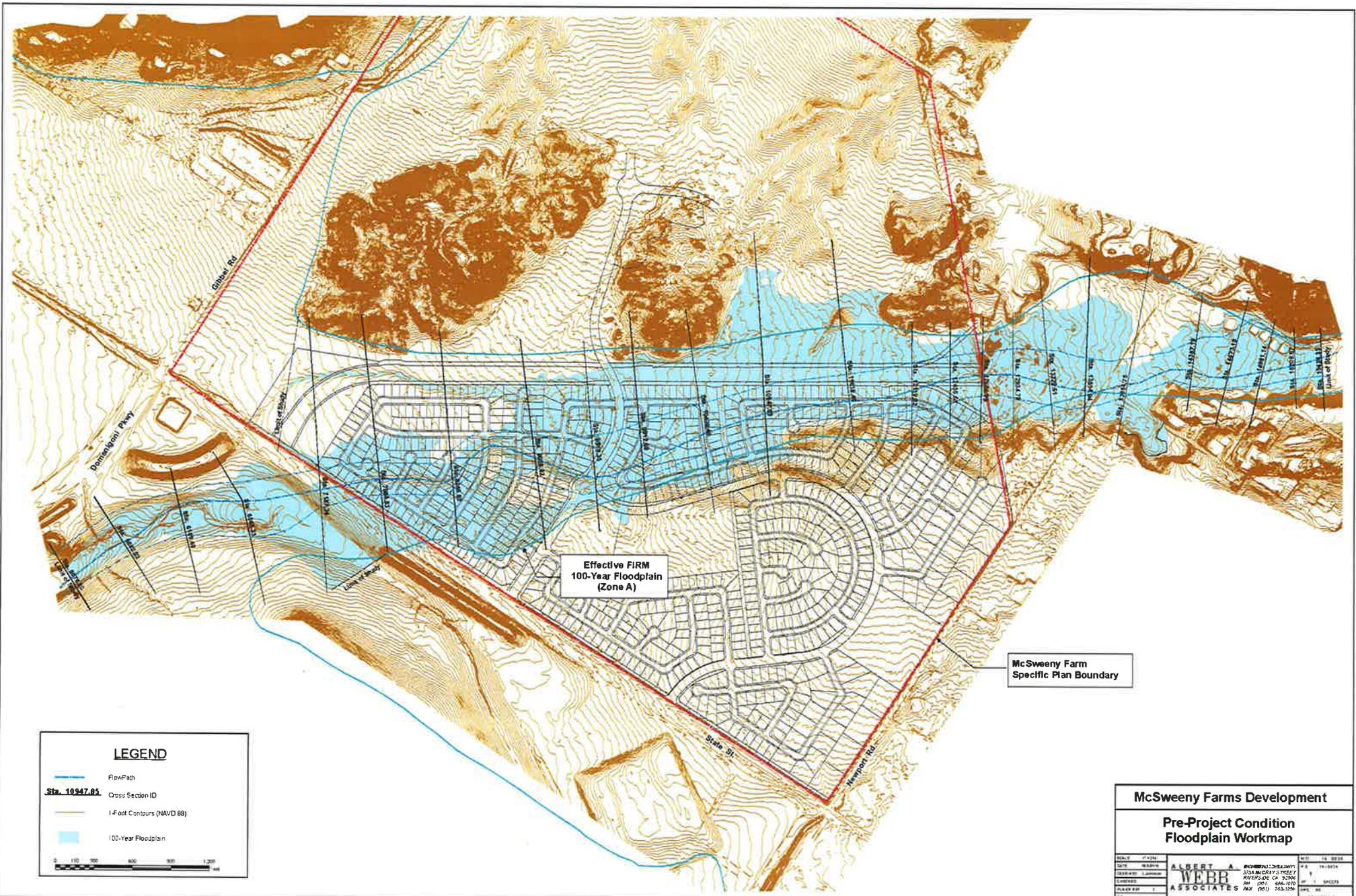
* PA 35 may be built in Phase 3 if development is built in that part of the community first.



Legend	
	Phase 1
	Phase 2
	Phase 3

ATTACHMENT 6

ATTACHMENT 7



Effective FIRM
100-Year Floodplain
(Zone A)

McSweeney Farm
Specific Plan Boundary

LEGEND

- FlowPath
- Sta. 10247.01 Cross Section ID
- 1-Foot Contours (NAVD 88)
- 100-Year Floodplain

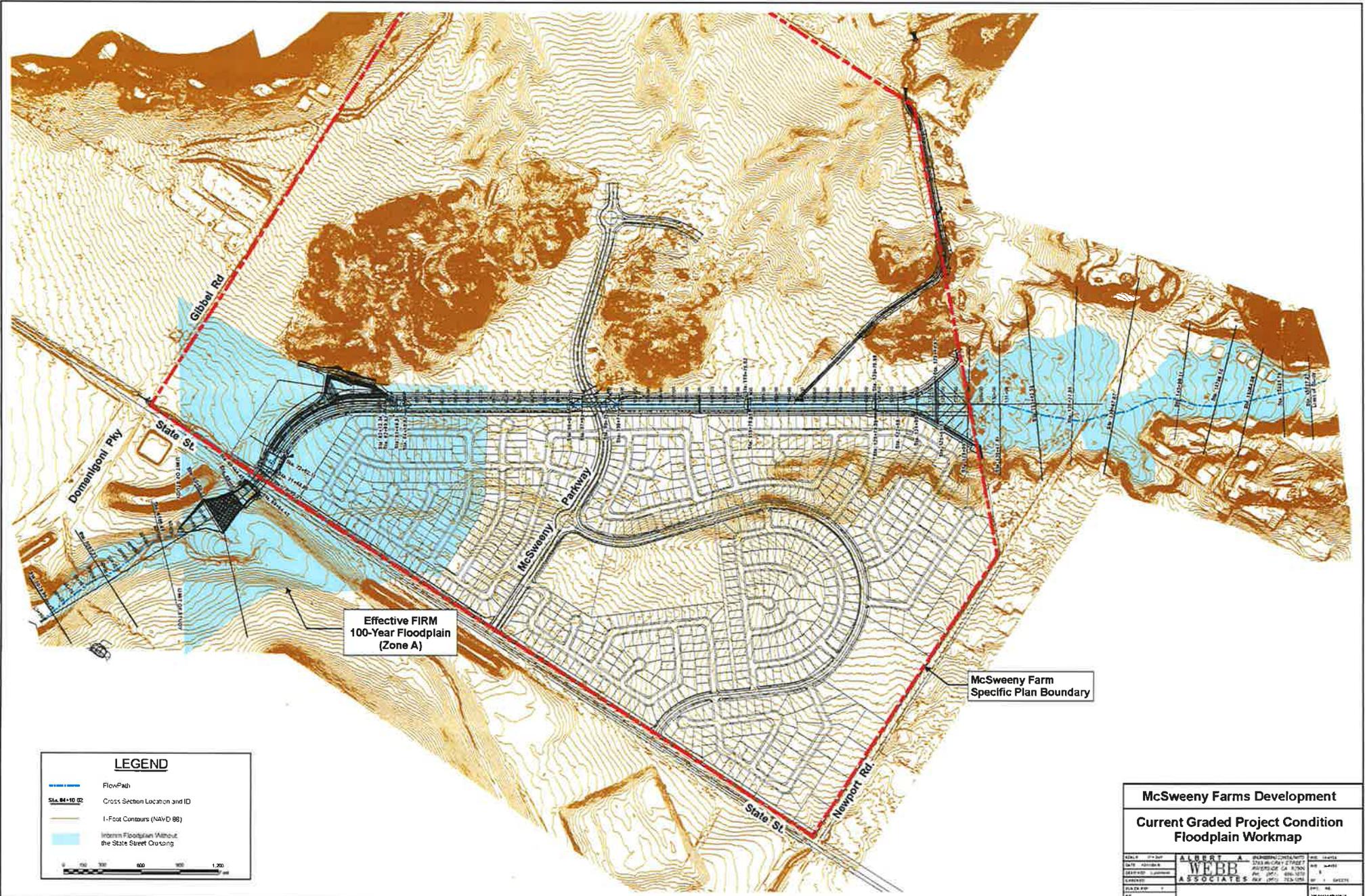
McSweeney Farms Development

**Pre-Project Condition
Floodplain Workmap**

SCALE: 1"=400'	PROJECT: 2016-0007	DATE: 12-08-2016
DRAWN BY: J. GARDNER	DRAWN BY: J. GARDNER	DATE: 12-08-2016
CHECKED BY: J. GARDNER	CHECKED BY: J. GARDNER	DATE: 12-08-2016
PROJECT NO: 16-0007	PROJECT NO: 16-0007	PROJECT NO: 16-0007
DATE: 12-08-2016	DATE: 12-08-2016	DATE: 12-08-2016

ALBERT A. WEBB ASSOCIATES

3034 MCARDY STREET
SAN JOSE, CA 95128
TEL: (408) 486-1070
FAX: (408) 763-1296
WWW.AAWEBB.COM



Effective FIRM
100-Year Floodplain
(Zone A)

McSweeney Farm
Specific Plan Boundary

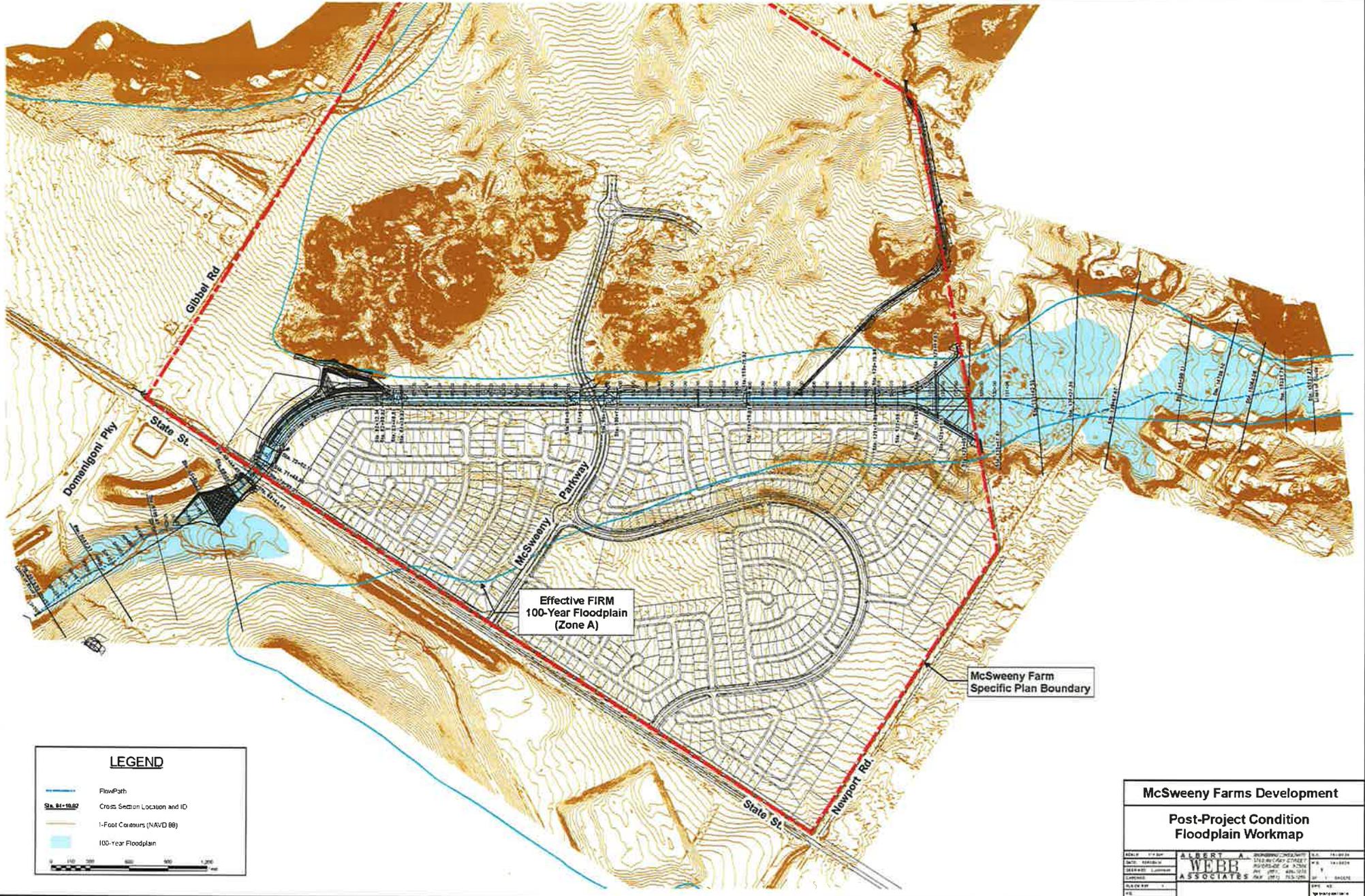
LEGEND

- FlowPath
- STA. #4+10.02 Cross Section Location and ID
- 1-Foot Contours (NAVD 88)
- Interim Floodplain Without the State Street Crossing

McSweeney Farms Development
Current Graded Project Condition
Floodplain Workmap

DATE: 12/15/2011	PROJECT: 110100010001	SCALE: 1"=40'
DRAWN BY: J. GIBSON	DATE: 12/15/2011	PROJECT: 110100010001
CHECKED BY: J. GIBSON	DATE: 12/15/2011	PROJECT: 110100010001
DATE: 12/15/2011	PROJECT: 110100010001	SCALE: 1"=40'
FILE: 110100010001	PROJECT: 110100010001	SCALE: 1"=40'

ALBERT A. WEBB ASSOCIATES
3753 W. CENTRAL EXPRESSWAY
MURFREESBORO, TN 37132
PH: 615.896.1371
FAX: 615.896.1388
WWW.AAWEBS.COM



LEGEND

- FlowPath
- Sta. 84+18.07 Cross Section Location and ID
- 1-Foot Contours (NAVD 88)
- 100-Year Floodplain

0 100 200 300 400 500 600 700 800 900 1,000

McSweeney Farm
Specific Plan Boundary

Effective FIRM
100-Year Floodplain
(Zone A)

McSweeney Farms Development

**Post-Project Condition
Floodplain Workmap**

DATE: 08/20/24	BY: ALBERT A. QUINN	SCALE: AS SHOWN
PROJECT: McSweeney Farms Development	PROJECT NO: 24-001	DATE: 08/20/24
DESIGNER: ALBERT A. QUINN	PROJECT NO: 24-001	DATE: 08/20/24
CHECKER: ALBERT A. QUINN	PROJECT NO: 24-001	DATE: 08/20/24
DATE: 08/20/24	BY: ALBERT A. QUINN	SCALE: AS SHOWN

ALBERT A. QUINN & ASSOCIATES
1125 BRIDGE STREET
SUNSHINE CA, CA 92589
PH: (951) 486-1018
FAX: (951) 753-0200