



# AGENDA

## REGULAR MEETING OF THE HEMET CITY COUNCIL

August 23, 2016

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6:30 p.m.

City of Hemet Council Chambers  
450 E. Latham Avenue

[www.cityofhemet.org](http://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.*

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### Call to Order

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### Roll Call

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

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### 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 Real Property Negotiators  
Pursuant to Government Code section 54956.8  
Property: *Stetson and Sanderson, APN's: 456-050-013-8 and 456-050-044-6*  
Agency negotiator: *City Manager Meyerhoff*  
Negotiating parties: *Page Plaza Partners, LLC or Assignee*  
Under negotiation: Acquisition, Price and Terms
  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)
- 

### REGULAR SESSION

7:00 p.m.

City of Hemet City Council Chambers  
450 E. Latham Avenue

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### Call to Order

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## Roll Call

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

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## Invocation

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## Pledge of Allegiance

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## City Attorney Closed Session Report

3. Conference with Real Property Negotiators  
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  4. Conference with Legal Counsel - Anticipated Litigation  
Two (2) matters of Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)
- 

## Work Study

*Discussion regarding this item, with possible direction to staff*

5. State Audit Final Report – Corrective Action Plan Work Study – City Manager Meyerhoff
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## City Council Business

### Notice to the Public

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

## Consent Calendar

6. **Approval of Minutes** – July 26, 2016
  
7. **Receive and File** – Warrant Registers
  - a. Warrant registers dated July 21, 2016 in the amount of \$812,326.13 and August 4, 2016 in the amount of \$1,482,652.93. Payroll for the period of June 20, 2016 to July 3, 2016 was \$659,851.66 and the period of July 4, 2016 to July 17, 2016 was \$617,213.09.

8. **Recommendation by Engineering** – Columbia Street Resurfacing – Agreement with County of Riverside for Resurfacing of City of Hemet segment Columbia Street South of Florida Avenue
    - a. Authorize the Deputy City Manager/Administrative Services Director to establish a budget of \$90,000, plus a 10% contingency of \$9,000, and a 15% Construction Engineering and Inspection Budget of \$13,500 for a total expenditure in the amount of \$112,500 in Fund No. 222-5618-5500; and
    - b. Authorize the City Manager to execute the Service Agreement by and between County of Riverside and the City of Hemet for Columbia Street Resurfacing Improvements.
  
  9. **Recommendation by Library** – Library material from Baker and Taylor
    - a. Approve the purchase of Library materials from Baker and Taylor in the amount of \$69,000.
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### **Communications from the Public**

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

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### **Discussion/Action Item**

10. **Methods to Address Community Interest in Expenditure of Measure U Tax Proceeds** – City Manager Meyerhoff
  - a. Provide direction to City staff as to Council's preferred method of addressing community concerns regarding expenditure of Measure U tax proceeds; and
  - b. Consider adopting a resolution stating its intention to expend all proceeds of the transaction and use tax proposed by Measure "U" for the enhancement of public safety services if approved by voters on November 8, 2016.**Resolution Bill No. 16-068**

11. **Fiscal Year 2015-16 Preliminary Year-End Budget Review – As of June 30, 2016** – Deputy City Manager/Administrative Services Director Hurst  
Receive and File
  
  12. **Return to Non-Drought Water Rates** – Public Works Director Jensen
    - a. Adopt a resolution reverting to non-drought water rates; and
    - b. Authorize staff to identify water projects where prior appropriations may be temporarily or partially returned to the Water Fund Reserves and record transfers for only the amounts required as of the mid-year budget review process to offset any projected revenue shortfall in FY 16/17. **Resolution Bill No. 16-067**
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## City Council Reports

13. 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)
    9. Southern California Association of Governments (SCAG)
  
  - 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)
    6. Southern California Association of Governments (SCAG)

- F. Ad-Hoc Committee Reports
    - 1. Diamond Valley Lake Recreation Ad-Hoc Committee (January 27, 2015)
    - 2. Homeless Ad-Hoc Committee (February 9, 2016)
    - 3. Business/Industry Ad-Hoc Committee (April 15, 2016)
    - 4. Skate Plaza Ad-Hoc Committee (June 28, 2016)
  
  - G. City Manager Meyerhoff
    - 1. Manager's Reports
    - 2. Staff Spotlight
    - 3. State of the City, September 22, 2016
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### **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.

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### **Continued Closed Session**

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### **City Attorney Continued Closed Session Report**

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#### **Adjournment**

Adjourn to Tuesday, September 13, 2016 at 7:00 p.m. for consideration of items placed on that agenda. The next regular meeting will be held September 27, 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.*



*Staff Report*

TO: Honorable Mayor and Members of the City Council  
FROM: Alexander P. Meyerhoff, City Manager  
DATE: August 23, 2016  
RE: State Audit Final Report – Corrective Action Plan Work Study

**RECOMMENDATION:**

1. Conduct a public work study to review and discuss the findings of the state audit.
2. Provide direction to staff regarding the city’s corrective action plan to address the recommendations of the audit.

**BACKGROUND:**

On August 4, 2016, the California State Auditor issued its final report on its “High Risk Local Government” program audit of the City of Hemet. During the course of the audit, the state found no evidence of waste, fraud, abuse or malfeasance.

The report outlines two “risk issues” and a number of recommendations to address each risk. On August 4, 2016, the city issued an initial corrective action plan outlining the city’s response to the report recommendations.

**ANALYSIS:**

Staff is recommending a work study to give the city council an opportunity to discuss and address each issue and recommendation. Furthermore, the city council may provide direction to staff to address the recommendations of the audit report directly and potentially provide an updated corrective action plan to the state auditor. The community will have an opportunity to comment.

The attached Corrective Action Plan addresses the two risk issues identified in the audit report as well as the auditor’s recommendations to address each issue. Also listed are staff’s corrective action recommendations. Staff will be prepared to address each of the audit’s findings and provide information to assist in the city council’s deliberation.

The state audit is available online at: <https://www.auditor.ca.gov/pdfs/reports/2015-806.pdf>.

Respectfully submitted,

Alexander P. Meyerhoff  
City Manager

**Issue:****Expenditures continue to outpace revenue, impeding Hemet's ability to meet its financial obligations****Risk Area:***Ongoing budget deficit*

- Projected a \$5 million budget deficit for fiscal year 2015-16 and continues to experience dwindling reserves.
- Developed an inaccurate and overly optimistic five-year plan to address its budget deficit.

**City's Response:**

In June 2016, the City of Hemet adopted the fiscal year 2016-17 General Fund budget of \$36 million. The budget includes a \$350,000 deficit (less than 1%) which is consistent with the 2015 Five Year Financial Management Plan. Pursuant to Resolution #1880, the City of Hemet has a policy which requires a minimum of 20% reserves. In the FY 16-17 budget the city included a 25% reserve, which is consistent with this policy. These reserves serve as operating capital. The City of Hemet has no indebtedness. The City of Hemet will continue to monitor all financial activity, including presenting quarterly financial updates to the City Council. Additionally, the City will continue to update the five-year financial plan at least annually and when significant changes to revenue or expenditures are identified. The five-year financial management plan will continue to be used as a guide for budget preparation each year.

The City of Hemet will continue to seek efficiencies for the reductions of expenditures and opportunities for enhancing ongoing revenue, with any recommendations for new fees subject to policy approval by the City Council. The City will continue to update existing fees annually to ensure the costs of providing services are recovered.

The Five Year Plan will continue to serve as a roadmap for budget preparation for financial stability.

**Auditor's Recommendation:**

- "Hemet should identify additional sources of revenue and reduce costs, such as establishing and collecting fees for services it currently provides without charge and other options identified in this report."

**City's Corrective Action Plan:**

- (1) City Council placed a general purpose revenue measure on the November 2016 ballot, estimated to generate \$10 million annually.
- (2) Continue to update the Five Year Plan at least annually, with thorough analysis of projections for accuracy and feasibility.

**Timing:**

- (1) Completed 7/26/16
- (2) Annually

**Risk Area:***Rising pension costs*

- Has maintained employer contributions but faces increasing costs because of its large unfunded liability.
- Will incur additional payments if it fills vacant positions.

**City's Response:**

The regular monitoring of the citywide budget and update of the five-year financial management plan will allow the City of Hemet to prepare for increases in pension costs. As required by law, all new CalPERS members will be enrolled subject to PEPPRA.

The City of Hemet will continue to explore options for the reduction of its unfunded pension liability, including through prepayment and changes to amortization bases, subject to available financial resources and policy approval by the City Council.

**Auditor's Recommendation:**

- "To ensure that it adequately plans for changes in its pension costs, Hemet should continue to update its five-year projections at least annually to reflect changes to annual pension costs."
- To attempt to reduce its pension costs, Hemet should continue to explore options and work with CalPERS to reduce payments for its unfunded liability."

**City's Corrective Action Plan:**

- (1) Work with CalPERS to identify options to reduce payments for unfunded liability. Make recommendations to city council.
- (2) City will evaluate cost-effectiveness of annual CalPERS 2017 pre-payment of unfunded liability to take advantage of discounts.
- (3) City will analyze a change to the PERS Amortization schedule from 30 years to determine if additional savings are achievable.

**Timing:**

- (1) 1/31/17
- (2) Annually
- (3) 1/31/17

**Risk Area:***Use of city-supported library by nonresidents*

- Spent \$1.8 million in fiscal year 2014-15 on library operations.
- Serves patrons throughout the region, of which nearly half are not Hemet residents.

**City's Response:**

The City presently has 144,033 registered borrowers of the City's 83,000 residents, 76,816 are library customers. In the unincorporated areas of Hemet, an additional 24,700 customers have library cards. The remaining 42,487 Hemet Library borrowers do not reside in the city or its unincorporated areas, and of this number 21,502 reside in San Jacinto. Annual circulation of 321,074 was recorded in FY 15-16. The library was open 201 days during the last fiscal year. The daily average circulation is 1,602 with a daily hourly check-out of 170 items.

**Auditor's Recommendation:**

- "Hemet should seek legal guidance to adopt an annual library user fee structure to charge individuals other than city inhabitants and nonresident taxpayers for the use of the library resources."

**City's Corrective Action Plan:**

- (1) Evaluate adoption of library user fee structure and potential impacts to outside funding sources and existing cooperative agreements.

**Timing:**

- (1) 8/23/16

**Risk Area:*****Significant retiree medical costs and unfunded liability***

- Had large retiree medical obligations due to past promises of fully covered health care, but has since shifted approximately two-thirds of its remaining plan participants to lower-cost health plans.
- Continues to incur a large unfunded liability.

**City's Response:**

The City of Hemet will continue the process of reducing retiree medical costs through the elimination of the highest costing plans as of September 1, 2016. Regular monitoring of the status of retirees for Medicare eligibility or coverage need will ensure appropriate expenditure levels.

The City of Hemet will continue to explore alternative plan options annually to identify opportunities for cost savings while maintaining comparable coverage for retirees.

**Auditor's Recommendation:**

- "Hemet should continue to research the feasibility of ways to pay down the city's unfunded liability for retiree health plan costs and take appropriate action based on the research performed."

**City's Corrective Action Plan:**

- (1) Discontinue the highest-cost plans from the menu offered to retire (policy direction given by City Council in 2015).
- (2) Continue to explore alternative plan options while maintaining comparable coverage.
- (3) Seek Council direction to establish an Other Post-Employment Benefits (OPEB) trust and draft funding policy.

**Timing:**

- (1) 9/1/16
- (2) Annually
- (3) 1/31/17

**Issue:**

**Ineffective and inefficient organizational management negatively affects Hemet's provision of public services.**

**Risk Area:**

*Underfunded fire department*

- Faces critical needs for sufficient staffing and repairs to its infrastructure.
- Handles high demand for services with minimal staffing, resulting in potentially unsafe conditions.
- Incurs costs for emergency medical services but does not recover these costs through charges.

**City's Response:**

The Hemet Fire Department has been authorized to fill all open budgeted positions; this includes entry level Firefighter/Paramedics, Engineers and Fire Captains. Additional staffing needs have been addressed through a long term 5-year plan and will be predicated on appropriate policy and budgetary support.

Hemet Fire Station facilities are included in the City's Capital Improvement Plan – this includes ADA related compliance needs as well as repair and future replacement of Fire Station facilities. Fire facility needs are reviewed and addressed each fiscal year and programmed as funds are made available.

The Hemet Fire Department commissioned a detailed review of its operations, known as a Service Delivery Options Analysis. The report provided 27 recommendations, including the need to address critical staffing needs. The report, presented to the City Council in June 2015, identified the Hemet Fire Departments staffing level at .55 firefighters per 1000 population as compared to the Regional median of .92 firefighters per 1000 population served. The City will continue to evaluate Fire Department staffing needs and will make the necessary structural changes when changes to revenue or expenditures are identified.

The policy of the Hemet Fire Department is to recover, where appropriate and pursuant to Local, State, and Federal statutes, any and all costs associated with providing traffic accident mitigation, fire suppression, rescue services, hazardous materials response and mitigation, investigations and related services. The City will take the necessary steps to review its current practice of not billing for Emergency Medical Services; future actions/ review will require appropriate policy direction from the City Council.

**Auditor's Recommendation:**

- "Hemet should generate additional revenue, such as charging fees for emergency medical services provided by the fire department.
- "If it implements a fee for emergency medical services, Hemet should conduct a comprehensive fee analysis to determine the fully burdened hourly rates for providing emergency medical service, specific to the duration of emergency medical calls, and ensure that first responder fees do not exceed the cost to provide the service."
- "If Hemet does not adequately fund its fire department to address the concerns identified in its 2013 and 2015 consultant reviews, it should pursue alternatives for providing services, such as shared fire services with other local governments."

**City's Corrective Action Plan:**

- (1) Conduct work study with city council and current vendor, Fire Cost Recovery, to identify impact of and potential revenue generated through the implementation of an EMS first Responder Fee.
- (2) Commence comprehensive fee analysis to determine the fully burdened hourly rates for

providing emergency medical service, specific to the duration of emergency medical calls, and ensure that first responder fees do not exceed the cost to provide the service.

- (3) Develop and present comprehensive staffing and implementation plan to address concerns identified in 2013 and 2015 consultant reviews of fire department, with immediate priority given to filling battalion chief rank.

**Timing:**

- (1) 8/23/16
- (2) 9/13/16
- (3) 9/13/16

**Risk Area:**

*Lack of coordinated approach to promote community engagement*

- Does not have a citywide coordinated effort for community engagement.
- Has not sufficiently communicated information on citywide concerns to members of the public.

**City's Response:**

The day to day coordination of City events, event calendars and keystone City functions is coordinated through the City Manager's office. The City has identified the need for the establishment of a Public Information Officer (PIO); the City will continue to evaluate the need for this position as well as ensuring for appropriate policy and fiscal support.

Public Safety Departments (Law and Fire) have robust community based outreach programs; Hemet Fire Department has created a community based newsletter, participates in a wide variety of social media platforms and conducts community based outreach activities, as well as handling media relations.

The City is actively engaged in community outreach consistent with community needs and existing resources which includes social media, newsletters, websites, publications, city cable channel, city website and other media outlets. City staff is proactively engaged with local press and editorial boards.

**Auditor's Recommendation:**

- "Hemet should create and implement a plan for community engagement, including strategies to educate and engage the community in the city's needed reforms and its efforts toward achieving financial stability. This plan should focus on seeking public involvement in a more participatory, deliberative, inclusive, and collaborative manner."

**City's Corrective Action Plan:**

- (1) City will create a plan for community engagement, including strategy to educate and engage community in city's needed reform and its ongoing efforts to achieve financial stability.
- (2) Develop a public involvement program that is participative, inclusive, and collaborative.

**Timing:**

- (1) January 2017
- (2) January 2017

**Risk Area:***Inefficient structure of city government*

- Has experienced disproportional reporting relationships within city operations.
- Has some functions that are related, but do not share reporting relationships or locations.

**City's Response:**

Organizational changes between 2008 and 2016 have resulted in dramatic changes in staffing levels. The organization has reduced the number of employees from 420 employees to 270 employees over that timeframe. Much of the organizations mid and upper-management positions were eliminated. In addition, some departments are staffed without adequate required technical expertise.

**Auditor's Recommendation:**

- "To streamline oversight, better align similar functions, and provide opportunities to leverage staff, Hemet should reorganize the structure of its city government. Specifically, it should conduct a comprehensive organizational analysis, including work assignments, workloads, reporting relationships, and coordination points, and pursue options to improve efficiency and effectiveness, such as creating a combined community development and services department, shifting engineering to become a division under public works, and shifting its code enforcement division to public safety."

**City's Corrective Action Plan:**

- (1) Authorize a comprehensive organizational analysis, including work assignments, workloads, reporting relationships, and coordination points, and pursue options to improve efficiency and effectiveness.
- (2) Initiate comprehensive organizational analysis.
- (3) Conduct work study on staff implementation of the comprehensive organizational analysis (Community Development, Public Works, Code Enforcement).

**Timing:**

- (1) 8/23/16
- (2) 9/1/16
- (3) June 2017

**Risk Area:***Turnover of key positions and lack of consistent leadership*

- Has experienced frequent turnover in its city manager and fire chief positions.
- Is likely to have some city departments heavily affected by upcoming retirements.

**City's Response:**

Succession planning is one of the hallmarks of responsible organizational development. The City has been negligent in this area. The City Manager has identified the need for long-term succession planning. This plan will build up on the findings of the comprehensive organizational analysis. The City must identify its next generation of leadership as a sizeable cohort of employees approach retirement age. The plan must provide for organizational development, educational development, skill development while also providing clear career-pathways for both early-career and mid-career employees.

The recently commissioned report Service Options Delivery Analysis, completed and presented to the City Council identified the need to re-establish critical key management positions within the Fire Department; the City is taking steps to conduct a class and compensation study for the position of Battalion Chief. The City will re-establish this position as significant changes to revenue or expenditures are identified.

The City has identified the need to establish a cohesive succession planning strategy; Hemet Fire Department is in the process of evaluating the creation of a Firefighter Trainee position to expand its hiring outreach as well as rank specific training to identify and develop personnel for future leadership roles in the organization. Staffing needs will be addressed annually and will be predicated on appropriate funding allocations.

**Auditor's Recommendation:**

- "Hemet should complete a strategic plan that identifies goals, initiatives, responsibilities, funding requirements, potential funding sources, and key performance measures by January, 2017."

**City's Corrective Action Plan:**

- (1) Complete a comprehensive organizational analysis that identifies goals, initiatives, responsibilities, funding requirements, potential funding sources, and key performance measures.
- (2) Prepare an organization-wide succession plan and planning process.

**Timing:**

- (1) June 2017
- (2) June 2017

**Risk Area:***Inconsistencies in outsourcing maintenance activities*

- Outsources some landscape maintenance, but maintains its parks, resulting in additional costs.

**City's Response:**

The City of Hemet contracts out for over 40% municipal functions. These include animal control, crime lab forensics, fire plan check, background investigations, towing, custodial services, landscape maintenance, and solid waste and recycling services.

The City of Hemet will continue its practice of exploring opportunities for the most cost effective provision of landscape maintenance that offer service efficiencies, provide streamlines services, and provide enhanced customer service, at levels of services subject to policy approval by the City Council. Historically this has resulted in a combination of outsourced maintenance services, public and private partnerships and services retained in-house.

**Auditor's Recommendation:**

- "Hemet should initiate a request for proposals to consider the costs and benefits of outsourcing citywide maintenance of all streetscapes."

**City's Corrective Action Plan:**

- (1) Review current park maintenance service levels with City Council and confirm options for acceptable service levels to be used for the development of a scope of services to be used for request for proposals.
- (2) Present a draft request for proposals to City Council for consideration of the costs, service levels and potential benefits of outsourcing parks maintenance.
- (3) Present results of any proposals to City Council for discussion and policy direction.

**Timing:**

- (1) 9/13/16
- (2) 10/11/16
- (3) November/December 2016



#6

# MINUTES

## REGULAR MEETING OF THE HEMET CITY COUNCIL

July 26, 2016

6:00 p.m.

Hemet Public Library Upstairs  
300 E. Latham Avenue

[www.cityofhemet.org](http://www.cityofhemet.org)

*Please silence all cell phones*

### Call to Order

Mayor Wright called the meeting to order at 6:01 p.m.

### Roll Call

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

ABSENT: Council Member Krupa

**Council Member Milne moved and Council Member Raver seconded a motion to excuse Council Member Krupa. Motion carried 4-0**

**Council Member Krupa arrived at 6:02 p.m.**

### Work Study

*Discussion regarding this item, with possible direction to staff*

1. Other Post Employment Benefit Trust - Jessica Hurst, Deputy City Manager/Administrative Service Director

**Jessica Hurst, Deputy City Manager/Administrative Services Director**, gave the City Council a powerpoint presentation regarding options for funding Other Post-Employment Benefits (OPEB). OPEB, are benefits other than pensions that the City offers retired employees. The City's OPEB plan includes medical, dental and vision benefits. The City of Hemet has what is referred to as a "closed" OPEB plan. This means that no new employees are offered the plan. Employees hired prior to January 1, 1998 are eligible for some level of retiree medical benefit that includes enrollment in a City-sponsored medical plan. There are currently approximately 225 retirees and 40 active employees that are eligible for the City's retiree medical program. The unfunded liability for OPEB as of the October 2015 actuarial report is \$87 million. This amount is likely to decrease slightly due to recent Council action that eliminated the highest costing medical plans, but not by much. The City is required to have an updated actuarial report prepared in January 2017. For fiscal year 2016-2017, GASB Statement 74 requires enhanced reporting of OPEB liabilities within the financial statements. This inclusion will greatly affect the City net position increasing total liabilities to approximately \$150 million. As medical insurance costs continue to rise, the impact on this City's future financial statements is unknown. The current "pay as you go" system of funding OPEB merely deals with the current year's costs and makes no provisions for future years, nearly ensuring an increasing unfunded liability and greater impact on the City's financial position. As it is currently the fourth highest expense to the General Fund, we can project that OPEB cost

increases will continue to impact service delivery as a greater share of financial resources is needed to provide the promised benefits. The City's current practice is pay-as-you-go which requires the City to budget an anticipated amount for OPEB obligations each fiscal year. With this current practice and the rising cost of medical insurance, the City finds itself paying an ever-increasing cost each year, reducing the amount of financial resources available for other Council priorities. The issuance of debt is another possible option; however, the option is not considered a best practice. The final option which staff is recommending is the establishment of a Section 115 Trust Fund, also known as an OPEB Trust. An OPEB Trust is an irrevocable account established for the purpose of saving and paying for OPEB liabilities. There are no funding requirements for an OPEB trust and investments can be actively or passively managed. Benefits of an OPEB trust are higher earnings than currently seen through the City's operating accounts and; due to the higher discount rate, a lower actuarial unfunded liability. Additionally, because the City has a closed plan which will come to an end sometime in the next 40-50 years; any remaining assets in the trust at that time will be returned to the City. With regular funding it is possible the future full annual cost of OPEB could be paid directly from the trust. Staff has looked at three OPEB trust providers: PARS, ICMA and CERBT. There are three main areas of focus when comparing an OPEB trust administrator: Administration fee; Rate of return; and Standard deviation. Plan comparisons were displayed. All three trust administrators offer comparable funds, depending on the level of risk tolerance. Recent CSMFO surveys have provided information that the actual rate of return for PARS and CERBT have been similar in recent years. The rate of return has significant effect on the unfunded liability for the City. The administrative fee varies between the privately run trust funds, PARS and ICMA, and the public run CERBT. Ms. Hurst explained in detail the administrative fee and the current rates for the trust funds.

The City Council and staff discussed the administrative fees and the investment strategies.

**Council Member Youssef**, expressed concern and asked for more information regarding fixed fees. Council Member Youssef recommended that the agency be paid on commission so there is an incentive to work harder and more aggressively at investments. Council Member Youssef also asked about investment trends, highs and lows.

The City Council and staff discussed funding options for the Trust. Gap plan funds as well as funds set aside per the Franchise Agreement with CR&R were discussed.

The City Council expressed concern with any Trust Fund associated with CalPERS.

**Ms. Hurst**, once a decision is made on the Trust Fund and the investment strategy, implementation will take about 90 days.

**The City Council directed staff to bring back OPEB Trust provider comparisons that include fees and investment strategies.**

**Council Member Youssef left briefly at 6:27 p.m.**

**Council Member Youssef returned at 6:29 p.m.**

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## Closed Session

**Eric Vail, City Attorney**, requested that the City Council add an additional matter of significant exposure to Closed Session. A letter was received by the City from the Howard Jarvis Taxpayers Association subsequent to the preparation of the agenda and requires discussion prior the Regular Session.

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

**Notice of Opportunity for Public Comment**

There were no comments presented at this time.

The City Council recessed to Closed Session at 6:30 p.m.

2. **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*

*Hemet Mid-Manager's Association*

*Hemet Police Officers Association*

3. **Conference with Legal Counsel - Anticipated Litigation**

Three (3) matters of Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)

4. **Review of Confidential State Audit and Proposed Corrective Action Plan**

Pursuant to Government Code Sections 61132 & 54956.75.

Representative: City Manager

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**REGULAR SESSION**

**7:00 p.m.**

**Hemet Public Library Upstairs**

**300 E. Latham Avenue**

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**Call to Order**

Mayor Wright called the meeting to order at 7:05 p.m.

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**Roll Call**

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

ABSENT: None

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**Invocation**

Invocation was given by Randy Jones, Hemet-San Jacinto Interfaith Council.

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**Pledge of Allegiance**

Pledge of Allegiance was led by City Manager Meyerhoff.

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## City Attorney Closed Session Report

5. 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*  
*Hemet Mid-Manager's Association*  
*Hemet Police Officers Association*

**The City Council received a briefing on SEIU. The remaining bargaining units were not discussed at this time. There was no additional reportable action.**

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

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

7. Review of Confidential State Audit and Proposed Corrective Action Plan  
Pursuant to Government Code Sections 61132 & 54956.75.  
Representative: City Manager

**This item was continued to the end of the Regular Session.**

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## Presentation

8. 211 Program Overview – Marie Davis, Chief Executive Officer, Riverside County 211 Program

**This item was continued to a future meeting.**

9. City of Hemet Employee Service Awards - City Manager Meyerhoff  
**Alex Meyerhoff, City Manager**, recognized the City of Hemet Employees for their years of service.

### **5 Years of Service:**

Carmen Garcia, Administrative Assistant  
Dominick Fiorenza, Fire Fighter  
John Roeder, Fire Engineer/Paramedic  
Michael Spitsnaugle, Fire Engineer  
Deanna Robertson, Administrative Assistant  
Deanna Elliano, Community Development Director  
Timothy Stockton, Water Production Systems Operator II

**10 Years of Service:**

Bryan Anderson, Police Officer  
Kathleen Aguilar, Executive Assistant  
Corina Hernandez, Administrative Assistant  
Leanora Ashworth, Literacy Coordinator  
Steven Torres, Maintenance Worker II  
Joshua Martinez, Maintenance Worker II  
Kurt Mikolaycik, Lead Maintenance Worker  
Brandon Harlacher, Lead Maintenance Worker  
Jorge Miranda, Lead Maintenance Worker  
Jaime Gonzalez, Police Corporal  
Michael Anaya, Fire Fighter  
Matavao Helsham, Administrative Assistant  
Timothy McGinnis, Police Officer  
Karen Johnson, Library Assistant II  
Kathleen Snyder, Library Page  
Sandra Ferrell, Accounting Technician III  
Daniel Billington, Fire Fighter  
Patrick Brown, Fire Engineer  
Scott Durbin, Fire Fighter/Paramedic  
Skip Irland, Fire Captain  
Gregory Wilson, Fire Engineer  
Denise Bartz, Engineering Technician II  
Katherine Caines, Senior Librarian  
Americo Giordano, Code Enforcement Officer II  
Daniel Caballero, Police Officer

**15 Years of Service:**

Karl Bornemann, Facilities Technician  
David Parkin, Fire Captain  
Catherine Tipton, Public Safety Office Specialist  
Scott Gibson, Acting Fire Captain  
Nancy Tyacke, Community Services Officer  
Richard Broos, Maintenance Worker II  
Eleanor Goar, Cross Connection Specialist

**20 Years of Service:**

Crestino Esparza, Lead Maintenance Worker  
Ernie Kluck, Waste Water Collection Systems Operator I  
Cynthia Clausen, Public Safety Dispatcher

**25 Years of Service:**

Ralph Brownell, Lead Water Distribution Systems Operator  
Nora Leyva, Administrative Assistant

10. Public Safety Update – Police Chief Brown and Fire Chief Brown

**Police Chief Brown**, had a great speech prepared and a powerpoint to go with it. After the 1:00 a.m. phone call from Deputy Chief Rob Webb on yet another violent incident, Chief Brown decided to play a portion of the unedited raw video taken by a local media outlet from the incident where Hemet Police and Firefighters were threatened and assaulted. This happened in Hemet, last night, while most residents slept. This is happening every day on the streets of Hemet. Innocent victims are being brutally assaulted, robbed and stabbed. Hemet police officers are being attacked and assaulted every day. Today, over 20% of Hemet's patrol force is off work recovering from injuries suffered on duty. Chief Brown gave a brief description of a few of the 3,000 calls the police department handled in the last 7 days. In every one of these events, innocent citizens were targeted and Hemet Police Officers were assaulted and injured. And yet, there are a few individuals declaring that crime is down in Hemet. Chief Brown briefly addressed the pay for the officers. Hemet Police Officers are doing this work for this community for a fraction of the pay earned by their colleagues throughout the region. A salary chart from the Police Department's comparable cities was displayed. Hemet Police Officers have accepted massive pay and benefit reductions during the recession for the benefit of this community. Chief Brown continues to be honored to serve this community alongside the amazing police officers, civilians and volunteers that make up the Hemet Police Department.

**Fire Chief Brown** thanked the community for taking the time to be here tonight. Chief Brown gave a brief overview of the situation that led to this presentation. This is time for bold decisive leadership and action now. Chief Brown expressed concern with the efforts of some to prevent the City's attempts to improve the quality of life for the residents. Mr. Buskirk has crossed all lines of ethical and professional standards. It's obvious that Mr. Buskirk has no interest in being objective and more importantly distracts from the very real discussions that are attempting to address the public safety needs in Hemet. The opportunity to serve the City of Hemet is truly a calling and an honor. Chief Brown was hired with a mission to help restore, rebuild and re-establish the Hemet Fire Department. When Chief Brown assumed the role as Interim Fire Chief the City Council approved outsourcing the Fire Department. The November 2014 election resulted in a change in the City Council and a vote to no longer outsource the Fire Department. First order of business was to develop a Comprehensive 90-120 day plan to assess the needs of the Department. It became clear during this process that there were structural and operational issues that required immediate attention. Hemet Fire Department is underfunded, understaffed and not prepared for its most important mission, saving lives and property. This was confirmed by a formal study to analyze both the internal structure and deployment of resources. Despite the deficiencies, direction from the former City Manager was to not to fill vacancies due to financial shortfalls. The Department does maintain minimum staffing levels. During my tenure, the Department has lost 5 Captains. The Department has filled some openings in the Firefighter Paramedic and Engineering ranks. When called upon the Department still helps neighboring agencies as part of the mutual aid commitment. On July 24<sup>th</sup>, the on-duty crew at Station 2 was deployed to the Sands Fire in Santa Clarita, it is anticipated the commitment will be for approximately 21 days. The number of hours the firefighters work, normal shifts, filling vacancies as well as responding to major incidents is staggering, and continues to be my number one safety concern. Employees have to backfill for vacancies, injuries, vacations and sick time. Police Chief Brown talked about the crime issues that need to be addressed. A majority of the crime related calls the Fire Department responds with the Police Department if there are injuries of any kind. The

Department's work closely together as evident by the video that Chief Brown showed. Hemet Fire Department continues to emerge from the difficult recent history. The leadership of the Department over the last ten years has changed seven times. Lack of consistency and stability has led to issues in the department and is weakened the Department's ability to serve the community. This is a moment in time for the community, the City, and the public safety professionals to come together to make the emergency response services stronger.

**The City Council conducted the Public Hearings at this time.**

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## **City Council Business Consent Calendar**

11. **Approval of Minutes** – July 12, 2016
12. **Approval of Minutes** – July 16, 2016
13. **Receive and File** – Warrant Registers
  - a. Warrant registers dated July 7, 2016 in the amount of \$2,966,305.24 and July 11, 2016 in the amount of \$2,653,776.97. Payroll for the period of June 6, 2016 and June 18, 2016 was \$608,726.03.
14. **Recommendation by Community Development** - Agreement for Services between the City of Hemet and First Carbon Solutions for preparation of the environmental analysis for the proposed Downtown Hemet Specific Plan Project
  - a. Approve the Agreement for Services between the City of Hemet and First Carbon Solutions to prepare the environmental studies and analysis for the Downtown Hemet Specific Plan project for a not-to-exceed contract amount of \$80,330.00; and
  - b. Authorize the City Manager to finalize and execute the Agreement for Services with First Carbon Solutions and appropriate the funding from the Downtown Specific Plan (Account #120-1700-2706) authorized in the FY 15-16 Planning Division Budget; and
  - c. Authorize the City Manager to approve a contingency of up to 10% of the contract amount (\$8,000.00) for additional meetings or tasks that may be required to complete the CEQA documents, upon written request by the Community Development Director and provision of an itemized scope by the consultant.
15. **Recommendation by Administrative Services** – Renewal of Annual Support and Maintenance for West Covina Service Group Public Safety Dispatch/Records Software
  - a. Approve the annual support and maintenance for continued use of the West Covina Service Group CAD/RMS system in the amount of \$113,500; and
  - b. Authorize the City Manager to approve purchase orders in support of this purchase.

16. **Recommendation by Administrative Services** – Service Agreement with Time Warner Cable to provide Enhanced Internet Access at the Hemet Police Department
  - a. Approve and authorize the City Manager to execute a three-year service agreement with Time Warner Cable for enhanced fiber optic internet access at the Hemet Police Department.
  
17. **Recommendation by Human Resources** – Amendment to the Contract Between the Board of Administration of the California Public Employees’ Retirement System (CalPERS) and the City Council of the City of Hemet
  - a. Adopt a resolution of intention, initiating the amendment process through CalPERS to allow cost sharing of the Employer Contribution to CalPERS with the ‘Classic’ CalPERS members of the Hemet City Fire Fighters Local No. 2342.  
**Resolution No. 4699**
  
18. **Recommendation by Fire** – Donation of Surplused Vehicle to Ramona Bowl
  - a. Authorize the donation of (1) 1996 C-15 Pickup Truck, VIN #2GCEC19M6T115208 to the Ramona Bowl. The vehicle will be utilized in a wide variety of activities in support of the daily operations of the Ramona Bowl facility. The donated vehicle will replace an older small truck which is out of service and not repairable.
  
19. **Recommendation by Engineering** – Bucknam Infrastructure Group, Inc. Contract for Citywide Pavement Management Program (PMP)
  - a. Approve a Professional Services Agreement with Bucknam Infrastructure Group, Inc. of Oceanside, CA to provide Professional Engineering and Data Collection Services for \$80,000.00; and
  - b. Authorize the City Manager to execute the two (2) year contract and to extend the agreement for up to three (3) additional one (1) year extensions at the City’s option consistent with future approved budgets.
  
20. **Recommendation by Public Works** – Award of Purchase Order for Automotive and Truck Parts and Supplies to Napa Auto Parts
  - a. Authorize award of purchase order to Napa Auto Parts for annual automotive and truck parts and supplies in the amount of \$80,000 for FY 16/17; and
  - b. Authorize the City Manager to execute a purchase order in support of this award.
  
21. **Recommendation by Administrative Services** – Formation of Hemet Landscape Maintenance District No. 103, Redline Express Car Wash
  - a. Adopt a resolution initiating proceedings and ordering the Report of the Engineering in connection with the annual levy of assessments for the Hemet Landscape Maintenance District No. 103, Redline Express Car Wash and the levy and collection of assessments within such district for the fiscal year 2017-2018, and designate Psomas as the Engineer for the purpose of these proceedings.  
**Resolution No. 4700**

22. **Recommendation by Administrative Services** – Intent to Levy and Collect Assessments within the Landscape Maintenance District No. 103, Redline Express Car Wash
- a. Adopt a resolution of intention to order the annual levy of assessments for the formation of Landscape Maintenance District No. 103, Redline Express Car Wash for Fiscal Year 2016-2017, preliminarily approving the engineer’s report and appointing September 13, 2016 for hearing protests.  
**Resolution No. 4701**

Item Nos 21 and 22 were removed from the Consent Calendar. **Council Member Krupa moved and Council Member Youssef seconded a motion to approve the Consent Calendar as presented. Motion carried 5-0.**

Item No 21

**Council Member Milne**, requested clarification on this district and asked if it was new or existing.

**Jessica Hurst**, this is a new district specifically for Redline Express Car Wash. The public hearing will be in September.

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

Item No. 22

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

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## Communications from the Public

**Jeff Versluys, Hemet**, expressed concern that the west side of Cawston Street does not have sidewalks and the shoulder is obstructed by tumbleweeds. Mr. Versluys recommended that something be done for the children walking or riding a bike to school.

**Stacie Olson, Project Hope**, given the time, will present her item at the next council meeting. Ms. Olson thanked the Chief’s for their presentation and the City Council for approving the placement of the Measure on the ballot.

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## Public Hearing

23. **Revenue Measure Ad Hoc Report and Recommendation** – Mayor Pro Tem Raver and Mayor Wright
- a. Receive the Report of the Ad Hoc Committee; and
  - b. Hold a Public Hearing to discussed the Ad Hoc Committee’s recommendations; and
  - c. Adopt a resolution placing a transactions and use tax ordinance and an advisory measure regarding the expenditure of tax proceeds on the November 8, 2016 General Election Ballot; **Resolution No. 4702** and

- d. Adopt a resolution committing to expend all proceeds of the transactions and use tax, if approved by voters, for the enhancement of public safety services within the City of Hemet. **Resolution Bill No. 16-065**

**Alex Meyerhoff, City Manager**, as you recall on July 12<sup>th</sup>, concerns were presented by the public and many speakers recommended that the City Council consider placing a ballot measure on the November 8<sup>th</sup> ballot. The City Council established an Ad-Hoc Committee to meet with staff and make a recommendation to the City Council. Mayor Pro Tem Raver and Mayor Wright were appointed to the Committee. Since 2006, a number of cost-saving measures and service reductions have been undertaken by the City Council. These measures include:

- ❖ Staffing cuts and service reductions; between FY 08/09 and FY 14/15, full-time equivalent city-wide staffing was reduced by 38% from 442 to 294, including a loss of 25 police officers and 10 firefighters. Hemet Public Library reduced operating hours by 50% and operation of the Simpson Center was contract to YMCA of Riverside and Valley Wide Parks and Recreation. City Hall implemented employee furloughs and reduced hours of operation by closing City Hall on Fridays.
- ❖ Employee compensation/benefit reforms: beginning 2008, employees agreed to a number of significant pay and benefit reductions. This included increased employee contributions to medical and retirement benefits.
- ❖ Retiree Medical Reforms: on September 8, 2015, the City Council approved a resolution reforming the City's retiree medical benefit. This effort is projected to save in excess of \$30 million over the next 10 years.
- ❖ Franchising of City-operated refuse services: on October 10, 2011, the City Council approved a Franchise Agreement for Comprehensive Refuse Services with CR&R, Inc. This action resulted in the elimination of 28 city jobs. The City received a lump sum payment of \$12.5 million and an annual franchise fee of \$12.5 million over 19 years.
- ❖ Contracting of City services: the City Council spent over 2 years exploring the possibility of contract Fire and EMS services to the State/County. Ultimately the City Council decided to retain local control of Fire Service on December 9, 2014. The City currently contracts over 40 functions city-wide.
- ❖ Enhanced grant funding: the City applied for over \$30 million in grant funding to offset general fund expenditures since 2008. Public Safety grant awards during this 7 year period total over \$20.5 million. Grant funding has been used extensively to offset general fund expenditures for the purchase of police, fire and public works vehicles and apparatus.
- ❖ External funding sources: the City continues to aggressively pursue outside funding sources to offset general fund expenditures.
- ❖ 5-Year Financial Management Plan: on October 13, 2015, the Five-Year Financial Management Plan was presented to the City Council which ends the City's practice of deficit spending by FY 19/20 while maintaining at least a 20% General Fund Reserve. The 5-year financial plan assumes "status quo" service and staffing levels in all general fund departments, including police and fire.
- ❖ Ongoing adherence to responsible financial practices: staff presented the FY 16/17 Annual Budget, with a deficit of \$350,000.

In conclusion: public safety remains the number one issue facing the City; Hemet's economy is moving in the right direction; in 2015, sales tax receipts finally returned to their pre-recession

levels; unemployment continues to decline from a high of 16% in 2013 to 8.3% in April 2016; and the City's Capital Improvement Program focuses on infrastructure investment. Hemet has many bright spots: an economically diversified local economy; great school, beautiful parks enhance the quality of life; agriculture, industrial, manufacturing, tourism, medical, technology and retail sectors are all growing; downtown arts and entertainment district serves as a small business, creative-class incubator; new businesses creating jobs arrive daily while existing businesses are expanding. The Revenue Ad-Hoc Committee met and determined that there are continued crime and safety concerns as a result the proposed measure was been drafted.

**Eric Vail, City Attorney**, the ad-hoc committee presented two separate measures. The first is a general tax measure, a 1% transaction and use tax. The proceeds may be used for any legal purposes of the City. The proceeds are General Fund revenues subject to an annual audit. The tax sunsets in 10 years unless renewed by the voters. This tax is separate and distinct from any advisory measure that the Council may decide to place on the ballot nor is the use tax conditioned on any advisory measure.

**Police Chief Brown**, the Police Department would recommend to the City Council to use the resources to fund the Police Department's 10 year plan. Overall crime is up 21% since 2010. The number of violent crimes has increased and is up over 50% since 2010. There are 25% fewer police officers on the street today than there were in 2006. Assaults on Hemet Police Officers have increased over 110% since 2013. Mental Health related calls have increased 94.8% since 2005. Public nuisance calls have increased from 1,173 in 2010 to 13, 2016 in 2015 a 1025% increase. A graph showing 10-year violent crime "clearance rates" for Hemet, San Jacinto and Riverside County was displayed. Chief Brown explained the 10-Year Plan.

- ❖ Year 1: Troop Surge: 16 Officers/2 Sergeants – Crime Suppression Unit – Nuisance Abatement Team – Gang Task Force
- ❖ Year 2: Patrol/Special Ops: 6 Officers/1 Lt – increase neighborhood patrols – establish Criminal Intelligence Unit – create Special Operations Bureau
- ❖ Year 3 & 4: Patrol Enhancement: 10 Officers – aggressive crime prevention effort – increase neighborhood and business patrols
- ❖ Year 5-10: Maintenance & Prevention – maintain staffing and ground gained – continue crime prevention effort as city grows

**Fire Chief Brown**, this plan is consistent with the report presented four months ago. A graph showing the number of calls for 2012, 2013 and 2014 was displayed. The Fire Department would recommend the following spending plan:

- ❖ Establish Credentialed Shift Battalion Chiefs to manage each of the three platoons: Assigned Program Management – EMS – Training – Special Operations/Community Risk Reduction
- ❖ Dedicated Staffing Truck 1: Implement Light Force; relocate Truck to Fire Station 1 – Year 1, partial staffing, FAE, FF – Year 2, Captains
- ❖ Dedicated staffing Engine 5 – convert Squad 5 to Engine – squad vehicle utilized for peak demand
- ❖ Dispatch Resources – Criteria Based Dispatch
- ❖ Data Analyst – dedicated IT support
- ❖ Emergency Services Coordinator: convert to FTE; Re-organize Fire Marshal into Community Risk Reduction programs – Fire/Life Safety Inspections – Weed Abatement mitigation program – CERT, Community Based Disaster Preparedness programs

**Mayor Wright declared the Public Hearing opened at 8:07 p.m.**

**Eric Buskirk, Valley Chronicle**, expressed disappointment that a powerpoint presentation cannot be submitted and played at the Council Meeting unless submitted 3 business days in advance. The Valley Chronicle is supportive of both Police and Fire. Mr. Buskirk is a resident of Hemet. Both Chiefs live out of the valley. The information published in the Valley Chronicle is factual the information is obtained from the FBI's website. I agree that crime is up and that something needs to be done. However, crime is down over 50% from its peak. Compared to San Jacinto, Hemet has more officers per 1,000. Hemet spends more money per capita than San Jacinto and has more crime. San Jacinto's crime is down 82%. Mr. Buskirk expressed concern with sex trafficking. Mr. Buskirk talked about a specific incident and expressed concern that the information requested was deemed exempt from disclosure. Mr. Buskirk spoke in opposition to the measure and feels that the City should live within its budget. Mr. Buskirk expressed concern with the salary and benefits of City employees noting that some make more than \$200,000 and many worked over 1,000 hours of OT a year. Mr. Buskirk compared Hemet's per capita cost for police and fire to surrounding agencies. Mr. Buskirk expressed concern with the City's unfunded liability. Several cities have been forced into bankruptcy because of CalPERS, their former CEO was just sentence to prison.

**Bracha Sarah Meyer Cortez, Hemet**, spoke in opposition, doubting that the City Council can place a rational measure on the ballot. Measure E was crooked and the City Council defeated it not the voters. The members of the Oversight Committee would be appointed, that is not independent. Ms. Meyer Cortez would agree with a two year sunset period not 10 years.

**Debbie Vena, Hemet**, spoke in opposition and concurs with the previous speaker. Ms. Vena expressed concern with pensions and the government. Ms. Vena expressed concern with unions. I am terrified with organized crime turning the younger generation into a profit commodity. Ms. Vena is a survivor of human trafficking. Ms. Vena expressed concern that information regarding a death at a brothel is not public. Ms. Vena expressed concern with pension spiking this is exactly what happened in San Bernardino.

**Tammy Radomski, Hemet**, spoke in opposition. Ms. Radomski was in favor of Measure E because it was for public safety, not in favor of a general purpose tax. Ms. Radomski also expressed concern with the state audit and the salaries.

**Ann Smith, Hemet**, spoke in opposition expressing concern that the proposed measure is for general purpose. Ms. Smith asked what will happen after 10 years.

**John Gifford, Hemet**, spoke in favor. We all know there is a huge upswing in crime and understand the Police Department is doing everything they can. The departments are understaffed and most of their time is spent responding to calls. The good residents are leaving because they don't see things changing. This measure will not solve everything but it will help provide the necessary resources.

**Howard Rosenthal, Hemet**, spoke in favor of the proposed measure. Measure E lost by 606 votes which is good given that the opposition provided the public with bad information. A general tax is not what we wanted. As a business man that is greeted by transients, homeless and panhandlers daily we need the resources. Rosenthal and Excell have a 30 year history of bringing retail and jobs to the valley. Crime has increased 31% in the last year and Hemet is now the #1 murder city in Riverside County for 2015. Mr. Rosenthal encouraged a 5-0 vote to place the measure on the November ballot and let the public decide. The community will have to remain vigilant to make sure the money is used for the purpose and intent. The crime stats are amazing, I'm sure there are a number of people in this room that

have been a victim or know someone that has. Seniors have been beaten up and lives changed forever. This bad reputation invades our schools and our valley, diminishing the great culture here. Doctor's won't move here because of this reputation. The next generation will not stay here with this reputation and the crime problems. Mr. Rosenthal expressed disappointment that Mr. Buskirk does not support the community and will no longer spend money advertising with Valley Chronicle. San Jacinto does not compare, they can't afford the coverage they want and do not have the call volume that Hemet does. Mr. Rosenthal expressed concern with inadequate Sheriff staffing in the unincorporated area, when called, Sheriff's just don't respond.

**Stacy Bailey, Hemet,** spoke in favor. Ms. Bailey retired from HUSD after 35 years of teaching. There have been a lot of changes here, I raised my daughter here. I live in Sierra Dawn and it breaks my heart when people saying that they are leaving. Ms. Bailey expressed concern with the vagrants and homeless sleeping near the businesses downtown. I love Hemet always have and want the old Hemet back.

**Karlee Meyer, Hemet,** spoke in favor. Ms. Meyer is a lifetime resident of Hemet. There have been ups and downs over my lifetime. But Hemet is at an all time low and we need to focus on crime and crime prevention. Ms. Meyer expressed concern with the homeless and the increase in crime. Residents and business owners need to stand together to help make our businesses and homes safe.

**Larry Graves, Hemet West,** spoke in favor and previously supported Hemet ROCS, Save our Fire and Measure E. Mr. Graves expressed concern that his grown son will not ride is motorcycle to work at 3:00 a.m. because of the element on Florida Avenue. His son has said that he definitely would not be a police officer in Hemet. Mr. Graves recommended that the City Council consider increasing the proposed Measure from 1% to 2% or more.

**Gary Fowler, Hemet,** spoke in favor of the proposed Measure. We get a lot of information and stats from both sides, making it hard to decide what to believe. Mr. Fowler firsts decides who he believes. Mr. Fowler trusts the City Council that voted for Measure E. Mr. Fowler trusts Eric Vail, Alex Meyerhoff, Police Chief Brown and Fire Chief Brown and support their efforts.

**Marie McDonald, Hemet,** spoke in favor of the proposed measure. Ms. McDonald asked what the goal of the opposition is and what they expect to gain.

**Judy Rice, Hemet,** spoke in favor. Ms. Rice expressed concern that a newspaper would support an issue that might reduce readership if the residents move. Transparent California is libertarian organization that is against government. The opposition wants to destabilize a 100 year old city.

**Kimara Pyatt, Hemet,** spoke in favor of the proposed measure. Ms. Pyatt asked where the Valley Chronical gets their information. The overtime is high but the departments do not have enough employees. Ms. Pyatt voted for Measure E and was very disappointed that it didn't pass by such a small margin.

**Melissa Diaz Hernandez, Hemet,** spoke in favor of the measure and expressed concern that the "us" against "them" mud-slinging is putting the public safety departments and the community at risk.

**Ed Formica, Hemet-San Jacinto Action Group,** the Action Group unanimously supports the proposed measure. Concern has been expressed about the salaries but we understand you can't change that. When making cuts to police and fire salaries, a former council member asked "where will the employees go?". A number of good employees found jobs elsewhere, we need to keep them here.

**Michael Carle, Golden Village Palms and Tourism San Jacinto Valley**, spoke in favor of the measure. Tourism plays a vital part in the community. After Measure E failed, Golden Village received 10 cancellations. Mr. Carle talked about tourism the money the visitors spend in the valley. The Canadian snowbirds have expressed concern with the increase in crime.

**The City Council recessed briefly at 9:15 p.m.**

**Reconvened at 9:25 p.m.**

**Joe Kozma, Hemet**, as a former Police Chief in San Jacinto, Chief Brown's 10 year program will give the residents a safe community to live in. Proactive Law Enforcement requires man power. With the current staffing all the officers have time to do is respond. Mr. Kozma has lived in the valley since 1965. Mr. Kozma encouraged the residents opposed to the measure to strap on a vest and get in a black and white. What is the incentive to do what they do if you don't pay them well.

**Joe Wojcik, Hemet**, spoke in favor of the proposed measure. The residents of Hemet know the sun rises in the east and also know the crime is up because they see it, they experience it and they feel it. Mr. Wojcik recommended a 5-0 vote to place the measure on the ballot.

**Lori VanArsdale, Hemet**, spoke in favor of the proposed measure. The issues that people brought here tonight are real. We are not numbers or statistics we are the residents that see and feel the difference. A lifetime of experience here tells us that it is different. Shortly after Measure E failed, a young man came to visit family was stabbed to death in the parking lot on Harvard St. Ms. VanArsdale begged the residents to stand up for themselves and support this measure.

**Guy Excel, Hemet**, spoke in favor of the proposed measure. Wealthier cities are doing the same thing. That video is concerning. Mr. Excel recommended a 5-0 vote to place the measure on the ballot.

**Eric Gosch, Hemet**, three years ago a former city official asked me to support a sales tax and I was absolutely opposed. The time has changed and the valley has changed. I am 100% in support of this measure. It is sad that the next generation is moving to surrounding communities. Council Member Milne you are a Hemet resident and you are running for County Supervisor, show us that you will support the valley. As a former investor of the Valley Chronicle, I'm disappointed with what the paper is today.

**Andy Anderson, Hemet-San Jacinto**, spoke in favor of the proposed measure. Businesses are still struggling in this valley. They are fighting to retain employees and shoppers. This will result in businesses and sales tax leaving. Criminals go to the point of least resistance. Temecula is considering a sales tax measure to increase their public safety resources. Murrieta is also discussing one. If they are successful that will just increase the crime in this valley. The number of officers Hemet has today is insufficient.

**Mandie Shoemaker, Hemet**, spoke in favor of the proposed measure. Less than three weeks after I opened my store, it was broken into. Hemet Police Department's response was wonderful. Ms. Shoemaker expressed concern with the incident that was shown, it should not have taken that many officers and firefighter to help one women. This is what the next generation is seeing. We need community programs to combat the mentality of those children. Proactive policing, the kids need to know they are there for their safety.

**William Whalen, Hemet Valley Incidents**, we volunteer our time to bring the news to the residents of Hemet. The things the police department deals with nightly are wrong, they don't get paid enough for what they do. No one likes taxes. I'm the youngest person in the building expressing a desire to change the City. The kids growing up in these neighborhoods are at risk.

**Joy Ward, Hemet,** spoke in favor of the proposed measure. Ms. Ward expressed concern that she no longer feels safe leaving her windows open at night.

**Nicole Tamez, Hemet,** spoke in favor of the proposed measure. Temecula approved 5-0 to place a 1% general sales tax measure on the November ballot. If it is approved and we do not have a measure, Temecula will get more money, more cops and Hemet will get more crime. We have to believe in the City Council to do what's right with the money.

**Mayor Wright declared the Public Hearing closed at 9:51 p.m.**

**Police Chief Brown,** overtime is not reportable to CalPERS and does not apply to an employee's pension. Overtime is forced on our officers. They have to stay to complete their reports. The department has never gone over its overtime budget. Savings from vacant budgeted positions pay for the overtime used to fill the shifts. Chief Brown is concerned about prostitution and human trafficking, the Department's Human Trafficking Task Force rescued a 15 year old and arrested her pimp. A press release was sent to the paper and never printed.

**Mayor Pro Tem Raver,** asked that the chart of comparable salaries be displayed again. The highest salaried officers are the Riverside County Sheriff's that work in San Jacinto and the surrounding unincorporated area. Hemet's officers are next to the lowest paid. Hemet's officers are paid less and are still dedicated. The unions worked with the City Council, reduced their salary and benefits. Former councils have worked hard to keep this City afloat, cut jobs, closed fire stations, reduced salaries and benefits and reduce hours of operation at the Library. The information you are getting from the newspaper is only half of the truth. They don't compare salaries of other jurisdictions. Hemet can bring down their per capita cost if the residents want to reduce their public safety services. There isn't anyone here that will say that public safety services don't need to be enhanced. Mayor Pro Tem Raver briefly explained why the City Council will not consider the companion advisory measure. 63% of the residents were in favor of Measure E. Mayor Pro Tem Raver recommended that the public participate in budget hearings to make sure future Council's do the right thing with the proceeds. Become active and support the passage of this measure. With your help we will make this a better community.

The City Council and staff discussed the sunset clause. After a period of 10 years, the City would keep the money received, but would no longer receive the additional 1%.

**Council Member Youssef,** recommended that the Oversight Committee be convened by application and selection by the City Council as a whole. The Howard Jarvis Group is stating that the Advisory Measure would circumvent Proposition 218's requirement for a two-thirds vote. Economic development fuels and funds the community.

**Council Member Krupa,** concurs that in light of the letter received the City Council should not consider the companion measure. The measure isn't perfect, but necessary. Taxes are something that everyone pays begrudgingly. The City of Hemet is at its tipping point and can recover with the necessary resources. When I ran for City Council in 2010, I did not support Measure O because Utility Taxes are not fair. Council Member Krupa recommended that the City Attorney make the necessary changes so the City Council can approve placing the measure on the November ballot.

**Council Member Milne,** will stick to campaign promises made. The City needs strict conservative, prioritized spending, not more revenue. Ms. Hurst and the City Manager has done a great job. No one is saying that we don't want more police officers, we have to deliver services differently. There are a number of other options other than a sales tax. Council Member Milne expressed concern that it will become harder to recruit and retain officers. The City is always in competition to pay what other agencies pay.

**Mayor Wright**, the City has done its job at being fiscally responsible. It took a while to get here and it will take some time to get back up. We as Council Members were voted into this position to do a job, let us do that. This measure isn't about compensation as alluded to. This is the will of the people, almost 64% of the voters supported Measure E because this community means a lot to them. We all live here, raised our kids here and want to see you have that same opportunity. Mayor Wright concurred that the companion advisory measure is not worth the risk of litigation.

**Council Member Youssef**, requested clarification on compensation that is included in the term "total compensation".

**Police Chief Brown**, the term Total Compensation as used by Transparent CA. This is not a mandatory report and some cities have the notation "failed to report". Transparent CA is not a good source because compensation is reported differently by each agency. Hemet is hyper transparent with Transparent CA and report everything. This includes the cost of all of the benefits, health insurance, vision, dental, worker compensation and retirement.

**Eric Vail, City Attorney**, describe in detail the amendments that will be made to Resolution No. 4702, removing and/or amending references to an advisory measure. Ordinance No. 1917 will be amended removing references to an advisory measure and amending the oversight committee appointment process.

**Mayor Pro Tem Raver moved and Council Member Youssef seconded a motion to approve Item No. 23.c adopting Resolution No. 4702 as amended. Motion carried 4-1. Council Member Milne voted No.**

**No action was taken on Item No. 23.d.**

**The City Council recessed briefly at 10:38 p.m.**

**Reconvened at 10:43 pm.**

24. **Appeal 16-001 of Conditional Use Permit No. 16-003 (Green Education Foundation)** – Community Development Director Elliano
- a. Remand the decision back to the Planning Commission for reconsideration of CUP 16-003 in light of the proposed changes to the project location as requested by the applicant.

OR

  - b. Continue the public hearing for the Appeal regarding the denial of CUP 16-003 to the August 23, 2016 meeting of the City Council and direct staff to provide the full record of the Planning Commission proceedings and findings for review and discussion.

**Deanna Elliano, Community Development Director**, the applicant Green Education placed a 160 square foot container in the shopping center located on the southwest corner of State and Stetson for the purposes of collecting donations without any approvals or permits. When Green Education was advised to remove the bin and application for a Condition Use Permit was submitted. The application was denied by the Planning Commission based on public comments and the findings provided. That decision is final unless appealed to the City Council. The applicant is working with the property owner and tenants to look for an alternative location. The applicant is requesting that the decision be remand back to the Planning Commission for reconsideration of an alternative location within the property owners CC&R's. Staff is recommending that the City Council either remand the decision back to the

Planning Commission or reschedule the Appeal to August 23<sup>rd</sup> at the request of the applicant. Staff is recommending that you open the public hearing to take comments from the public that is present.

**Mayor Wright declared the Public Hearing opened at 10:55 p.m.**

**Charlene Nijmeh, Green Education,** our efforts support local schools with environmental education. We do understand that some business owners don't want our donation station in Diamond Valley shopping center. It is everyone's job to support neighborhood recycling and clean environment. We are requesting that the City Council remand the decision back to the Planning Commission to consider a new location.

**Council Member Youssef,** asked why the organization did not go through the application process.

**Ms. Nijmeh,** stated that staff from Green Education reached out to the City and was told there was no application process and the property owner gave them permission. The organization applied, after they were notified by Mr. Kang.

**Council Member Milne,** confirmed that the property owner gave Green Education permission to place the container on the property and asked if Green Education is paying rent.

**Ms. Nijmeh,** confirmed that the location was approved by the property owner and Green Education is paying rent.

The City Council asked Ms. Nijmeh about the program and what area schools benefit. The Green Education is partnered with the Green Group and all donations are given to thrift stores in Guatemala. Unusable items are turned into installation padding.

**Merrill Brinton, Hemet,** owns the pharmacy that is located in the center for 38 years and is within 25 yards of the large container. The container and the items that are dumped there is an eye sore. Mr. Brinton spoke in opposition.

**Mandie Shoemaker, Hemet,** spoke in opposition. Ms. Shoemaker was surprised to hear that Green Education received permission from the landlord. Ms. Shoemaker had to sign a contract not to compete with other tenants. Ms. Shoemaker owns a children's resale store. When high chairs, strollers, car seats and baby clothes are left there that is in competition with her business. I would suggest that Green Education work with the other existing donation centers in the community and send their unsellable items to Guatemala. Ms. Shoemaker asked if the appeal can be denied tonight.

**Osunga Okello, Green Education,** feels that the recycling center improves the community. Items are being dumped in the vacant center north of Diamond Valley shopping center. Residents are doing the responsible thing and placing their items in the container because they have the opportunity. This is an opportunity to make an effort to teach people and keep useable items out of the landfills.

**Mayor Wright declared the Public Hearing closed at 11:11 p.m.**

**Ms. Elliano,** confirmed that there is sufficient information in the staff report for the City Council to uphold the Planning Commission's denial tonight. If the City Council remands the decision back to the Planning Commission, the Planning Commission can still deny the proposed location.

**Council Member Krupa moved and Council Member Youssef seconded a motion to 24.a. Motion carried 5-0.**

**The City Council returned to the Consent Calendar at this time.**

## City Council Reports

### 25. 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)
9. Southern California Association of Governments (SCAG)

#### 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)
6. Southern California Association of Governments (SCAG)

#### F. Ad-Hoc Committee Reports

1. Diamond Valley Lake Recreation Ad-Hoc Committee (January 27, 2015)
2. Homeless Ad-Hoc Committee (February 9, 2016)
3. Business/Industry Ad-Hoc Committee (April 15, 2016)
4. Skate Plaza Ad-Hoc Committee (June 28, 2016)

#### G. City Manager Meyerhoff

1. Manager's Reports
2. Staff Spotlight
3. Public Safety Update
4. Update on Future Agenda Items

## **Future Agenda Items**

Homeless Ad-Hoc Committee Report

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### **Continued Closed Session**

The City Council recessed to Closed Session at 11:15 p.m.

4. Review of Confidential State Audit and Proposed Corrective Action Plan Pursuant to Government Code Sections 61132 & 54956.75.  
Representative: City Manager
- 

Reconvened at 11:33 p.m.

### **City Attorney Continued Closed Session Report**

7. Review of Confidential State Audit and Proposed Corrective Action Plan Pursuant to Government Code Sections 61132 & 54956.75.  
Representative: City Manager

**The City Attorney reported that there was no reportable action.**

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### **Adjournment**

Adjourned at 11:36 p.m. to Tuesday, August 9, 2016 at 7:00 p.m.



## Staff Report

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TO: Honorable Mayor and Members of the City Council

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

DATE: August 23, 2016

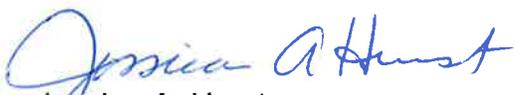
RE: Warrant Register

The City of Hemet's warrant registers dated July 21, 2016 in the amount of \$812,326.13 and August 4, 2016 in the amount of \$1,482,652.93 are currently posted on the City's website in the Finance Department section, under *Financial Information*. Payroll for the period of June 20, 2016 to July 3, 2016 was \$659,851.66 and the period of July 4, 2016 to July 17, 2016 was \$617,231.09.

### 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



*Staff Report*

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TO: Honorable Mayor and Members of the City Council

FROM: Steven Latino, Engineering Director/City Engineer  
Alexander Meyerhoff, City Manager

DATE: August 23, 2016

RE: Columbia Street Resurfacing - Agreement with County of Riverside for Resurfacing of City of Hemet segment Columbia Street South of Florida Avenue

**RECOMMENDATION:**

- a. Authorize the Deputy City Manager/Administrative Services to establish a budget of \$90,000, plus a 10% Contingency of \$9,000, and a 15% Construction Engineering & Inspection Budget of \$13,500 for a total expenditure in the amount of \$112,500 in Fund No. 222-5618-5500; and
- b. Authorize the City Manager to execute the "Service Agreement by and between County of Riverside and the City of Hemet for Columbia Street Resurfacing Improvements."

**BACKGROUND:**

The County of Riverside Transportation Department is currently in the design phase of a resurfacing project on Columbia Street from Florida Ave to Stetson St. Approximately 29,100sf of the project (953 ft long by 35 feet wide) south of Florida Avenue is within the City right of way.

Staff from the County of Riverside approached the City Engineer with regards to entering into an agreement between the two agencies to partner on the project. Generally, the agreement states the County of Riverside would be the lead agency and perform the design, project management, construction management, and inspection duties required for the project. The City would pay the County for the construction cost within the City right of way and a prorated share of the design, management, and inspection costs for the project.

**ANALYSIS:**

City staff has coordinated with the County to get an estimate of the work, which is as follows:

Construction	\$ 90,000
Construction contingency (10%)	\$ 9,000
Construction Engineering & Inspection (15%)	\$ 13,500
<b>TOTAL COST</b>	<b>\$ 112,500</b>

The project is currently in the design phase. The above costs are budget level estimates only. Actual costs will be based on the actual quantities installed in the field and the unit bid costs obtained when the project is awarded by the County to the lowest responsive and responsible bidder. Curb, gutter, and sidewalk installation and repairs adjacent to the City segment of Columbia are also included in the project.

The relatively small amount of City owned right of way on Columbia Street would likely result in a higher than average per unit costs if the City bid a separate project for only its portion of the roadway. Additionally, mobilization and other ancillary costs would also be higher relative to the work performed. Therefore, the economy of scale from partnering with the County on this project will result in a savings to the City when compared to a standalone project along with savings in administration costs of the project.

A similar agreement with the County for the paving of Whittier Avenue during Flood Control's recent storm drain project yielded positive results and demonstrated continued cooperation between agencies.

**FISCAL IMPACT:**

The recommended action will have no impact on the City's General Fund. The work will be paid for using Measure A funds identified for street rehabilitation and maintenance. The funds are available in account 222-5618-5500 which is designated for Citywide Pavement Rehabilitation.

Respectfully submitted,



Steven Latino  
Engineering Director/  
City Engineer

Fiscal review:



Jessica A. Hurst  
Deputy City Manager/  
Administrative Services

Attachment(s): Exhibit "A" – "Service Agreement by and Between County of Riverside and the City of Hemet for Columbia Street Resurfacing Improvements"

**SERVICE AGREEMENT BY AND BETWEEN**

**COUNTY OF RIVERSIDE**

**AND**

**CITY OF HEMET**

**FOR**

**COLUMBIA STREET RESURFACING IMPROVEMENTS**

This Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between the County of Riverside, (hereinafter "COUNTY"), and the City of Hemet, (hereinafter "CITY") for the construction of Columbia Street Resurfacing Improvements located within the jurisdictional boundaries of CITY. The COUNTY and CITY are sometimes hereinafter referred to individually as the "PARTY" and collectively as the "PARTIES".

**RECITALS**

- A. COUNTY is proposing to resurface the existing asphalt surface on Columbia Street, from Florida Avenue to Stetson Street, approximately 6,400 linear feet, in the East Hemet area of Riverside County.
- B. The resurfacing improvements will remove the asphalt pavement, compact the existing base material, grade and place 0.13' of Rubberized Hot Mix Asphalt (RHMA) over 0.20' of Hot Mix Asphalt (HMA).
- C. The work includes traffic control, replacement of any pavement marking, striping and raised pavement markers.
- D. The Columbia Street Resurfacing improvements described above, within the jurisdictional boundaries of the COUNTY are sometimes hereinafter referred to collectively as "COUNTY PROJECT".
- E. A portion of Columbia St, located directly adjacent to the COUNTY PROJECT, is within the jurisdictional boundaries of CITY. Specifically, the area west of the centerline of Columbia St, from Florida Ave to approx. 953 feet southerly of Florida Ave.
- F. Within the CITY portion of Columbia St, the asphalt pavement is 30.5 foot wide and the total asphalt surface area is approx. 29,000 square feet.
- G. The CITY will benefit from the cost savings associated with a larger improvement project. The CITY requests the Columbia Street Resurfacing improvements, as described above, be provided for the area within the jurisdictional boundaries of CITY. These improvements for this area are sometimes hereinafter referred to collectively as "CITY PROJECT".

1 H. The CITY desires to allow the COUNTY to construct the CITY PROJECT, together with the COUNTY  
2 PROJECT since COUNTY has extensive experience in the development and implementation of similar  
3 type projects.

4 I. COUNTY will therefore provide the administrative, technical, managerial, and support services necessary  
5 for the implementation of the CITY PROJECT as part of the COUNTY PROJECT.

6 J. COUNTY and CITY desire to define herein the terms and conditions under which said CITY PROJECT is  
7 to be administered, engineered, coordinated, and constructed.

8 **AGREEMENT**

9 NOW THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as  
10 follows:

11 **SECTION 1 • COUNTY AGREES:**

- 12 1. To act as the lead agency on behalf of the CITY for the overall implementation of the CITY PROJECT.  
13 The COUNTY is providing services on a reimbursable basis and has no obligation to fund any portion of  
14 the CITY PROJECT. Nothing in this Agreement is intended to commit the COUNTY to provide  
15 replacement funding for or to continue with the CITY PROJECT, if funds are not available.
- 16 2. COUNTY has prepared detailed Plans, Specifications & Estimate (PS&E) documents for the COUNTY  
17 PROJECT and includes the CITY PROJECT and are available to CITY for review and approval. Final  
18 plans for improvements are prepared to COUNTY standards, and signed by a Civil Engineer registered in  
19 the State of California. Deviations from standards shall be coordinated with and approved by CITY.  
20 COUNTY shall not begin construction within CITY until CITY has approved the CITY PROJECT portion of  
21 the PS&E documents.
- 22 3. To serve as the lead agency under the California Environmental Quality Act for the Columbia Street  
23 Resurfacing project, including the CITY PROJECT. An Notice of Exemption Document has been  
24 prepared and filed for approval by COUNTY for the Columbia Street Resurfacing Improvements and  
25 includes the CITY PROJECT.
- 26 4. To direct COUNTY's contractor to identify any existing surface utility facilities within the limits of the CITY  
27 PROJECT and to protect the facilities as detailed in the Special Provisions of the PS&E.
- 28 5. To direct COUNTY's contractor to make written application to CITY for an encroachment permit  
29 authorizing entry into CITY right of way for the purposes of constructing COUNTY PROJECT and CITY

1 PROJECT.

2 6. To advertise, award and administer a public works contract for the construction of the COUNTY  
3 PROJECT and the CITY PROJECT in accordance with all applicable federal, state or local statutes,  
4 ordinances, orders, governmental requirements, laws or regulations, including but not limited to the local  
5 agency public construction codes, California Labor Code, and California Public Contract Code, and in  
6 accordance with the encroachment permits issued by CITY.

7 7. To furnish a representative to perform the function of Resident Engineer during construction of CITY  
8 PROJECT.

9 8. To furnish qualified support staff to assist the Resident Engineer in, but not limited to, construction  
10 surveys, soils and compaction tests, measurement and computation of quantities, testing of construction  
11 materials, checking submittals, preparation of estimates and reports, preparation of as-built drawings, and  
12 other inspection and staff services necessary to assure that the construction is performed in accordance  
13 with the PS&E documents.

14 9. To construct the CITY PROJECT in accordance with approved PS&E documents.

15 10. To submit any contract change order that causes the construction contract to exceed 10% of the contract  
16 bid amount for CITY PROJECT improvements to CITY for review and approval prior to final authorization  
17 by COUNTY.

18 11. To furnish CITY one complete set each of full-sized film positive reproducible as-built plans and all  
19 contract records, including survey documents, within three hundred and sixty-five (365) days following the  
20 completion and acceptance of the Columbia Street Resurfacing Improvements construction contract.  
21 Electronic copies of completed plans are available if CITY desires. If electronic copies are provided, they  
22 will be provided on CD-R media.

23 12. To furnish CITY a final reconciliation of project expenses within ninety (90) days following the completion  
24 of each Task (as shown on Exhibit "B") and/or the completion and acceptance of the COUNTY PROJECT  
25 and CITY PROJECT construction contract. If final costs associated with the CITY PROJECT are in  
26 excess of the deposit provided in Section 2, COUNTY shall include a final bill with the financial  
27 reconciliation. If final costs associated with the CITY PROJECT are less than the deposit provided in  
28 Section 2, COUNTY shall include a reimbursement for the difference with the financial reconciliation.

29 **SECTION 2 • CITY AGREES:**

- 1 1. To fund one hundred percent (100%) of the cost of the CITY PROJECT, as shown in Exhibit "B". CITY  
2 agrees that should unforeseen circumstances arise which result in an increase of any costs over those  
3 shown in Exhibit "B", CITY will in good faith amend this Agreement to include any such costs under this  
4 Agreement.
- 5 2. To deposit with COUNTY, prior to COUNTY start of work and upon written request by COUNTY, **one**  
6 **hundred twelve thousand five hundred and 00/100 dollars (\$112,500.00)** (the "Deposit"), which represents  
7 one hundred percent (100%) of the costs to complete construction, including construction survey,  
8 inspection and materials testing for CITY PROJECT, as provided in Exhibit "B" .
- 9 3. To review and rely upon the Notice of Exemption document prepared and approved by the COUNTY in  
10 accordance with any obligations the CITY may have as a responsible agency under the California  
11 Environmental Quality Act.
- 12 4. Issue, at no cost to COUNTY or its contractor, upon proper application by COUNTY or COUNTY's  
13 contractor, an encroachment permit authorizing entry onto CITY right-of-way to complete construction,  
14 including traffic control, construction survey, inspection and materials testing for the COUNTY PROJECT  
15 and CITY PROJECT.
- 16 5. To provide at no cost to the COUNTY, oversight of the CITY PROJECT, to provide prompt reviews and  
17 approvals, as appropriate, of submittals by COUNTY, and to cooperate in timely processing of the CITY  
18 PROJECT.
- 19 6. To provide at no cost to COUNTY, a representative to coordinate and assist the COUNTY Resident  
20 Engineer during the construction of the CITY PROJECT and to verify facilities are constructed as required  
21 by this Agreement.

22  
23 **SECTION 3 • IT IS MUTUALLY AGREED AS FOLLOWS:**

- 24 1. COUNTY and CITY acknowledge and agree that any funding shortfall for the completion of the CITY  
25 PROJECT will be the sole responsibility of CITY. Nothing in this Agreement is intended to commit the  
26 COUNTY to funding any portion of CITY PROJECT, or shall be construed as obligating the COUNTY to  
27 provide replacement funding for any anticipated funding or to continue with the CITY PROJECT, if funds  
28 are no longer available. In the event that adequate funds are not available to move forward or to  
29 complete CITY PROJECT, PARTIES agree to meet and confer and collectively work to identify adequate

1 funding for CITY PROJECT.

2 2. The total cost to CITY to complete construction, including construction survey, inspection and materials  
3 testing for CITY PROJECT is estimated to be **one hundred twelve thousand five hundred and 00/100**  
4 **dollars (\$112,500)** as detailed in Exhibit "B".

5 3. COUNTY shall not be obligated to commence the CITY PROJECT until after receipt of CITY's deposit as  
6 required in Section 2.

7 4. Construction by COUNTY of improvements for CITY PROJECT shall not be commenced until an  
8 Encroachment Permit to COUNTY, or COUNTY's contractor, authorizing such work has been issued by  
9 CITY.

10 5. COUNTY shall cause COUNTY's contractor to maintain in force, until completion and acceptance of the  
11 Columbia Street Resurfacing Improvements, a policy of Commercial Liability Insurance, including  
12 coverage of Bodily Injury Liability and Property Damage Liability, in the amount of \$2,000,000 minimum  
13 single limit coverage, and a policy of Automobile Liability Insurance in the amount of \$1,000,000  
14 minimum. Endorsements to each policy shall be required which name CITY, its officers, agents and  
15 employees, as additionally insured. COUNTY shall also require COUNTY's contractor to maintain  
16 Worker's Compensation Insurance. COUNTY shall cause COUNTY's contractor to provide Certificates of  
17 Insurance and Additional Insured Endorsements which meet the requirements of this section to CITY  
18 prior to the start of construction.

19 6. Ownership and title to all materials, equipment, and appurtenances installed as part of this Agreement will  
20 be automatically vested with the jurisdiction in which the improvements reside and no further agreement  
21 will be necessary to transfer ownership.

22 7. CITY shall be responsible for the maintenance of the improvements provided by CITY PROJECT except  
23 as specified in this Agreement or future agreements.

24 8. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed  
25 by all parties and no oral understanding or agreement not incorporated herein shall be binding on each  
26 party hereto.

27 9. Neither COUNTY nor any officer or employee thereof shall be responsible for any damage or liability  
28 occurring by reason of any act or omission of CITY under or in connection with any work, authority or  
29 jurisdiction delegated to CITY under this Agreement. It is further agreed that pursuant to Government

1 Code Section 895.4, CITY shall fully indemnify and hold COUNTY harmless from any liability imposed for  
2 injury (as defined by Government Code Section 810.8) occurring by reason of any act or omission of  
3 CITY under or in connection with any work, authority or jurisdiction delegated to CITY under this  
4 Agreement.

5 10. Neither CITY nor any officer or employee thereof shall be responsible for any damage or liability occurring  
6 by reason of any act or omission of COUNTY under or in connection with any work, authority or  
7 jurisdiction delegated to COUNTY under this Agreement. It is further agreed that pursuant to  
8 Government Code Section 895.4, COUNTY shall fully indemnify and hold CITY harmless from any liability  
9 imposed for injury (as defined by Government Code Section 810.8) occurring by reason of any act or  
10 omission of COUNTY under or in connection with any work, authority or jurisdiction delegated to  
11 COUNTY under this Agreement.

12 11. In the event that CITY defaults in the performance of any of its obligations under this Agreement or  
13 materially breaches any of the provisions of this Agreement, the COUNTY shall have the option to  
14 terminate this Agreement upon 90 days written notice to CITY.

15 12. CITY and COUNTY shall retain or cause to be retained for audit, all records and accounts relating to  
16 Columbia Street Resurfacing improvements for a period of minimum three (3) years from the date of  
17 Notice of Completion of the COUNTY PROJECT and CITY PROJECT.

18 13. All notices, demands, invoices, and other communications required or permitted hereunder shall be in  
19 writing and delivered to the following addresses or such other address as the PARTIES may designate:

20 COUNTY:

21 Riverside County Transportation Department

22 Attn: Patty Romo,

23 Director of Transportation

24 4080 Lemon Street, 8th Floor

25 Riverside, CA 92501

26 Phone: (951) 955-6740

CITY:

City of Hemet

Attn: Steven Latino

City Engineer

445 E. Florida Ave

Hemet, CA 92543

Phone: (951) 765-2360

**APPROVALS**

**COUNTY Approvals**

RECOMMENDED FOR APPROVAL:

\_\_\_\_\_ Dated: \_\_\_\_\_

JUAN C. PEREZ

Director of Transportation and Land Management

APPROVED AS TO FORM:

COUNTY COUNSEL

\_\_\_\_\_ Dated: \_\_\_\_\_

GREGORY P. PRIAMOS

APPROVAL BY THE BOARD OF SUPERVISORS

\_\_\_\_\_ Dated: \_\_\_\_\_

Marion Ashley

PRINTED NAME

Chairman, Riverside County Board of Supervisors

ATTEST:

\_\_\_\_\_ Dated: \_\_\_\_\_

KECIA HARPER-IHEM

Clerk of the Board (SEAL)

**CITY OF HEMET Approvals**

APPROVED BY:

\_\_\_\_\_ Dated: \_\_\_\_\_

PRINTED NAME

City Manager

APPROVED AS TO FORM:

\_\_\_\_\_ Dated: \_\_\_\_\_

PRINTED NAME

City Attorney

ATTEST:

\_\_\_\_\_ Dated: \_\_\_\_\_

PRINTED NAME

City Clerk

EXHIBIT A

VICINITY/PROJECT MAP

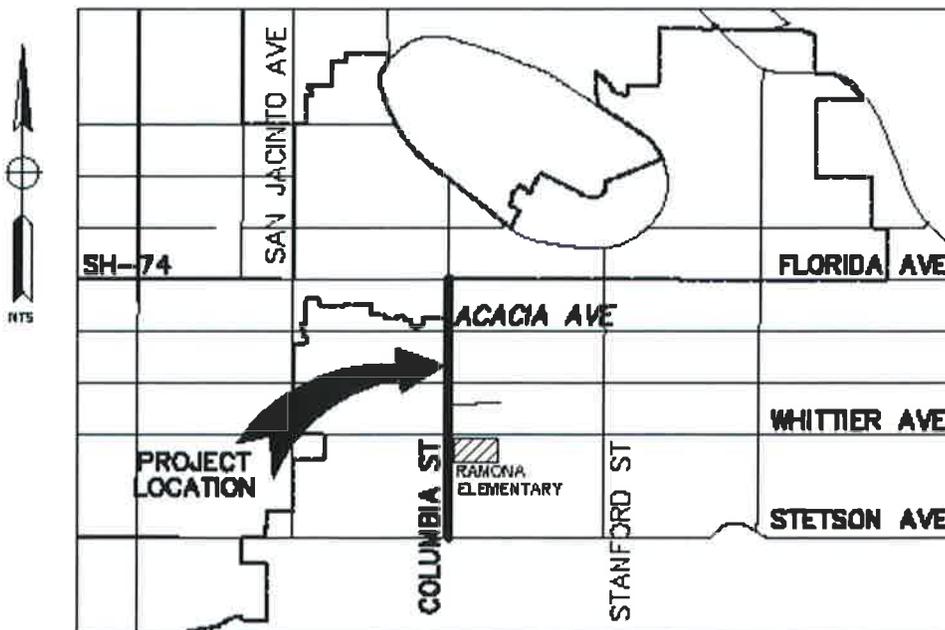
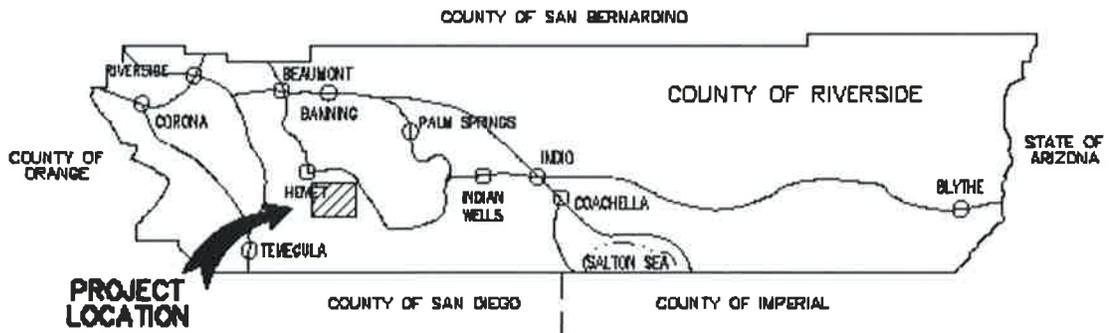
COUNTY OF RIVERSIDE

TRANSPORTATION DEPARTMENT

COLUMBIA STREET  
RESURFACING PROJECT

STETSON AVENUE TO FLORIDA AVENUE  
IN THE COMMUNITY OF EAST HEMET

PROJECT No. C1-0557



VICINITY MAP

TOWNSHIP 5S RANGE 1W SECTION 11-14  
COUNTY ROAD BOOK PAGE No. 111

EXHIBIT B  
CITY PROJECT BUDGET

**ESTIMATED COSTS:**

TASK	COSTS
Construction	\$90,000
Construction contingency (10%)	\$ 9,000
Construction Engineering & Inspection (15%)	\$ 13,500
<b>TOTAL COST</b>	<b>\$112,500</b>



## Staff Report

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TO: Honorable Mayor and Members of the Hemet City Council

FROM: Kathye Caines Sr. Librarian/Library Manager  
Alexander P. Meyerhoff, City Manager 

DATE: August 23, 2016

RE: Library materials from Baker and Taylor

**RECOMMENDATION:**

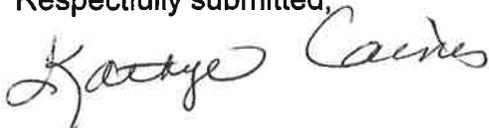
It is recommended that the City Council approve the purchase of Library Materials from Baker and Taylor in the amount of \$69,000.

**BACKGROUND:**

Baker and Taylor has been the City's book vendor for many years, and wishes to continue this relationship. This purchase will provide books for our Adult, Children, Teen and Spanish reading patrons and will enhance the collection, meeting the City's goal to provide the community with the materials and services necessary for self-education, informed decision-making, and recreation.

**FISCAL IMPACT:** This has no fiscal impact on the General Fund as purchases are paid from Development Impact fees, fund account 363-6100 as budgeted for FY 2016-17.

Respectfully submitted,



Kathye Caines Sr. Librarian/Library Manager



## Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Alex Meyerhoff, City Manager  
Eric S. Vail, City Attorney 

DATE: August 15, 2016

RE: **Methods to Address Community Interest in Expenditure of Measure U Tax Proceeds**

### **RECOMMENDATION:**

Provide direction to City staff as to Council's preferred method of addressing community concerns regarding expenditure of Measure U tax proceeds. One potential action of Council could be the adoption of Resolution Bill No. 16-068:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA STATING ITS INTENTION TO EXPEND ALL PROCEEDS OF THE TRANSACTION AND USE TAX PROPOSED BY MEASURE "U" FOR THE ENHANCEMENT OF PUBLIC SAFETY SERVICES WITHIN THE CITY OF HEMET IF MEASURE "U" IS APPROVED BY THE VOTERS AT THE NOVEMBER 8, 2016 ELECTION.**

### **BACKGROUND:**

At the public hearing at the City Council meeting of July 26, 2016, extensive public comment and discussion was had regarding the City's proposed general purpose Transaction and Use Tax measure. After deliberating on the issue, the City Council voted 4-1 to approve Resolution No. 4702 placing the Transaction and Use Tax measure on the ballot for the voters to consider at the November 8, 2016 election. The measure has now designated as "Measure U" by the County Registrar of Voters. The City Council's decision also removed the proposed expenditure resolution as a companion Advisory Measure from consideration at the election to avoid confusion over whether Measure U was a general or special tax.

Under California law, general taxes are available for all general municipal purposes and services of the City and are deposited into the City's General Fund, not a special fund. Since the Council's July 26<sup>th</sup> meeting, members of the community have posed questions and expressed questions about how the City would spend the proceeds of the transaction and use tax if Measure U were to pass.

## **ANALYSIS:**

Measure U does require the creation of a seven (7) member citizens' oversight committee to review and comment upon the expenditure of the tax proceeds, and for an annual audit of the use of the tax proceeds. However, Measure U does not impose any restrictions on the use of the tax proceeds other than that they be available for all lawful and general purposes of the City.

Cities are not legally required under California law to have a specific expenditure plan or to comply with specific spending restrictions for general purposes taxes. City councils typically consider spending priorities and appropriate funds for specific projects annually as part of their consideration and approval of the city budget. However, city councils may, in the exercise of their legislative discretion, impose upon themselves restrictions on the use of funds, earmark general funds for a specific project, or approve an expenditure plan for its general funds. It is not uncommon for city's who have passed a general tax to subsequently adopt regulations governing or limiting the purposes to which the community decides the tax proceeds should be put.

There are a range of options available for the Council to consider regarding how to program proceeds from Measure U. Several options are listed below:

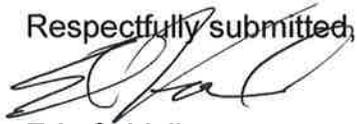
### ***Most Restrictive***

- Adopt Resolution Bill No. 16-068. See attached. This is a modified version of the resolution the Council considered as an advisory measure. It limits use of all tax proceeds to enhancing public safety services within the City, requires an annual expenditure plan reviewed by a citizens' oversight committee, requires 2/3 of the proceeds be allocated toward police services, 1/3 be allocated toward fire and emergency medical services, that the City achieve a 1.2 peace officer per 1,000 City resident ratio, and that the City maintain at least a 72% funding level from its other general fund monies for public safety.
- Revise Resolution Bill No. 16-068 to expend the allowable expenditure beyond enhancing public safety to include other related or necessary services.
- Adopt a specific expenditure plan. Council could adopt a specific multiyear expenditure plan for public safety services and commit to spend tax proceeds in accordance with the expenditure plan.
- Adopt a set of ranked budget funding priorities designating how use of the tax proceeds should be spent.
- Hold a series of public workshops to solicit community input on how the tax proceeds should be expended.
- Program the tax proceeds as a regular part of the annual City budget process.

**Least Restrictive**

Clearly this list is not exhaustive and the Council could also combine or select several options to address its priorities and community concerns.

Respectfully submitted,



Eric S. Vail  
City Attorney



Alexander Meyerhoff  
City Manager

Attachment(s):      Resolution Bill No. 16-068.



CITY OF HEMET  
Hemet, California

RESOLUTION BILL NO. 16-068

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA STATING ITS INTENTION TO EXPEND ALL PROCEEDS OF THE TRANSACTIONS AND USE TAX PROPOSED BY MEASURE "U" FOR THE ENHANCEMENT OF PUBLIC SAFETY SERVICES WITHIN THE CITY OF HEMET IF MEASURE "U" IS APPROVED BY THE VOTERS AT THE NOVEMBER 8, 2016 ELECTION.

**WHEREAS**, the City of Hemet seeks to maintain a safe community to live, work, and raise a family; and,

**WHEREAS**, since 2008, the City of Hemet has experienced a reduction in tax revenue that has resulted in reduction in police and fire department staffing; and,

**WHEREAS**, the City of Hemet Police Department reported that compounded by severe staffing reductions, Hemet has experienced a 51% increase in violent crime and a 21% increase in overall crime since 2010, which is reflected in a recent community survey in which over 60% of residents reported being fearful they would be the victim of a crime in Hemet and over 52% said they usually leave Hemet to shop or spend money on entertainment; and

**WHEREAS**, increasing numbers of parolees and sex offenders are being released from incarceration early because of state cuts to prisons and federal court orders; and

**WHEREAS**, the amount of crime, drug trafficking and homelessness in Hemet is hurting our local businesses and job market. People are going to other cities to do their shopping and businesses do not want to be located in a city that cannot provide adequate public safety services; and

1           **WHEREAS**, the State of California has taken more than six million dollars from  
2 Hemet over the last five years and shifted responsibility for many programs back to local  
3 cities like Hemet without the necessary funding to provide the critical services; and

4           **WHEREAS**, the City of Hemet Fire Department experienced a 40% reduction in  
5 staffing as a result of the recession, and a recent community survey showed that 88% of  
6 Hemet citizens are opposed to making any cuts to 9-1-1/Paramedic services; and

7           **WHEREAS**, due to the circumstances stated above, the City Council has  
8 approved the placement of a general purpose transactions and use tax on the  
9 November 8, 2016 ballot, that, if approved by a majority of the voters, would be imposed  
10 at a rate of 1% in accordance with state law and the proceeds of which would be  
11 collected by the State Board of Equalization and remitted to the City (hereinafter "Tax");  
12 and

13           **WHEREAS**, the County Registrar of Voters has designated the Hemet general  
14 purpose transactions and use tax as Measure "U" for the November 8, 2016 election  
15 (hereinafter "Measure U"); and

16           **WHEREAS**, under the law, the Tax proposed by Measure U is a general purpose  
17 tax that may be used for all lawful purposes and general municipal services; and

18           **WHEREAS**, receiving proceeds Tax would enable the City to:

- 19           • add up to an estimated 39 new peace officers to the Hemet police force, a  
20           57% increase in peace officer staffing;
- 21           • put more peace officers on the streets and fund anti-drug and gang teams  
22           to improve safety in our city;
- 23           • add paramedics to all Hemet Fire Stations to improve emergency life-  
24           saving response; and,

25           **WHEREAS**, the Hemet City Council commits to use all proceeds of that Tax as  
26 expressly stated in this Resolution if Measure U is passed by the voters at the  
27 November 8, 2016 election.  
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**NOW, THEREFORE, the City Council of the City of Hemet does hereby resolve:**

1. That the above-referenced recitals are true and correct and material to this Resolution.
2. That the City Council shall dedicate 100% of the Tax proceeds to enhancing public safety services within the City and increasing funding for such services as provided in this Resolution.
3. That the City Council shall, as part of the City's normal budget process, annually prepare and adopt an expenditure plan for enhancing public safety services within the City, including application of the Tax proceeds. The expenditure plan shall be submitted to the citizens' oversight committee required by Measure U for their review and comment prior to the City Council's consideration and adoption of the expenditure plan. The expenditure plan shall be consistent with the requirements of this Resolution, including but not limited to the following:
  - a. Tax proceeds shall be used exclusively to pay for costs associated with the citizens' oversight committee, the independent audit, and funding police protection and crime suppression services, fire protection and suppression services, and 9-1-1 / paramedic services within the City. The proceeds of the Tax may be expended on any and all regular and special expenses incurred for the operation and the provision of public safety services within the City and in response to mutual and automatic aid agreements, including, but not limited to: wages, benefits, and deferred compensation for police and fire personnel and the pro rata shares of such costs for other City personnel that support the police and fire services within the City; the purchase, operation and maintenance of vehicles and equipment including repairs, fuel and maintenance; the operation, maintenance, repair and retrofitting of existing property, buildings, improvements and other facilities necessary for police or fire purposes;

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risk management and legal services in defense of claims and legal actions against the City and public safety personnel, training, licensing and certification of police and fire personnel; and for utilizing contractors, subcontractors, consultants, and professional services directly related to enhancing police and fire services.

4. That each fiscal year, the Tax proceeds shall be allocated two-thirds to the City of Hemet Police Department, and one-third to the City of Hemet Fire Department.
5. That the City will not, in any fiscal year, reduce the percentage of general fund revenues budgeted and appropriated for Hemet police and fire services below 72% of the total general fund expenditure budget for the given fiscal year.
6. That prior to July 1, 2019, each expenditure plan and City of Hemet budget, inclusive of Tax proceeds, shall provide adequate funding for the City to annually, recruit, hire, equip, and support sworn peace officers and/or police academy cadets, in such a manner, and considering estimated tax proceeds to be received in each of these fiscal years, so that the City will attain a funded staffing ratio of 1.2 full time equivalent sworn peace officers per 1,000 City of Hemet residents ("mandatory staffing ratio") by July 1, 2019. After July 1, 2019, and until termination of the Tax, the City will budget for the mandatory staffing ratio and each expenditure plan and the City of Hemet budget shall provide adequate funding to maintain the mandatory staffing ratio.
7. The terms and provisions of this Resolution shall have no force and effect unless and until the voters voting at the November 8, 2016 election approve Measure U by the legally required vote count, and Measure U is otherwise legally operative.

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PASSED, APPROVED, AND ADOPTED this 23<sup>rd</sup> day of August, 2016.

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Bonnie Wright, Mayor

ATTEST:

APPROVED AS TO FORM:

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Sarah McComas, City Clerk

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Eric S. Vail, City Attorney

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

I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing Resolution is the actual Resolution adopted by the City Council of the City of Hemet and was passed at a regular meeting of the City Council on the 23<sup>rd</sup> day of August, 2016 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sarah McComas, City Clerk



## Staff Report

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TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: August 23, 2016

RE: Fiscal Year 2015-16 Preliminary Year-End Budget Review – As of June 30, 2016

### **RECOMMENDATION:**

Receive and file.

### **BACKGROUND:**

In an effort to more closely monitor the progress of the City of Hemet's financial situation, the City Council directed staff to present quarterly reports of revenues and expenditures. The first quarterly budget update for fiscal year 2015-2016 was presented to the City Council on November 10, 2015.

Staff continue to make progress towards efforts to reduce the financial impact of retiree medical benefits on the City. By the close of June 2016, 20 retirees remain on the highest-costing Managed Choice and Traditional Choice plans. Outreach efforts to those retirees on these plans has continued through the fiscal year and into the current open enrollment period. The new plan year, which begins on September 1, 2016 will see the elimination of the highest costing plans and transition of the remaining retirees on these plans to less costly, comparable options.

The City has begun the interim citywide financial audit for fiscal year 2015-2016. Additionally, with the adoption of the fiscal year 2016-2017 budget on June 14, 2016, staff will begin a preliminary update of the 5-year financial plan which will incorporate the new budget and project year-end actual figures for fiscal year 2015-2016. This updated report will be finalized by staff in the coming months and brought back to the Council for review.

The attached fiscal year 2015-2016 preliminary year-end budget activity reports reflect unaudited revenue and expenditure activity through June 30, 2016 for all funds. Total amounts include revenue collected and funds expended through the quarter ending date. While the City has concluded the fiscal year, revenue and expenditure amounts are not finalized due to the 60 day accrual period, which will see the addition of receipts and invoices that were not received by June 30.

The General Fund has collected 91.19% of revenues budgeted through the end of the fiscal year. There are several revenues that will be accrued in the 60-day period after the end of the fiscal year, including sales tax revenues which are generally received two months in arrears. Additionally, the final "triple flip" payment is anticipated to be received in the next 30 to 45 days.

General Fund expenditures are at an expected level through the end of the fiscal year at 96.43%. This is due to staff vacancies throughout the year and careful monitoring of contracts and other costs within the departmental budgets. Savings resulting from the retiree medical incentive plan will be calculated and returned to all contributing funds during the accrual period, after final invoices have been received.

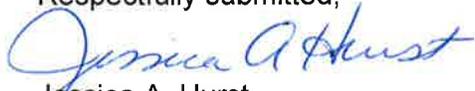
The Water Fund has collected 96.92% of budgeted revenues through June 30, 2016, in-line with the adjusted revenue estimate for the fiscal year. Additional revenue will be accrued for amounts incurred but not billed through June 30, 2016.

The Water Fund has expended only 38.53% of budgeted appropriations through the end of the fiscal year, due primarily to staff vacancies, lower than anticipated costs related to ground water management, and several capital projects that are in the planning stages.

**FISCAL IMPACT:**

None.

Respectfully submitted,



Jessica A. Hurst  
Deputy City Manager/Admin. Services

Attachments:

1. General Fund – Revenue and Expenditure Report
2. Non-General Fund – Revenue and Expense Report

**CITY OF HEMET  
GENERAL FUND - REVENUE AND EXPENDITURE REPORT (PRELIMINARY)  
AS OF JUNE 30, 2016**

	<b>Beginning Fund Balance</b>	<b>Adjusted Budget</b>	<b>Year to Date Actual</b>	<b>% of Budget Rcvd / Used</b>	<b>% of Budget Remaining</b>	<b>Ending Fund Balance</b>
<b><u>REVENUE SUMMARY</u></b>	<b>\$ 16,916,535</b>					
GENERAL ADMIN		1,033,100	1,065,722	103.16%	0.00%	
PROPERTY TAXES (includes VLF)		11,025,000	11,613,945	105.34%	0.00%	
SALES TAXES		12,160,000	9,066,828	74.56%	25.44%	
OTHER TAXES & FEES		6,180,400	5,944,187	96.18%	3.82%	
LICENSES & PERMITS		67,500	66,515	98.54%	1.46%	
FINES & FORFEITURES		143,200	85,115	59.44%	40.56%	
USE OF MONEY & PROPERTY		267,500	72,646	27.16%	72.84%	
INTERGOVERNMENTAL		594,800	570,528	95.92%	4.08%	
CHARGES FOR SERVICES		474,900	525,365	110.63%	0.00%	
OTHER FINANCING SOURCES		1,963,547	1,877,126	95.60%	4.40%	
COMMUNITY DEVELOPMENT		2,271,300	2,239,294	98.59%	0.00%	
TRANSFERS IN		210,000	57,828	27.54%	72.46%	
<b>TOTAL REVENUE</b>		<b><u>36,391,247</u></b>	<b><u>33,185,098</u></b>	<b><u>91.19%</u></b>	<b><u>8.81%</u></b>	
<b><u>EXPENDITURE SUMMARY</u></b>						
CITY COUNCIL		324,000	270,951	83.63%	16.37%	
CITY MANAGER		902,000	707,835	78.47%	21.53%	
CITY CLERK		282,800	233,073	82.42%	17.58%	
FINANCE		1,162,100	1,146,425	98.65%	1.35%	
CITY TREASURER		31,358	28,879	92.09%	7.91%	
HUMAN RESOURCES		680,715	693,854	101.93%	-1.93%	
POLICE DEPARTMENT		19,131,502	19,039,856	99.52%	0.48%	
FIRE DEPARTMENT		10,598,997	10,394,286	98.07%	1.93%	
ANIMAL REGULATION		230,000	199,813	86.88%	13.12%	
PARKS		1,074,787	943,154	87.75%	12.25%	
LIBRARY / LITERACY / SIMPSON CTR		1,590,500	1,512,091	95.07%	4.93%	
PLANNING		1,499,589	1,156,053	77.09%	22.91%	
HOUSING		96,000	33,186	34.57%	65.43%	
BUILDING		1,203,097	1,124,637	93.48%	6.52%	
CODE COMPLIANCE		852,650	781,098	91.61%	8.39%	
ENGINEERING		1,195,258	1,186,378	99.26%	0.74%	
ECONOMIC DEVELOPMENT		357,970	293,565	82.01%	17.99%	
TRANSFERS OUT		510,000	490,176	96.11%	3.89%	
<b>TOTAL EXPENDITURES</b>		<b><u>41,723,321</u></b>	<b><u>40,235,310</u></b>	<b><u>96.43%</u></b>	<b><u>3.57%</u></b>	<b>\$ 9,866,323</b>

CITY OF HEMET  
NON-GENERAL FUND - REVENUE AND EXPENDITURE REPORT (PRELIMINARY)  
AS OF JUNE 30, 2016

	REVENUE SUMMARY				EXPENDITURE SUMMARY			
	Beginning Fund Balance	Adjusted Estimate	Year to Date Actual	% of Budget Remaining	Adjusted Budget	Year to Date Actual	% of Budget Remaining	Ending Fund Balance
<b>SPECIAL REVENUE FUNDS</b>								
130 PUBLIC SAFETY TOWING	60,835	65,300	55,617	14.83%	66,362	70,587	-6.37%	45,866
221 GAS TAX	3,179,224	1,746,500	1,598,388	8.48%	3,166,886	2,491,563	21.32%	2,286,049
222 MEASURE A	3,004,787	1,442,000	1,359,389	5.73%	3,709,585	341,060	90.81%	4,023,115
223 ARTICLE 3 / SB 821	0	0	0	0.00%	70,601	61,763	12.52%	(61,763)
224 AQMD	295,248	416,000	474,248	0.00%	173,574	19,574	88.72%	749,921
231 ASSET FOREITURE	95,580	0	24,983	0.00%	20,341	5,590	72.52%	114,973
234 PUBLIC SAFETY CFD	(195,459)	512,000	485,053	5.26%	404,600	406,492	-0.47%	(116,898)
241 GENERAL PLAN	54,375	31,000	23,100	25.48%	40,000	0	100.00%	77,475
254 STORM DRAIN/SEWER	4,860,604	3,464,000	3,265,358	5.73%	4,375,719	2,451,557	43.97%	5,674,405
788 HEARTLAND BOND	39,868	850,000	751,540	11.58%	753,825	753,040	0.10%	38,368
<b>TOTAL SPECIAL REVENUES</b>		<u>8,526,800</u>	<u>8,037,676</u>		<u>12,781,492</u>	<u>6,601,226</u>		
<b>DEVELOPMENT IMPACT FEE FUNDS:</b>								
315 PUBLIC MEETINGS FACILITIES	547,829	2,000	0	100.00%	0	0	100.00%	547,829
316 GENERAL FACILITIES	1,734,386	114,000	60,872	46.60%	4,600	47,892	-941.13%	1,747,366
326 FLOOD CONTROL	3,275,547	212,000	152,533	28.05%	1,681,577	94,053	94.41%	3,334,027
329 BRIDGES/STREETS	3,223,329	478,589	1,279,415	0.00%	1,161,839	224,805	80.65%	4,277,939
331 LAW ENFORCEMENT	5,477	52,800	37,828	28.36%	87,013	835	99.04%	42,470
332 FIRE FACILITIES	3,355,664	100,000	44,800	55.20%	147,382	76,030	48.41%	3,324,434
361 PARK DEVELOPMENT	1,403,598	140,000	111,881	20.09%	189,719	37,836	80.06%	1,477,643
362 VALLEY WIDE DVL	105,658	27,000	21,791	19.29%	0	0	100.00%	127,449
363 LIBRARY FACILITIES	1,259,239	80,000	56,595	29.26%	407,750	183,392	55.02%	1,132,442
370 CAPITAL PROJECTS FUND	703,255	470,000	2,603,115	0.00%	1,169,943	503,025	57.00%	2,803,345
<b>TOTAL IMPACT FEE FUNDS</b>		<u>1,676,389</u>	<u>4,368,830</u>		<u>4,849,824</u>	<u>1,167,867</u>		
<b>ENTERPRISE FUND:</b>								
571 WATER	7,472,409	10,454,330	10,132,194	3.08%	18,908,234	7,286,103	61.47%	10,318,500
<b>TOTAL ENTERPRISE FUND</b>		<u>10,454,330</u>	<u>10,132,194</u>		<u>18,908,234</u>	<u>7,286,103</u>		
<b>ASSESSMENT DISTRICT FUNDS:</b>								
225 L&LMD	1,310,779	1,900,562	1,849,551	2.68%	2,025,936	1,650,521	18.53%	1,509,810
227 LIGHTING DIST POST 218	636,783	293,128	285,455	2.62%	276,732	223,273	19.32%	698,965
228 LANDSCAPE DIST POST 218	842,821	1,454,163	1,415,707	2.64%	1,543,144	1,260,302	18.33%	998,226
<b>TOTAL ASSESSMENT DISTRICT</b>		<u>3,647,853</u>	<u>3,550,713</u>		<u>3,845,811</u>	<u>3,134,096</u>		
<b>INTERNAL SERVICE FUNDS:</b>								
380 EQUIPMENT REPLACEMENT	4,055,574	685,900	661,763	3.52%	2,085,000	1,005,961	51.75%	3,711,376
680 ADMINISTRATIVE SERVICES	48,285	2,229,300	2,215,086	0.64%	2,246,302	1,571,452	30.04%	691,919
681 WORKERS COMP	681,872	2,115,900	2,115,900	0.00%	2,115,900	2,014,756	4.78%	783,016
682 MEDICAL/DENTAL	80,566	350,000	279,715	20.08%	350,000	344,523	1.56%	15,757
683 LIABILITY FUND	467,662	915,900	1,629,068	0.00%	1,169,900	1,646,909	-40.77%	449,821
684 VEHICLE MAINTENANCE	319,837	1,360,500	1,389,096	0.00%	1,372,378	1,349,186	1.69%	359,746
685 FACILITIES MAINTENANCE	1,060,357	1,559,900	1,560,597	0.00%	3,289,671	2,136,149	35.06%	484,805
686 PW ADMINISTRATION	394,830	1,057,562	1,075,854	0.00%	1,162,788	1,082,908	6.87%	387,776
689 OPEB	1,521,701	4,159,700	4,171,286	0.00%	4,159,700	3,655,684	12.12%	2,037,304
690 UNEMPLOYMENT BENEFITS	73,199	0	0	0.00%	50,000	48,513	2.97%	24,686
691 CITY ATTORNEY ALLOCATION	(708,176)	1,200,000	1,214,988	0.00%	1,200,000	1,663,567	-38.63%	(1,156,755)
<b>TOTAL INTERNAL SERVICE</b>		<u>15,634,662</u>	<u>16,313,352</u>		<u>19,201,638</u>	<u>16,519,608</u>		
<b>GRANT FUNDS</b>								
232 PUBLIC SAFETY GRANTS	47,020	643,630	404,765	37.11%	579,110	340,177	41.26%	111,609
236 COPS /AB 3229	118,992	238,774	139,254	0.00%	254,580	49,971	80.37%	208,275
237 LLEBG	(80,180)	166,225	26,919	83.81%	139,216	123,582	11.23%	(176,843)
240 CDBG	(161)	737,698	662,669	10.17%	1,139,878	847,866	25.62%	(185,358)
242 HOME - Program Income	1,064,724	0	0	0.00%	15,150	15,665	-3.40%	1,049,059
245 CALHOME	377,424	0	93,722	0.00%	95,485	65,788	31.10%	405,358
246 HOME	1,496,939	1,500	0	100.00%	0	0	0.00%	1,496,939
247 NSP GRANT	287,788	0	506,076	0.00%	67,050	19,686	70.64%	774,177
260 INDIAN GAMING GRANTS	287,384	0	0	0.00%	281,696	281,633	0.02%	5,751
<b>TOTAL GRANT FUNDS</b>		<u>1,787,827</u>	<u>1,833,404</u>		<u>2,572,166</u>	<u>1,744,367</u>		

*Staff Report*

TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: August 23, 2016

RE: Return to Non-Drought Water Rates

**RECOMMENDED ACTION:**

It is respectfully recommended that the City Council:

1. Adopt Resolution Bill No. 16-067 titled:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
HEMET, CALIFORNIA, REVERTING TO NON-DROUGHT WATER  
RATES**

2. Authorize the Deputy City Manager and Public Works Director to identify water projects where prior appropriations may be temporarily or partially returned to the Water Fund Reserves and record transfers for only the amounts required as of the mid-year budget review process to offset any projected revenue shortfall in FY16/17.

**BACKGROUND:**

On September 22, 2015, City Council approved Resolution No. 4644 implementing updated water rates for customers of the City of Hemet Water Department. The Resolution established water consumption rates for both "drought" and "non-drought" conditions. At the time Resolution No. 4644 was adopted, the State of California Executive Order XXXXX was in effect which required all water providers to meet specific conservation standards as issued by the State Water Resources Control Board (SWRCB). Additionally, at the time of adoption, the City of Hemet Water Department had been issued a separate Conservation Task Order by the SWRCB that required compliance with a number of specific conservation related tasks above and beyond the state mandate. Given the drought conditions in California and challenges of meeting all State issued conservation requirements, the Council implemented "drought" rates in the City of Hemet water service area effective October 1, 2015.

On May 9, 2016, the Governor issued an Executive Order directing the SWRCB to extend water conservation regulations through January 2017. In this order the state-wide conservation mandates were lifted effective June 1, 2016. However, the order established that each water provider would submit a Self-Certification of Supply Reliability for Three Additional Years of Drought to determine the need for supplier specific conservation. The City of Hemet Water Department submitted the self-certification with preliminary supply information supporting that

water demand can be met in the event of an additional three years of drought conditions. The Department anticipates this will result in the City being confirmed by the State as able to meet customer demand with no need for continued *mandatory* conservation. Staff will continue to seek five to ten percent voluntary conservation.

The City of Hemet Water Department customers were diligent in their conservation efforts for the duration of the initial Executive Order. Their efforts resulted in the City's ability to meet, or exceed, the cumulative conservation requirement each month. City staff also worked diligently with the SWRCB to meet and maintain compliance with the tasks in the Conservation Task Order, resulting in the order being rescinded by the SWRCB in July 2016.

At this time, staff is recommending that Council consider reverting to "non-drought" or normal rates effective September 1, 2016. This would lower the current consumption billing rate from \$6.25 per hundred cubic feet of water consumed to \$4.28 per hundred cubic feet. Because the Council had previously adopted rates with the maximum consumption rate being in response to drought conditions, reverting to the "non-drought" rates, and ultimately lowering the rate per unit of consumption, is allowable without need for a Proposition 218 Hearing. Should the need arise to return to "drought" rates in the future, Council would be able to take appropriate action to move back to drought rates as established in Resolution 4644 without the need for an additional Proposition 218 Hearing. Ready to Serve (Basic) Charges are not impacted by this recommendation.

#### **ANALYSIS:**

The City of Hemet Water Department has met compliance with the Executive Order, as well as, met compliance with the Conservation Task Order issued to the City. Staff is recommending that water consumption rates be reverted to "non-drought" rates as conservation is no longer mandated by the State and customer consumption has continued to reflect responsible use of water resources.

Prior to bringing this recommendation forward, staff requested that Bartle Wells Associates, the rate consultant who performed the 2015 Water Rate Study, review the current financial status of the Water Fund and provide information on the revenue impacts of returning to non-drought consumption rates. The consultant reviewed the most current consumption data available through the billing system as of June 2016, projected consumption based on the previous year of conservation for the period of July through December, and determined that there may be a projected shortfall of revenue as compared to the revenues projected in the 2015 Water Rate Study. This is due, in part, to extreme conservation behavior by our customers above and beyond mandated requirements.

Staff reviewed options for temporarily bridging any potential gap in revenues in an effort to return to the "non-drought" rate. In order to address any potential shortfall, staff has reviewed water department appropriations for capital projects that have not been started. Staff has identified project funding that could be reduced immediately in an amount sufficient to cover the anticipated revenue shortfall for FY16/17. This would allow for the water consumption rates to move to the previously established "non-drought" rate effective September 1, 2016, without risk of depleting needed Water Fund reserves. Staff is requesting that Council authorize the Deputy City Manager and Public Works Director to identify Water projects where prior appropriations may be temporarily or partially reduced in an effort to maintain a balanced budget within the Water Fund.

With Council direction, staff also continues to move forward with the analysis necessary to move from the current flat rate for consumption to a budget based rate structure. This process provides an opportunity to reexamine water consumption patterns under the full year of conservation mandates, and reestablish rates that will sustain revenues necessary for operational and capital costs, while providing individualized water budgets for each customer class. The analysis of budget based water rates is anticipated to be completed by December 2016.

With approval of the recommendations in this staff report, and the possible reductions of some project funding, the budget based rate analysis will take into consideration the need to fully fund necessary capital improvement projects. The funds needed for these capital projects may be included in any new rate structure adopted, addressed with alternative grant or loan funding, or considered in any future debt issuance approved by Council.

**FISCAL IMPACT:**

No General Fund impact. Moving from established "drought" to established "non-drought" rates may result in lower than projected revenues for FY16/17. Staff has identified project funding that was previously appropriated that may be reduced to address any revenue shortfall in FY16/17.

Respectfully submitted,



Kristen Jensen  
Public Works Director

Approved as to form:



Eric S. Vail  
City Attorney

Fiscal Review:



Jessica A. Hurst  
Deputy City Manager/  
Administrative Services Director

Attachment(s): Resolution Bill No. 16-067



CITY OF HEMET  
Hemet, California  
RESOLUTION NO. 16-067

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
HEMET, CALIFORNIA, REVERTING TO NON-DROUGHT  
WATER RATES**

**WHEREAS**, on September 22, 2015, the City Council enacted Resolution No. 4644 which established both drought and non-drought water rates and implemented drought water rates; and,

**WHEREAS**, Resolution 4644 provides that the drought rate structure "shall remain in effect until this Council takes such subsequent action as is necessary and appropriate to either revert the water rate structure to a non-drought basis or the Council amends or adjusts the water rate structure should the drought persist or intensify"; and,

**WHEREAS**, in light of current conditions, the City Council has determined that it is appropriate to revert the water rate structure to a non-drought basis.

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

1. The City Council hereby imposes the "Non-Drought" water rate structure set forth in Exhibit "A" of Resolution No. 4644 and declares that such rate structure shall remain in effect until this Council takes such subsequent action as is necessary and appropriate to either revert the water rate structure to a drought basis or the Council otherwise amends or adjusts the water rate structure.

2. All other provisions of Resolution No. 4644 shall remain in full force and effect.

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**PASSED, APPROVED, AND ADOPTED** this 23rd day of August, 2016.

\_\_\_\_\_  
Linda Krupa, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sarah McComas, City Clerk

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Eric S. Vail, City Attorney

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

I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing Resolution is the actual Resolution adopted by the City Council of the City of Hemet and was passed at a regular meeting of the City Council on the 23<sup>rd</sup> day of August, 2016 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

Sarah McComas, City Clerk