



MINUTES

REGULAR MEETING OF THE HEMET CITY COUNCIL

September 13, 2016

6:00 p.m.

City of Hemet Council Chambers
450 E. Latham Avenue

www.cityofhemet.org

Please silence all cell phones

Call to Order

Mayor Wright called the meeting to order at 6:00 p.m.

Roll Call

PRESENT: Council Members Krupa, Milne and Mayor Wright

ABSENT: Council Member Youssef and Mayor Pro Tem Raver, excused

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

Closed Session

Notice of Opportunity for Public Comment

There were no public comments presented.

The City Council recessed to Closed Session at 6:00 p.m.

1. Conference with Legal Counsel - Anticipated Litigation
Three (3) matters of Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)
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
3. Threat to Public Services or Facilities
Pursuant to Government Code section 54957
Consultation with: Police Chief Brown
4. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of case: Brianna Norman, et al. v. Charles Webb, III, et al., MCC1301868

5. 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
and
Property: *North West Corner of Domenigoni Parkway and El Fuego Road*
Agency negotiator: *City Manager Meyerhoff*
Negotiating parties: *Mike Deni Lin, i-Global Enterprises, Inc.*
Under negotiation: Acquisition, Price and Terms
-

REGULAR SESSION

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

Call to Order

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

Roll Call

PRESENT: Council Members Krupa, Milne and Mayor Wright
ABSENT: Council Member Youssef and Mayor Pro Tem Raver
Council Member Krupa moved and Council Member Milne seconded a motion to excuse Council Member Youssef and Mayor Pro Tem Raver. Motion approved 3-0.
OTHERS PRESENT: City Manager Meyerhoff, City Attorney Vail and City Clerk McComas

Invocation

Invocation was given by Irene Barnhouse, Hemet-San Jacinto Interfaith Council.

Pledge of Allegiance

Pledge of Allegiance was led by Council Member Milne.

City Attorney Closed Session Report

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 continued one matter of Anticipated Litigation. The City Council received a briefing from the City Attorney on one matter of Anticipated Litigation. The City Council gave the City Attorney approval to file a Nuisance Abatement action against 2100 E. Florida Avenue. There was no additional reportable action.

7. 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

The City Council received a briefing from the City's representative regarding Consent Calendar Item No. 13. There was no additional reportable action.

8. Threat to Public Services or Facilities
Pursuant to Government Code section 54957
Consultation with: Police Chief Brown

The City Council received a briefing from Police Chief Brown. There was no additional reportable action.

9. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of case: Brianna Norman, et al. v. Charles Webb, III, et al., MCC1301868

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

10. 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
and
Property: *North West Corner of Domenigoni Parkway and El Fuego Road*
Agency negotiator: *City Manager Meyerhoff*
Negotiating parties: Mike Deni Lin, i-Global Enterprises, Inc.
Under negotiation: Acquisition, Price and Terms

The City Manager discussed the listed properties with the City Council. There was no additional reportable action.

City Council Business Consent Calendar

11. **Approval of Minutes** – August 23, 2016
12. **Receive and File** – Warrant Registers
- a. Warrant registers dated August 8, 2016 in the amount of \$9,910,632.90 and September 1, 2016 in the amount of \$754,430.99. Payroll for the period of July 18, 2016 to July 31, 2016 was \$654,192.98 and the period of August 1, 2016 to August 14, 2016 was \$636,766.75.

13. **Recommendation by City Manager** – Memorandum of Understanding with the Non-Safety Unit (General Employees) of Service Employees International Union (SEIU) Local 721
 - a. Authorize the City’s negotiation team to execute the Memorandum of Understanding (MOU) between the City and Service Employees International Union (SEIU) for the three-year period of July 1, 2016 through June 30, 2019.

14. **Recommendation by Public Works** – Award of Agreement to Legend Pump & Well Service, for Emergency Well 16 Construction Services
 - a. Authorize award of agreement to Legend Pump & Well Service, Inc. in the amount of \$71,972.00 for emergency repair work at Well #16; and
 - b. Authorize the City Manager to enter into an Agreement for Emergency Construction Services (Exhibit “A”) with Legend Pump, and execute purchase orders necessary to support the agreement; and
 - c. Authorize the City Manager to approve Extra Work in an amount not to exceed ten percent (10%) of the original contract amount as established in the Hemet Municipal Code.

15. **Recommendation by Public Works** – CarteGraph OMS Software Licensing Renewal
 - a. Approve a Software Purchase Agreement renewal by and between the City of Hemet and CarteGraph Software, Inc. for the purchase of a three-year OMS Enterprise Licensing Agreement totaling \$199,486.35 (\$66,495.45); and
 - b. Authorize the City Manager to execute the agreement; and
 - c. Authorize the City Manager to execute annual purchase orders in support of the agreement.

Item Nos. 12 and 13 were removed from the Consent Calendar. Council Member Krupa moved and Council Member Milne seconded a motion to approve the remaining Consent Calendar items as presented. Motion carried 3-0.

Item No. 12

Council Member Krupa, requested an explanation for the high dollar amount of the August 8th warrant register.

Jessica Hurst, the City made a pre-payment to CalPERS to receive a greater discount than the amount of money earned in a savings account. The City’s CalPERS employer contributions will be lower throughout the year.

Council Member Krupa moved and Council Member Milne seconded a motion to approve this item as presented. Motion carried 3-0.

Item No 13

Jessica Hurst, handed out a revised copy of the MOU and a list of the minor typographical and formatting changes that were made subsequent to the posting of the agenda.

Council Member Krupa moved and Council Member Milne seconded a motion to approve this item as amended. Motion carried 3-0.

Communications from the Public

Marie McDonald, Hemet, we intend to work hard to make sure that Measure U passes in November. Ms. McDonald requested that the City Council deal with the homeless now. There are some in dire need of mental health and medical care. Ms. McDonald acknowledged that Mayor Wright has been working with members on a regional level, but recommended that a public forum be held on a local level and local non-profits be included.

Larry Graves, Hemet West, announced that the Homeowners Association is having a Measure "U" Rally on September 23rd, the theme will be "Taking a Bite out of Crime". The Homeowners Association will be hosting a Candidate Forum for Hemet Unified School Board, Riverside County Supervisor District 3 and Hemet City Council District 3 on October 3rd at 10:00 a.m.

Public Hearing

16. **Formation of City of Hemet Landscape Maintenance District No. 103, Redline Express Car Wash** – Deputy City Manager/Administrative Services Director Hurst
- a. Conduct a public hearing; and
 - b. Open and tally the ballots; and
 - c. Adopt a resolution approving the Engineer's Report and the levy and collection of assessments for Fiscal Year 2017-2018. **Resolution No. 4705**

Jessica Hurst, Deputy City Manager/Administrative Services Director, on July 26th the City Council adopted resolutions to initiate proceedings to form Hemet Landscape District No. 103 and declaring its intention to levy and collect the assessments. These assessments pay for the landscape maintenance within the District's boundaries. The Engineer's Report describes the District and the budget.

Council Member Milne, requested additional clarification on the parcels being assessed.

Ms. Hurst, this assessment is for the landscaping at Redline Express Car Wash only. The property owner, as conditions of approval, has agreed to establish this district. The assessments will be paid through the property tax.

Mayor Wright declared the Public Hearing opened at 7:23 p.m.

There were no public comments presented at this time.

Mayor Wright declared the Public Hearing closed at 7:24 p.m.

There were no protest ballots received.

Council Member Krupa moved and Council Member Milne seconded a motion to adopt Resolution No. 4705. Motion carried 3-0.

17. **Zoning Ordinance Amendment No. 15-009** – Community Development Director Elliano
- a. Conduct a public hearing; and
 - b. Introduce, read by title only and waive further reading of an ordinance amending Article XI (Single Family Residential Zones) and other associated sections of Chapter 90 (Zoning Ordinance) to the Hemet Municipal Code to update and refine the Development Standards and Regulations for single family residential uses as recommended by the Planning Commission; **Ordinance Bill No. 16-062** and
 - c. Adopt a resolution amending the single-family residential guidelines as recommended by the Planning Commission. **Resolution No. 4706**

Deanna Elliano, Community Development Director, gave the City Council a powerpoint presentation regarding ZOA 15-009. The proposed ordinance amends Article XI (Single-Family Residential Zones) and other associated sections of the zoning ordinance to update the development standards for single family residential uses. The proposed resolution amends the Single-Family Residential Design Guidelines to maintain consistency with the zoning ordinance as amended by ZOA 15-009. In January 2012, the City Council adopted a comprehensive update to the zoning ordinance into compliance through a series of amendments. The recommended actions are a component of the General Plan Consistency Zoning Program. To date the following zoning chapters have been updated: Agriculture, Multi-Family, Manufacturing, Institutional, Open Space, and Specific Plan Zone. This is the last zoning ordinance amendment to start the zoning map updates. This action will establish zoning consistency with the General Plan and enable staff to initiate a comprehensive update to the zoning map and zoning districts. This will also clarify code provisions, update language to correspond with the latest planning practices, and ensure consistency between the various sections of the zoning code. Minor changes are proposed for the single-family residential zones, primarily reorganization and clean-up. This will relocate three provisions from the Single-Family Residential Guidelines to the zoning ordinance. Mobile home and park development standards are being updated to ensure compliance with state law. Hillside Development standards are being relocated from Single-Family Residential zones to a separate article so they will apply to all hillside development. The references to County zoning for annexed properties are being removed. The R-1 Districts are being clarified: R-1-6 (6,000); R-1-7.2 (7,200); R-1-10 (10,000); R-1-20 (20,000); R-1-40 (40,000); and RR (Rural Residential – 20,000+). This amendment will update terminology, streamline the land use matrix for Permitted Uses, add references to applicable code sections and reformat and clarify the text to make the development standards easier to understand and follow. The Zoning Ordinance establishes regulations that guide development and provide operational standards for the uses. These are mandatory unless a variance or waiver is granted. The Guidelines provide examples of design solutions that help implement the regulatory provisions in the zoning ordinance. Guidelines are not mandatory and allow for flexibility and originality in project design. The Planning Commission recommended that the following be shifted from Guidelines to the Zoning Ordinance to encourage improvements to the City's new housing developments: Projects of 5+ lots – 25% shall be one-story dwellings;

Shift from guidelines to zoning ordinance

Recommended by the planning commission to encourage improvements to the city's new housing developments;

- ❖ Projects of 5+ lots: 25% should be one-story dwellings;
- ❖ Projects of 2+ lots: facades shall have trim features, different building material for contrast, and alternative garage orientation; and
- ❖ All projects: 5% of lot area shall be provided for a flat, useable rear yard.

The text was updated to add references to the State Law provisions that govern mobile home and recreational vehicle park development and operations. Criteria was added to the granting of conditional use permits for new parks, demonstrating the compatibility of the new park to the neighborhood in which it is located and its consistency with the General Plan. There were no changes proposed to the development standards that apply to existing parks. Currently the hillside development standards are located in Article XI (SFR Zones) and, therefore, only apply to single-family residential development. The proposed amendment relocates those development standards to a new article in the zoning ordinance so that they apply to any type

of development proposed for the hillsides. It also updates the maximum density for the slop ranges to correspond to those in the General Plan. The proposed amendments maintain consistency with the zoning ordinance, as recommended by the Commission. A provision is added that encourages integrating basic accessibility features into newly built homes. When funding is available, staff would like to initiate a comprehensive update to the Single-Family Residential Design Guidelines that were last updated in 2005. The Planning Commission held work studies in February, April, and June 2016 to discuss the appropriate zoning and development standards for single family residential uses. Public comment was taken at each meeting. A duly noticed Planning Commission public hearing was held on August 2, 2016. No comments were received. This public hearing was noticed on September 2, 2016, no comments have been received. The proposed actions continued the City's Consistency Zoning efforts by implementing the vision and intent of the General Plan, and it's residential land use categories. The amendments ensure compliance with state law. There is no fiscal impact to the City from adoption of the ordinance and resolution. The next steps are to update the zoning map to demonstrate consistency with the General Plan land use map. Work studies on the necessary zone changes begin at the next Planning Commission meeting. We anticipate several work studies and then a public hearing on the proposed zone changes. The Planning Commission recommendations will be presented to the City Council for consideration at a public hearing in early 2017. Staff is recommending that the City Council introduce Ordinance Bill No. 16-062 approving Zoning Ordinance Amendment No. 15-009 and adopt Resolution No. 4706 approving the amendments to the Single-Family Residential Design Guidelines.

Council Member Milne, expressed concern with encroaching on private property rights. Council Member asked how the City's guidelines compare to other cities, we do not want to be the hardest City to do business with.

Ms. Elliano, the Standards are considered acceptable and consistent with neighboring cities. Some cities do not require a minimum of single story and each city has its own character. In Hemet we have larger lot sizes. The market shows a desire for single story homes. The Guidelines are flexible.

Council Member Milne, asked about the impact on Mobile Home Parks.

Ms. Elliano, currently there are 49 Mobile Home and/or RV Parks in Hemet. These parks are located in every zone. These amendments will try to bring them into conformance. State Law requires Mobile Home parks to be permitted in any residential zone, however, we can apply density parameters. The proposed requirement is that they must be compatible with the surrounding neighborhood. The proposed amendments are for new parks only, it will not affect existing parks. The proposed amendments include designators for senior parks, in case they try to transition to all age parks.

Mayor Wright, asked what percentage of the City is zone Rural Residential.

Ms. Elliano, approximately 10%. Esplanade, Park Hill, Southeast Hemet still have large lot semi-rural areas.

Mayor Wright declared the Public Hearing opened at 7:50 p.m.

There were no public comments presented at this time.

Mayor Wright declared the Public Hearing closed at 7:50 p.m.

Council Member Krupa moved and Council Member Milne seconded a motion to approve this item as presented. Motion carried 3-0.

The Ordinance was read by title only.

Discussion/Action Item

18. **Establishment of Other Post-Employment Benefits (OPEB) Trust and Funding Policy** – Deputy City Manager/Administrative Services Director Hurst
- a. Direct the Deputy City Manager/Administrative Services Director to begin the process for establishing an OPEB trust; and
 - b. Select a trust administrator and investment strategy; and
 - c. Determine a funding strategy for the OPEB trust and direct staff to prepare a funding policy for Council adoption.

Jessica Hurst, Deputy City Manager/Administrative Services Director, gave the City Council a powerpoint presentation on the Retiree Medical Other Post-Employment Benefit (OPEB) Trust, Options for Future Funding. The City of Hemet retiree medical plan was discontinued for future employees in 1998 and is referred to as a “closed plan”. There are approximately 225 retirees and 40 active employees are eligible for the City’s retiree medical program. The program will sunset in another 40 years or so, when the last eligible retiree exits the plan. The retiree medical plan is currently funded on a pay-as-you-go basis. This has led to an unfunded liability in the amount of \$87 million as of the October 2015 actuarial report, an amount that is likely to decrease when the next actuarial valuation is prepared in January 2017, due to the reduction of the highest costing medical plans. It is assumed that the cost of retiree medical will continue to rise. This unfunded liability will be on the face of the City’s financial statements due to GASB 74 requirements. There are three common ways to fund OPEB costs: Pay-as-you-go; Debt; or Pre-funded Trust. Staff is recommending an OPEB Trust which 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. Any remaining assets when the closed plan comes to an end 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. Three OPEB trust providers have been compared: PARS, ICMA and CERBT. PARS has been offering OPEB trusts the longest and is probably the most well-known provider. ICMA offers greater options for public agencies to create their own investment strategy or select an established investment strategy from a menu of options. CERBT is a program created by CalPERS and managed by CalPERS investment staff that manages the PERS retirement funds. The CERBT program was started in 2007 with one investment strategy which has since grown to 3 strategies. A chart showing the plan comparisons was displayed. There are three main areas of focus when comparing an OPEB trust administrator: Administration Fee; Rate of return; and Standard deviation. The Administration fee is calculated as a percentage of the assets invested in the trust. The rate of return is the anticipated long-term earnings rate for the fund. The standard deviation is used to calculate the range of returns that can be expected for each investment strategy. Government Code Section 53622 governs the trust and allows the City to delegate its investment responsibility the OPEB administrator. All three OPEB administrators confirmed there are no fixed fees charged over the life of the trust. The only fees are the percentage of asset fees. Provide to the City Council was portfolio fact sheets for the investment strategies for each administrator including historical returns, breakdown of the investments within each strategy, and a list of agencies that currently contract with PARS and CERBT. Staff is requesting direction regarding the establishment of an OPEB Trust, the preferred plan

administrator and the investment risk level. Staff is recommending that the City Council set a policy for regular funding of the trust. At a minimum an initial deposit of 50% of the fund balance in the OPEB fund is recommended. Other options are to designate a set amount or percentage of budget savings each year to continue funding the trust.

Council Member Krupa, recommended that any plan managed by CalPERS be removed from the options. Council Member Krupa asked if the process can begin without choosing a strategy. I personally want Council Member Youssef's input.

Ms. Hurst, the City can set a strategy and change it at any time.

The City Council and staff discussed the plan administrators and strategy options. The money placed into the trust is to remain, until there is no longer an unfunded liability. Any change to that will require a vote of the City Council

Council Member Milne, expressed concern with the lack of communication from ICMA and is not in favor of any plan administrator associated to CalPERS.

The City Council gave direction to staff to workstudy the options, including investment history and administrative fee comparisons.

City Council Reports

19. CITY COUNCIL REPORTS AND COMMENTS

A. Council Member Krupa

1. Riverside Conservation Authority (RCA)

Council Member Krupa attended the meeting on September 12th. The RCA approved a resolution changing the application of fee credits and waivers for cell criteria refinements and new development. The changes set a standard that all cities can use, increased the waiver limit for individual cities to \$200,000.00 worth of development and added a new sentence to the agreement stating that the Board will mediate all disagreements between RCA staff and the cities.

2. Ramona Bowl Association

2nd Annual "Boo at the Bowl" will be October 29th, 30th and 31st.

3. Riverside Transit Agency (RTA)

4. Watermaster Board

5. Library Board

Next meeting September 16, 2016. The Library received an \$18,000 grant from the State Library Association for Literacy. If the City charged out of town residents for Library cards we would not be eligible for this grant.

6. League of California Cities

7. Riverside County Transportation Commission (RCTC)

Next meeting September 14, 2016

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)

Mayor Wright attended the Western Science Center's "Science Under the Stars" event.

The Soboba Band of Luiseno Indian's will hold their annual Pow Wow on September 17th. T.H.E. Center's "End of Summer Bash" is September 17th.

F. Ad-Hoc Committee Reports

- 1. Diamond Valley Lake Recreation Ad-Hoc Committee (January 27, 2015)

Council Member Krupa, working with staff on the MOU. Paul Jones will be giving a report to the City Council in October.

- 2. Homeless Ad-Hoc Committee (February 9, 2016)

The City Council changed the Homeless Ad-Hoc Committee to a Homeless Task Force. Interest letters are been received and will be considered.

- 3. Business/Industry Ad-Hoc Committee (April 15, 2016)

Staff has met with the BIA, a panel will be developed and a meeting scheduled.

- 4. Skate Plaza Ad-Hoc Committee (June 28, 2016)

The Committee will be touring surrounding Skate Parks on September 17th.

G. City Manager Meyerhoff

- 1. Manager's Reports
- 2. Staff Spotlight

City Manager Meyerhoff read two letters to Greg Holyoak and the Corporation Yard complimenting the employees for their appearance and a job well done.

- 3. Public Safety Update

Fire Chief Brown, gave the City Council an update on current Fire Department vacancies and current recruitments.

Police Chief Brown, also gave the City Council an update on vacancies and current recruitments in the Police Department.

- 4. Update on Future Agenda Items

Park Maintenance Scope of Work will be on September 27th City Council Agenda.

Battalion Chief Job Description will be on the September 27th City Council Agenda.

5. State of the City, September 22, 2016

The State of the City Breakfast will be held at Four Season Community Center on Thursday, September 22nd at 7:30 a.m.

Future Agenda Items

Oversight Committee for Measure U
Status of CIP Water Improvement plan

Adjournment

Adjourned at 8:23 p.m. to Tuesday, September 27, 2016 at 7:00 p.m.