



AGENDA

REGULAR MEETING OF THE HEMET CITY COUNCIL

October 25, 2016

REGULAR SESSION

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

Call to Order

Roll Call

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

Invocation

Pledge of Allegiance

Presentation

1. Certificate of Recognition to William Hayes
-

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 microphone. 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

2. **Recommendation by Mayor Pro Tem Raver** – Park Commission Appointment
 - a. Appoint Rick Jackson to Seat 5 on the Park Commission in order to fill an unscheduled vacancy. The two year term will expire April 1, 2017.
3. **Approval of Minutes** – October 11, 2016

4. **Receive and File** – Warrant Registers
 - a. Warrant registers dated October 4, 2016 in the amount of \$2,029,139.40 and October 13, 2016 in the amount of \$664,277.92. Payroll for the period of September 12, 2016 to September 26, 2016 was \$630,180.94.
5. **Receive and File** – Investment Portfolio as of August 2016
6. **Recommendation by Administrative Services** - Amendment to the Contract Between the Board of Administration California Public Employees' Retirement System and the City Council of the City of Hemet for Cost Sharing
 - a. Adopt an ordinance to allow cost sharing of the Employer Contribution to CalPERS with the "Classic" CalPERS members of the Hemet City Fire Fighters Local No. 2342 (HFFA). **Ordinance Bill No. 16-074**
7. **Recommendation by Administrative Services** – Initiating Proceedings for the Formation of Hemet Landscape Maintenance District No. 104, Tractor Supply Company
 - a. Adopt a resolution initiating proceedings and ordering the Report of the Engineer in connection with the annual levy of assessments for the Hemet Landscape Maintenance District No. 104, Tractor Supply Company 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. This is not a general tax. **Resolution Bill No. 16-075**
8. **Recommendation by Administrative Services** – Intention for the Levy and Collection of Assessments, Preliminarily approving the Engineer's Report for Landscape Maintenance District No. 104, Tractor Supply Company
 - a. Adopt a resolution declaring its intention to order the annual levy of assessments for the formation of Landscape Maintenance District No. 104, Tractor Supply Company and to levy and collect assessments within the district for Fiscal Year 2017-2018, preliminarily approving the Engineer's Report and appointing December 13, 2016 for hearing protests. This is not a general tax. **Resolution Bill No. 16-076**
9. **Recommendation by Administrative Services** – Initiating Proceedings for the Formation of Hemet Streetlight Maintenance District No. 104, Tractor Supply Company
 - a. Adopt a resolution initiating proceedings and ordering the Report of the Engineer in connection with the annual levy of assessments for the Hemet Streetlight Maintenance District No. 104, Tractor Supply Company 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. This is not a general tax. **Resolution Bill No. 16-077**
10. **Recommendation by Administrative Services** – Intention for the Levy and Collection of Assessments, Preliminarily approving the Engineer's Report for Streetlight Maintenance District No. 104, Tractor Supply Company
 - a. Adopt a resolution declaring its intention to order the annual levy of assessments for the formation of Streetlight Maintenance District No. 104, Tractor Supply

Company and to levy and collect assessments within the district for Fiscal Year 2017-2018, preliminarily approving the Engineer's Report and appointing December 13, 2016 for hearing protests. This is not a general tax.

Resolution Bill No. 16-078

11. **Recommendation by Administrative Services** – Initiating Proceedings for the Formation of Hemet Landscape Maintenance District No. 105, Les Schwab Tires
 - a. Adopt a resolution initiating proceedings and ordering the Report of the Engineer in connection with the annual levy of assessments for the Hemet Landscape Maintenance District No. 105, Les Schwab Tires 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. This is not a general tax. **Resolution Bill No. 16-079**

12. **Recommendation by Administrative Services** – Intention for the Levy and Collection of Assessments, Preliminarily approving the Engineer's Report for Landscape Maintenance District No. 105, Les Schwab Tires
 - a. Adopt a resolution declaring its intention to order the annual levy of assessments for the formation of Landscape Maintenance District No. 105, Les Schwab Tires and to levy and collect assessments within the district for Fiscal Year 2017-2018, preliminarily approving the Engineer's Report and appointing December 13, 2016 for hearing protests. This is not a general tax. **Resolution Bill No. 16-080**

13. **Recommendation by Administrative Services** – Initiating Proceedings for the Formation of Hemet Streetlight Maintenance District No. 105, Les Schwab Tires
 - a. Adopt a resolution initiating proceedings and ordering the Report of the Engineer in connection with the annual levy of assessments for the Hemet Streetlight Maintenance District No. 105, Les Schwab Tires 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. This is not a general tax. **Resolution Bill No. 16-081**

14. **Recommendation by Administrative Services** – Intention for the Levy and Collection of Assessments, Preliminarily approving the Engineer's Report for Streetlight Maintenance District No. 105, Les Schwab Tires
 - a. Adopt a resolution declaring its intention to order the annual levy of assessments for the formation of Streetlight Maintenance District No. 105, Les Schwab Tires and to levy and collect assessments within the district for Fiscal Year 2017-2018, preliminarily approving the Engineer's Report and appointing December 13, 2016 for hearing protests. This is not a general tax. **Resolution Bill No. 16-082**

15. **Recommendation by Engineering** – Tract Map 36759 – Finance Map within the Tres Cerritos East Specific Plan Area
 - a. Adopt a resolution approving Tract Map No. 36759 for finance purposes only within the Tres Cerritos East Specific Plan area, located at the northeast corner of Cawston Avenue and Devonshire Avenue. **Resolution Bill No. 06-087**

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.

Discussion/Action Item

16. **Establishment of an Other Post-Employment Benefits (OPEB) Trust and Establishing a Funding Policy** - Deputy City Manager/Administrative Services Director Hurst
 - a. Adopt a resolution authorizing the establishment of an OPEB Trust to be administered by Public Agency Retirement Services (PARS) and U.S. Bank, and establishing a funding policy for the trust; and
 - b. Appoint the City Manager as the City's Plan Administrator; and
 - c. Authorize the City Manager to execute the documents necessary to implement the OPEB trust; and
 - d. Select an investment strategy for contributions to the OPEB trust.**Resolution Bill No. 16-085**

17. **Municipal Code Amendment to Chapter 14 (Buildings and Building Regulations)** – Community Development Director Elliano
 - a. Introduce, read by title only and waive further reading on an ordinance approving amendments to Chapter 14 of the Hemet Municipal Code (MCA 16-001), incorporating by reference the 2016 California Building Standards Code and various other uniform Building and Fire Codes, and local amendments thereto; and
 - b. Direct staff to set the proposed ordinance for second reading at a noticed public hearing pursuant to Government Code Section 6066, for the November 15, 2016 City Council Meeting. **Ordinance Bill No. 16-086**

18. **Licensing for Community Events on City Property** – Deputy City Manager/Administrative Services Director Hurst
 - a. Introduce, read by title only and waive further reading of an ordinance adding Article 1 “Community Events on City Property” to Chapter 18 of the Hemet Municipal Code regarding regulatory licenses for community events conducted on City property; and
 - b. Adopt a resolution to adopt licensing fees for community events conducted on City property. **Ordinance Bill No. 16-084 and Resolution Bill No. 16-088**

 19. **Amendment of Fiscal Year 2015-16 Budget** – Deputy City Manager/Administrative Services Director Hurst
 - a. Adopt a resolution amending the Fiscal Year 2015-16 Budget. **Resolution Bill No. 16-083**

 20. **Quarterly Budget Update – As of September 30, 2016** – Deputy City Manager/Administrative Services Director Hurst
 - a. Receive and file
-

City Council Reports

21. 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)
7. Homeless Task Force
8. Skate Plaza Task Force

F. Ad-Hoc Committee Reports

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

G. City Manager Meyerhoff

1. Manager's Reports
2. Staff Spotlight
3. Business/Industry Task Force
4. Public Safety Update
5. Update on Future Agenda Items

Future Agenda Items

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

Adjournment

Adjourn to Tuesday, November 15, 2016 at 7:00 p.m. for consideration of items placed on that agenda. The next regular meeting will be held December 13, 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.



AGENDA # 2

Staff Report

To: Honorable Mayor and Members of the City Council

From: Mayor Pro Tem Raver

Date: October 25, 2016

RE: Park Commission Appointment

RECOMMENDATION:

Mayor Pro Tem Raver respectfully recommends that the City Council appoint Rick Jackson to Seat 5 on the Park Commission in order to fill an unscheduled vacancy. The two year term will expire April 1, 2017.

BACKGROUND:

Mr. Jackson has lived in the Community for over 2 years. Mr. Jackson previous work experience is in the Waste Water, Domestic Water and Storm Water Industry. Mr. Jackson has served on the California Water Environmental Associations, the Tri-State Training Committee and the Lake Elsinore Elite Inc. I highly recommend the appointment of Rick Jackson to the Park Commission.

Respectfully submitted,

K. Paul Raver
Mayor Pro Tem



CITY OF HEMET
Application for Appointment
to Volunteer Commissions/Board/Committee

COMMISSION/BOARD/COMMITTEE that you wish to apply for:

Park Commission or Planning Commission

NAME: Rick Jackson

ADDRESS: 2408 Los Altos Circle

CITY: Hemet ZIP: 92545

TELEPHONE: (951) 259-4625

Past Experience and/or Education: 30 yrs in Waste Water, Domestic Water and Storm Water Industry. High School and some College Courses.

Other Boards and/or Commissions on which you have served: California Water Environmental Association, Tri-State Training Committee, Lake Elsinore Elite Inc.

Organizations you have belonged to _____

How long have you lived in the community? 2 1/2 years 0 months

On a separate sheet of paper, please describe briefly why you wish to be appointed to this Commission.

Return to:
 City Clerk
 City of Hemet
 445 E. Florida Avenue
 Hemet, CA 92543

Rick Jackson 10/11/2016
 Signature Date

All applicants must be residents of the City of Hemet or Sphere of Influence when applicable. The Library Board and Planning Commission members are required to file the California Fair Political Practices Commission Statement of Economic Interests as outlined in the City of Hemet's Conflict of Interest Code.

Rick Jackson

(Park Commission / Planning Commission)

I would like to contribute to my City, Sharing my experience and Knowledge with the Decision makers. The best decisions are made when upper management has been given good/true Data, this is how our City will become the trend setter for the Inland Empire. Our City becomes a better City as more knowledgeable Citizens get involved.

I appreciate the opportunity to volunteer on one of the two Committees if possible.

* 6 Years as a Collection Systems Scheduling Coordinator (Currently Employed, City of Riverside)

* 24 Years of Experience in Water Environment Field

*** Managed and Scheduled:**

* 4 Sewer Cleaning Crews

* 2 Storm Water Crews

* 1 Pump Station Technician

* CCTV Contractor workload and review footage for Condition Assessment and QAQC

*** Projects**

* Cleaning Sequence for over 18,900 Line Segments

* 3-Month High Frequency Cleaning Cycle for Sewer (As well as a 1-Month Cycle)

* 12-Month Preventive Maintenance for Storm Water

* 18-Month Preventive Maintenance for Sewer

* Event Driven Maintenance Schedule for Storm Water to prevent flooding

* Root Control Program; modified our Sanitary Sewer Report Application

* Proficient in Word Microsoft Office Programs- Excel, PowerPoint, Word, Office and Publisher

* Oracle Work Order Management / SPL

* WQMP Computerized Maintenance Management Program

* Operating Sewer/Storm Water Combination Trucks

* Performed Wayne Baling/ Mechanical Rodding

* Operating large Excavators and Backhoes

Thank you.



#3

MINUTES

REGULAR MEETING OF THE HEMET CITY COUNCIL

October 11, 2016

REGULAR SESSION

7:00 p.m.

City of Hemet City 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 7:00 p.m.

Roll Call

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

ABSENT: None

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

Invocation

Invocation was given by Michael Madrigal, Hemet-San Jacinto Interfaith Council.

Mayor Wright, on Saturday, October 8th shortly after noon, two Palm Springs Police Officers were shot and killed while protecting the citizens of Palm Springs. These senseless murders have had a profound impact on our community and our police department. Officer Lesley Zerebny was a 2007 graduate of West Valley High School and was a lifelong Valley resident. Her husband is a Hemet High School graduate and also serves as a law enforcement officer. Officer Zerebny's father served 30 years in the California Highway Patrol and spent most of his career in the Hemet/San Jacinto Valley. Officer Zerebny defines a true hero. As a community, we owe her and her surviving family members a lifelong debt of gratitude. Mayor Wright requested a moment of silence honoring the life and sacrifice of Palm Springs police officer and San Jacinto Valley resident, Lesley Zerebny, and her partner and training officer Jose Gilbert Vega.

Pledge of Allegiance

Pledge of Allegiance was led by Police Chief Brown.

Presentation

1. Diamond Valley Lake Ad Hoc Committee – Paul Jones, EMWD

Paul Jones, General Manager of EMWD, introduced Randy Record, President of EMWD Board of Directors and re-elected today by unanimous vote to serve as Chair of the MWD Board of Directors for an additional two years.

Mr. Jones, gave the City Council a powerpoint presentation on the Diamond Valley Lake Ad-Hoc Committee overview and next steps. A map of Diamond Valley Lake and the property surrounding it was displayed. The map included the trails and facilities. Diamond Valley Lake is a 4,500 acre water body. Mr. Jones displayed an aerial map of the East Dam Recreational Area with the current and potential opportunities. Pictures of the existing East Dam Area facilities were displayed. Not shown on the map is a 13,500 acre open space area located between DVL and Skinner. Recent improvements to Diamond Valley Lake by MWD are: extended boat ramp in two segments, totaling a 360-foot extension to increase boating opportunities; installing permanent restrooms at the Marina; upgrading electrical service at East Dam; investing \$100,000.00 to update Diamond Valley Lake water education center; improving street signage; and new contract with marina concessionaire for 24-months (while preparing an RFP for a long term concessionaire). Other Efforts: DLV-to-Lake Skinner and Salt Creek Trails (finalizing study with County); and initial discussions regarding potential campground and RV Park. In June of 2015, Council Member Krupa assembled a stakeholder Ad-Hoc Committee. The Committee set the following goals: evaluate the stats of recreation and other offerings at Diamond Valley Lake; and develop a path forward to achieve a more robust recreation and eco-tourism hub promoting improved quality of life and economic opportunity for the region. The current Diamond Valley Lake Recreation Area Development Agreement (DA-03-02) was for a term of 15 years, expiring in January 2018. Requisite market conditions and private development did not occur. The Ad-Hoc Committee met eight times over a 14-month period to develop: a Vision Statement and specific objectives for the area, opportunities/constraints; and desirable components for a future recreational base. The Committee's desired outcome is to develop a Memorandum of Intent (MOI) reflecting consensus of agencies on proposed component improvements for the area going forward. Committee Members include: Hemet City Council, Planning Commission and staff; Metropolitan Water District of Southern California Board of Directors and staff; Valley-Wide Recreation and Park District Board of Directors and staff; County of Riverside Third District Board of Supervisors staff representative; State of California 28th District Senator Jeff Stone staff representative; Soboba Band of Luiseno Indians Tribal Council and staff; Western Science Center Board of Directors and staff; San Jacinto Valley business community representatives; and resident public members. Committee-Adopted Vision Statement for the DVL Area: Maximize the unique attributes of the area by creating an eco-community destination that integrates active and passive recreation, a healthy living setting, cultural resources, and environmental preservation in a manner that produces a highly desirable place to live and visit. Objectives developed by the Ad-Hoc Committee: maximize access to and interaction with the environmental resources; undertake economically feasible improvements that are implemented when public agency funding and/or private sector investment is available; implement improvements with a goal of providing a broad set of recreational, cultural, and educational opportunities; complete improvements that are complementary to existing successful recreational and open space uses in the DVL area; and identify and engage in strategic partnerships to implement the vision for the DVL Area, including collaborative partnerships between the Parties. The Stakeholder Committee identified the following seven Proposed Component Improvements for the DLV Area: running, walking and bicycling decomposed granite trail below the East Dam; regional trail interconnections between DVL and both Salt Creek Trail and Lake Skinner Trail; expanded passive parks; enlarged active sports complex with ball fields and support facilities; body-contact recreation lagoon on east side of DVL; camping/recreational vehicle overnight accommodations to support sports complex, lake, and

future lagoon usage, open space and trail access; and improved access to marina for full time usage. The Committee identified the following roles and responsibilities necessary for each Component Improvement: capital funding; grant and outside funding acquisition; planning and entitlement; design, permitting and construction; management; operation, maintenance and security; and marketing. A worksheet was displayed showing the Roles and Responsibilities for the Stakeholders. The Memorandum of Intent (MOI) will: establish the Vision, Objectives, and Proposed Component Improvements of the DVL recreational area; identifies the intent of the Parties for the area while setting forth appropriate caveats effecting implementation – needed for capital and operating funding, environmental permitting, private sector investment, governing body approvals, etc. – included to frame reasonable expectations; describes each Component Improvement; identifies lead agency, primary support for each Component Improvement; and establishes Monitoring Committee.

Council Member Krupa, thanked Mr. Jones for being the facilitator. The Committee members agreed not to bring up the past and move forward. Council Member Krupa thanked Randy Record for stepping up and being at the meetings. Looking forward to completion of the MOI and moving forward.

Randy Record, MWD Board Member, complimented the great job done by Paul Jones and the City's Leadership from the beginning of Diamond Valley Lake. We are all optimistic the meetings have been very productive. San Jacinto Valley is my home, I really want to see something we can be proud of, not just our community, but also MWD and EMWD. Mr. Record thanked the City Council for their support.

Council Member Youssef, thanked Randy Record, Council Member Krupa and Paul Jones for their efforts. We all want to see this successful. This will put trust back in the wonderful opportunities and leadership that is in the Valley.

Council Member Milne, long road still. Council Member Milne expressed appreciation for the Committee Members. Glad that City Manager Meyerhoff is leading the team given his love for this type of project.

Mayor Wright, it's been a long time coming and we're finally here. Partnerships with the private sector can make this happen. Mayor Wright expressed appreciation for MWD's willingness to participate. Mayor Wright is looking forward to these items coming to fruition and bringing these opportunities to the valley, the residents and visitors.

City Council Business Consent Calendar

2. **Recommendation by Mayor Wright** – Planning Commission Appointment
 - a. Appoint Michael Sanchez to Seat 4 on the Planning Commission in order to fill a term expiration. The term will expire April 1, 2017.
3. **Approval of Minutes** – September 27, 2016
4. **Receive and File** – Warrant Register
 - a. Warrant register dated September 15, 2016 in the amount of \$910,064.82 and September 29, 2016 in the amount of \$1,284,765.63. Payroll for the period of August 29, 2016 to September 11, 2016 was \$620,628.29.

5. **Receive and File** – Investment Portfolio as of July 2016
6. **Recommendation by Administrative Services** - Extending the Temporary Grace Period for delinquent Water Utility Bills and Establish the Timing for the Assessment of Late Fee
 - a. Adopt a resolution extending the temporary grace period for delinquent water utility bills to December 20, 2016 and establishing the timing for the assessment of a late fee. **Resolution No. 4711**

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

Mayor Wright, introduced newly appointed Planning Commissioner, Michael Sanchez.

Communications from the Public

Tammy Rademski, Hemet, gave the City Council a number of suggestions to generate revenue to help increase the hours and days of operation for the Library. The City could consider charging \$0.50 for DVD rentals, increase the cost of a copy to \$0.20, bake sales and car washes. Ms. Rademski recommended that a fee be requested for services and waived for volunteer time.

Marie Ball, Hemet, requesting that speed bumps be considered on Thornton, Zirconia, Malachite and Limonite. Ms. Ball presented a petition to the City Clerk.

Mayor Wright, recognized Boy Scout Troop 108 working on their "Citizenship in the Community" merit badge by attending the Council Meeting.

Discussion/Action Item

7. **Amendment to the Contract Between the Board of Administration California Public Employees' Retirement System and the City Council of the City of Hemet for Cost Sharing** – Jessica Hurst, Deputy City Manager/Administrative Services Director
 - a. Introduce, read by title only and waive further reading of ordinance to allow cost sharing of the Employer Contribution to CalPERS with the "Classic" CalPERS members of the Hemet City Fire Fighters Local No. 2342 (HFFA).
Ordinance Bill No. 16-074

Jessica Hurst, Deputy City Manager/Administrative Services Director, this is the final item to amend the CalPERS Cost Sharing Agreement for Hemet Fire Fighters Association. HFFA elected to pay 3% of the Employer's share. This amendment makes that a permanent Employee's share making it pre-taxed.

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

Ordinance read by title only.

8. **Review of Other Post-Employment Benefits (OPEB) Trust and Funding Policy**

– Jessica Hurst, Deputy City Manager/Administrative Services Director

Discussion regarding this item, with possible direction to staff

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. Ms. Hurst presented a workstudy on June 26th describing the option of establishing an OPEB, or retiree medical, trust to begin to set aside funds to be used exclusively to fund the City's remaining retiree medical benefits. On September 13th the City Council was asked to consider establishing a trust. At that meeting, the City Council directed staff to bring back additional information. Retiree medical benefits are referred to as other post-employment benefits, or OPEB. The City of Hemet retiree medical plan was discontinued for future employees in 1998; it is what is referred to as a "closed plan". There are currently approximately 225 retirees and 40 active employees eligible for the City's retiree medical program. The program will sunset in another 40 to 50 years, when the last eligible retiree exits the program. The City of Hemet's retiree medical program is funded on a pay-as-you-go basis. This has led to an unfunded liability amount of \$87,000,000 as of October 2015 actuarial report. Additionally, with the rising cost of healthcare, it is assumed that the cost of retiree medical will continue to rise. As costs continue to rise, the City's unfunded liability will grow until the number of program participants begins to decline. To add to that, this unfunded liability will now appear on the face of the city's financial statements beginning in the current fiscal year, as required by GASB Statement 74. This inclusion will greatly affect the City's net position, once added to the PERS unfunded liability, increasing total liabilities to approximately \$150,000,000. An OPEB Trust is a type of defined contribution plan, similar to a deferred compensation (457 or 401K) plan. 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 to 50 years, any remaining assets in the trust at that time will be returned to the City. The authorization for establishment of an OPEB trust outside of the City's adopted investment policy is pursuant to Government Code Section 53620-53622, which provides authority to the governing body to invest funds intended for the payment of retiree benefits in any form deemed prudent by the governing body. With regular funding it is possible the future full annual cost of OPEB could be paid directly from the trust. Ms. Hurst gave a brief description for three OPEB providers that were explored by staff. CERBT is a program created by CalPERS and managed by CalPERS investment staff. The CERBT program was started in 2007 with one investment strategy which has since grown to 3 strategies. The CERBT program has grown to nearly 500 public sector clients. ICMA offers options for public agencies to create their own investment strategy (actively managed) or select an established investment strategy from a menu of options (passively managed). Strategies are offered through VantageTrust and Dreyfus, in addition to other third-party funds. ICMA provided a list of 3 public sector clients that included one in California. PARS has been offering OPEB trusts the longest and is probably the most well-known provider. PARS utilizes US Bank as trustee and funds are offered through Highmark Capital Management. PARS currently has over 150 public sector clients. A table comparing administrative fees, expected long-term rate of return, and standard deviation of returns by Trust Administrator's was displayed. Each trust administrator

offers several investment strategies, depending on the level of risk. All administrative fees for the three administrators are calculated as a percentage of assets and applied to every dollar deposited or earned. There are no fixed or other fees charged. A table showing fund performance for one-year, three-years, five-years and ten-years, if available, was displayed. An OPEB trust does not require any deposits. An OPEB trust is a defined contribution plan so the City can fund it as conservatively or aggressively as it wishes. There is no requirement that the Council fund an established OPEB trust. However, there is currently over \$1.2 million in available fund balance for the City's OPEB fund, as of June 30, 2016. Staff recommends utilizing a portion of this fund balance as an initial deposit if an OPEB trust fund is established. Additionally, the Council may wish to establish a funding policy to define goals for an OPEB trust. This policy could include a resolution outlining a annual minimum deposit into the OPEB trust in order to meet those goals. This minimum annual deposit would ensure progress toward eliminating the unfunded liability for OPEB. There is also the option to make additional deposits to an OPEB trust at any time. A table was displayed showing examples of how each fund would perform and the associated costs with an initial deposit of \$750,000 and annual deposits of \$100,000, \$250,000 and \$500,000. A table showing example performance and cost calculations for the providers was displayed. Each fund begins with an initial deposit of \$750,000 and then deposits annual contributions as stated for 45 years. Using the expected rate of return for each of the funds, the earnings, estimated future value and administrative fee was calculated. Representatives from CERBT and PARS are available to answer questions. The City Council and staff discussed staff's recommendation to being the fund with \$750,000. The City Council can set the amount of the initial deposit and annual funding policy that would at some point eliminate the unfunded liability. The City Council and staff also discussed the differences in the administrative fees and the rate of returns.

Council Member Milne, asked how many agencies have moved from one provider to another and why.

Council Member Youssef, disclosed that he has had direct contact with CERBT and PARS.

Andy Nguyen, CERBT, three employers have transferred out from CERBT. One closed their benefit program, the other two changed to a provider that had a more conservative allocation strategy. Mr. Nguyen noted that a handful of agencies have transferred their assets to CERBT from another providers.

Jennifer Meza, PARS, several agencies have transferred their assets to PARS because of their customer service. Two agencies have moved from PARS, one school district closed their plan and one moved to another provider for specific services they wanted.

Council Member Krupa, asked about diversified portfolios or are the agencies bound to one strategy.

Mr. Nguyen, a diversified portfolio is possible however, currently no agencies invest in multiple strategies. The long term goal is the priority.

Ms. Meza, PARS offers 10 different portfolio types however, individual portfolios are available.

Mayor Pro Tem Raver, expressed concern with the recent CalPERS criticism. Mayor Pro Tem Raver asked about the stated Rate of Return and what would happen if the investments did not experience that rate of return. Mayor Pro Tem Raver asked if the City has control of the asset allocations.

Ms. Hurst, explained the difference between a defined benefit and a defined contribution. The OPEB Trust would be a defined contribution like deferred compensation. There is no penalty to the City if the investments do not see the anticipated rate of return.

Council Member Youssef, recommended that ICMA no longer be considered since they have been unresponsive. Council Member Youssef asked Ms. Meza from PARS to explain the difference in their administrative fees.

Ms. Meza, PARS is a fee for service agency. You are paying for flexibility and control not just for fees to have an account. PARS provides exceptional customer service. We are not just here to tell you about our services but will be available to assist with investments as long as you remain a customer.

The City Council and staff discussed the rate of return based on different assumptions.

Council Member Youssef, asked if direct payment can be made to the retiree.

Ms. Meza, confirmed that reimbursement can be to the city, to the provider or to the employee directly.

Mr. Nyugen, reimbursements can be made to the City only.

Eric Vail, City Attorney, requested additional information on the investments. Mr. Vail asked if any of the funds invest in debt obligations or mortgage backed securities. Mr. Vail also asked if investments are made in securities or real estate in other nations. Mr. Vail asked Mr. Nyugen if the investment decisions for CERBT are made by the same Board that makes the investment decisions for CalPERS.

Ms. Meza, did not have the information to answer Mr. Vail's question but would provide that. A PARS Investment Manager can come answer all of these questions and talk about investment options.

Mr. Nyugen, CERBT's public assets market does not invest in real estate. The Global Entities Fund does invest in both International and National investments. CERBT follows the Investment Policy that is adopted by the CalPERS Board. Two of the three investment options are active managed by CERBT's Investment Officer. The other is a passive investment is similar to a mutual fund.

Ms. Hurst, recommended that the City Council establish a trust and set a funding policy

Council Member Youssef, expressed disappointment that ICMA didn't respond that is obviously poor customer service. Council Member Youssef recommended that the City maintain local control and it seems we would have more with a private firm. Council Member Youssef recommended that the City Council consider PARS as the Trust Administrator.

Mayor Pro Tem Raver, recommended that the advice of the City Treasurer be sought. Her insight and experience with investments might be good to hear. Mayor Pro Tem Raver also recommended that Ms. Hurst work with Council Member Youssef on the strategy policy and funding options.

The City Council and staff discussed the initial deposit amount and briefly discussed the annual funding policy.

The City Council thanked the representatives from both CERBT and PARS.

Council Member Youssef moved and Council Member Krupa seconded a motion to move forward of a OPEB Trust, selected PARS as the Trust Administrator, direct staff to bring back investment strategy options and funding policy recommendation, include the City Treasurer in the next steps, initial pre-funding in the amount of \$750,000 and to bring back set aside amount for former Refuse Employee Retirement. Motion carried 5-0.

City Council Reports

9. CITY COUNCIL REPORTS AND COMMENTS

A. Council Member Krupa

1. Riverside Conservation Authority (RCA)
2. Ramona Bowl Association
"Boo at the Bowl", October 29th, 30th, and 31st
3. Riverside Transit Agency (RTA)
4. Watermaster Board
5. Library Board
6. League of California Cities

Council Member Krupa attended the General Conference it was very productive. The Board of Directors announced that to take an oppose positon to Proposition 57.

Council Member Krupa was re-elected at the Western Representative for Riverside County.

7. Riverside County Transportation Commission (RCTC)
8. Western Riverside Council of Governments (WRCOG)
9. Southern California Association of Governments (SCAG)

Hemet Elementary will be open for school in 17/18. Agencies are working with HUSD to re-draw the boundaries.

Council Member Krupa attended the Max the Mastodon's 21st birthday celebration.

Council Member Krupa attended the League's annual golf tournament, accompanied by the golf team of Steve Latino, Eric Vail, Tom Jex and Ben Benoit.

B. Council Member Milne

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

Council Member Milne attended the Grand Opening of Burlington. Great turnout, even the soft opening was well attended. Sprouts will open October 26th and Ulta on Black Friday. Council Member Milne thanked City Manager Meyeroff and the staff for getting it done.

Council Member Milne attended the "Helping and Hiring Our Heroes" event in Temecula. Proud to see the Police Department's recruitment booth.

C. Council Member Youssef

1. Planning Commission

Council Member Youssef requested that Fire Chief Brown invite the photographer that assisted at a rescue scene to a Council Meeting to be recognized.

D. Mayor Pro Tem Raver

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

Mayor Pro Tem Raver complimented the Police Department for their rapid response to help Palm Springs Police Department.

Mayor Pro Tem Raver attended the RTA budget meeting. The Board approved the budget for new buses. Mayor Pro Tem Raver arrived while another committee meeting was being conducted where two Federal Grants for Hemet's Train Station were approved. The location was discussed and questioned.

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)

Mayor Wright attended WRCOG, they are finalizing the TUMF Nexus Study and updated the HERO program. Currently 354 jurisdictions participate and a new finance company has been added. Also discussed was the Community Choice Aggregation Program, a program that will allow local governments to purchase electricity from an existing electricity provider. The study concluded that in the WRCOG area a savings of 4% is possible. WRCOG encouraged involvement in Storm Water Management due to new regulations.

6. Southern California Association of Governments (SCAG)
7. Homeless Task Force

Next meeting will be October 24th at 1:00 p.m.

8. Skate Plaza Task Force

There will be a presentation from Skate Plaza Developers on November 3rd, followed by Pro-Skater's at a subsequent meeting.

Mayor Wright attended the Hemet-San Jacinto Chamber's First Friday; Hemet Police Department's Coffee with a Cop and the Grand Opening of Burlington.

F. Ad-Hoc Committee Reports

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

Report from Paul Jones, EMWD during Presentations.

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

City Manager Meyerhoff is working with BIA. Mr. Meyerhoff recommended that this Ad-Hoc Committee be converted to a Task Force.

G. City Manager Meyerhoff

1. Manager's Reports
2. Staff Spotlight

City Manager Meyerhoff received a compliment regarding the great job done by Sara Retmier from Savant Construction during the Grand Opening of Burlington.

2. Public Safety Update

Fire Chief Brown, the Fire Department sponsored 5 employees to attend the Riverside Fire Leadership Program where Chief Brown taught two segments. Jennifer Mills was hired to fill the EMS Coordinator position. Chief Brown was appointed as the Alternate Area Regional Fire Coordinator. Hemet Fire Department reached out to Palm Springs Fire Chief offering condolences and will send an Engine Company and personnel to honor fallen officers.

Police Chief Brown, Anthony Do starts tomorrow as the Department's Media and Intelligence Analyst. 8 Trainee applicants are in background, which takes 2 to 3 months, the goal is to start them in the January 2017 academy. All resources have been offered to Palm Springs and the Zerebny Family.

Tip-a-Cop will be held on October 20th at Red Robin.

4. Update on Future Agenda Items
5. Fire Department Open House, October 15, 2016

Mayor Wright announced that the Hemet Hospital Health Fair will also be held on October 15th.

6. Great Shake Out, October 20, 2016

The City will conduct their drill on Monday, October 24, 2016.

Future Agenda Items

Workstudy AB 243, AB 266 and SB 643.

Request presentation from WRCOG, Community Choice Aggregation Program

Adjournment

Adjourned at 9:25 p.m. in honor of Palm Springs Fallen Officers Lesley Zerebny and Gilbert Vega to Tuesday, October 25, 2016 at 7:00 p.m.



Staff Report

TO: Honorable Mayor and Members of the City Council

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

DATE: October 25, 2016

RE: Warrant Register

The City of Hemet's warrant registers dated October 4, 2016 in the amount of \$2,029,139.40 and October 13, 2016 in the amount of \$664,277.92 are currently posted on the City's website in the Finance Department section, under *Financial Information*. Payroll for the period of September 12, 2016 to September 25, 2016 was \$630,180.94.

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



AGENDA

5

Staff Report

TO: Honorable Mayor and members of the City Council
FROM: Judith L. Oltman, City Treasurer
DATE: October 25, 2016
RE: Investment Portfolio as of August 2016

RECOMMENDED ACTION:

Receive and file.

ANALYSIS:

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

On 8/16/16 we purchased a 5year/3 month call FHLMC #2293 for \$950,000 at 1.60%.
On 8/12/16 our G.E. Capital NCD #3132 matured and on 8/24/16 our CIT Bank NCD #3136 matured.

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

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

Respectfully Submitted,


Judith L. Oltman
City Treasurer

attachment

CITY OF HEMET, CALIFORNIA
Monthly Report of Investment Activities

AUGUST 2016

INVESTMENT CLASSIFICATIONS	MONTHLY ACTIVITY	CONSOLIDATED BALANCE
PORTFOLIO AS OF JULY	59,904,730.73	
CERTIFICATES OF DEPOSIT		
Placed this month		
Matured this month	-494,000.00	
Balance		6,934,000.00
LOCAL AGENCY INVESTMENT FUND: City of Hemet		
Deposits		
Withdrawals		
Balance		20,369,440.58
BANK OF NEW YORK MELLON Custodial Acct.		
Deposits	593,387.05	
Withdrawals	-1,041,287.05	
Balance		1,019,132.68
CITIBANK: Money Market Account		
Deposits	91,335.26	
Withdrawals		
Balance		395,601.50
CITIBANK: Money Market Account 3		
Deposits	1,324,081.77	
Withdrawals	-1,000,000.00	
Balance		6,136,489.20
MUNICIPAL BONDS & NOTES		
Deposits		
Withdrawals		
Balance		20,523,583.80
GOVERNMENT AGENCIES		
2258 1.0% FNMA 4/30/18		500,000.00
2260 1.0% FNMA 5/21/18		500,000.00
2288 1.50% FNMA 3/16/16		1,000,000.00
2291 1.67% FFCB 6/14/21		1,000,000.00
2292 1.50% FFCB 7/6/21		1,000,000.00
2293 1.60% FHLMC 8/16/21	950,000.00	950,000.00
PORTFOLIO BALANCE AS OF AUGUST 2016	60,328,247.76	60,328,247.76

INTEREST EARNINGS	16-17 FISCAL YEAR-TO-DATE	
EARNINGS BALANCE AS S OF AUGUST 1, 2016		-124,583.55
CERTIFICATES OF DEPOSIT INT.	19,045.73	
OTHER GOVERNMENT SECURITIES	76,828.55	
CITIBANK MONEY MARKET ACCOUNT	48.21	
CITIBANK MONEY MARKET ACCOUNT 3	778.07	
BANK OF NY MONEY MARKET ACCT.	7.23	
LOCAL AGENCY INVESTMENT FUNDS		
CITY OF HEMET INTEREST		
MONTHLY EARNINGS TOTAL	96,707.79	96,707.79
MEMO ONLY:		
BANK CHARGES & INVESTMENT PREMIUMS		
16-17 YEAR-TO-DATE INTEREST EARNINGS		-27,875.76

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

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Certificates of Deposit - Bank	1,239,000.00	1,240,079.19	1,239,000.00	2.05	1,536	333	1.314	1.332
Managed Pool Accounts	20,369,440.58	20,369,440.58	20,369,440.58	33.67	1	1	0.542	0.550
Passbook/Checking Accounts	7,551,223.38	7,551,223.38	7,551,223.38	12.48	1	1	0.368	0.374
Local Government Bonds	12,523,583.80	12,971,352.35	12,644,296.04	20.90	2,303	1,726	2.450	2.484
Medium Term Notes	8,000,000.00	8,187,205.00	8,049,649.62	13.31	1,786	1,139	1.900	1.927
Federal Agency Issues - Coupon	4,950,000.00	4,930,169.00	4,950,000.00	8.18	1,826	1,517	1.433	1.453
Negotiable CDs	5,695,000.00	5,816,269.37	5,695,000.00	9.41	1,882	1,006	1.821	1.846
Investments	60,328,247.76	61,065,738.87	60,498,609.62	100.00%	1,078	738	1.309	1.327
Cash and Accrued Interest								
Accrued Interest at Purchase		25,611.35	25,611.35					
Subtotal		25,611.35	25,611.35					
Total Cash and Investments	60,328,247.76	61,091,350.22	60,524,220.97		1,078	738	1.309	1.327

Total Earnings	August 31 Month Ending
Current Year	67,310.50
Average Daily Balance	60,464,135.34
Effective Rate of Return	1.31%

JUDITH L. OLTMAN, TREASURER

Reporting period 08/01/2016-08/31/2016

Run Date: 10/03/2016 - 16:04

No fiscal year history available

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

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
06740KEX1	3146	BARCLAYS BANK DE		12/07/2011	247,000.00	247,722.10	247,000.00	1.900		1.902	97	12/07/2016
SYS3174	3174	BANK OF HEMET		09/06/2013	494,000.00	494,000.00	494,000.00	0.500		0.500	5	09/06/2016
SYS3144	3144	BANK OF THE WEST		10/12/2011	249,000.00	249,357.09	249,000.00	1.750		1.750	41	10/12/2016
SYS2231	3190	CITADEL FEDERAL CREDIT UNION		10/20/2015	249,000.00	249,000.00	249,000.00	2.000		2.000	1,510	10/20/2020
Subtotal and Average			1,509,903.23		1,239,000.00	1,240,079.19	1,239,000.00			1.332	333	
Managed Pool Accounts												
SYS1001	1001	LOCAL AGENCY INVESTMENT FUND			20,369,440.58	20,369,440.58	20,369,440.58	0.550		0.550	1	
Subtotal and Average			20,369,440.58		20,369,440.58	20,369,440.58	20,369,440.58			0.550	1	
Passbook/Checking Accounts												
SYS5009	5009	BANK OF NEW YORK			1,019,132.68	1,019,132.68	1,019,132.68			0.000	1	
SYS5001	5001	Citibank			395,601.50	395,601.50	395,601.50	0.150		0.150	1	
SYS5004	5004	CITIBANK3			6,136,489.20	6,136,489.20	6,136,489.20	0.450		0.450	1	
Subtotal and Average			7,703,587.08		7,551,223.38	7,551,223.38	7,551,223.38			0.374	1	
Local Government Bonds												
044555PA2	5025	ASHLAND OREGON		10/23/2014	1,145,000.00	1,174,506.65	1,134,787.27	2.800	AA	2.926	2,891	08/01/2024
048339SE6	5018	ATLANTIC CITY N.J.		06/02/2014	465,000.00	474,030.30	476,943.59	3.953	A	2.075	577	04/01/2018
048339SF3	5019	ATLANTIC CITY N.J.		06/02/2014	440,000.00	450,568.80	456,989.21	4.253	A	2.651	942	04/01/2019
04780NHS9	5030	ATLANTA DEVELOPMENT AUTHORITY		07/09/2015	825,000.00	840,015.00	828,494.28	2.518	A	2.400	1,399	07/01/2020
13124MAH8	5026	CALLEGUAS CA MUNI WATER DIST		10/23/2014	745,000.00	763,036.45	755,697.66	2.601	AAA	2.201	1,399	07/01/2020
156792GW7	5027	CERRITOS COMMUNITY COLLEGE DIS		12/01/2014	1,260,000.00	1,333,558.80	1,270,035.08	2.971	AA	2.821	2,160	08/01/2022
404476HH9	5022	HABERSHAM COUNTY HOSPITAL AUTH		08/13/2014	795,000.00	808,451.40	798,101.24	2.250		2.080	883	02/01/2019
413450HY6	5034	HARPER CREEK COMM. SCH. DIST.		10/06/2015	600,000.00	623,460.00	605,002.29	2.743		2.550	1,703	05/01/2021
544587C30	5036	L.A. MUNI IMPROVEMENT CORP		11/30/2015	520,000.00	545,459.20	530,612.69	3.146		2.620	1,522	11/01/2020
45462TEJ7	5032	INDIANA BOND BANK		09/15/2015	990,000.00	1,022,808.60	1,000,253.51	2.710	AA	2.501	1,962	01/15/2022
650035J66	5015	NEW YORK STATE REVENUE BONDS		03/25/2014	500,000.00	508,470.00	499,397.47	2.000		2.050	925	03/15/2019
64971WMC1	5031	NEW YORK CITY TRANSITIONA; FIN		08/03/2015	1,000,000.00	1,055,830.00	1,015,074.11	2.840		2.560	2,160	08/01/2022
73474TAG5	5033	PORT OF MORROW ORE TRANS FAC		09/14/2015	740,000.00	776,822.40	748,102.43	2.737		2.500	1,826	09/01/2021
767169DY8	5028	RIO RANCHO		02/12/2015	498,583.80	521,134.75	501,186.36	3.200	A	3.122	2,830	06/01/2024
786134VB9	5029	SACRAMENTO CO. SANITATION DIST		03/02/2015	1,000,000.00	1,053,700.00	1,017,304.90	2.810	AA	2.451	1,917	12/01/2021
13063CKL3	5017	STATE OF CALIFORNIA		05/16/2014	1,000,000.00	1,019,500.00	1,006,313.95	2.250		2.000	972	05/01/2019
Subtotal and Average			12,645,664.42		12,523,583.80	12,971,352.35	12,644,296.04			2.484	1,726	

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Medium Term Notes												
037833AQ3	5016	APPLE		05/15/2014	1,000,000.00	1,023,670.00	1,003,556.11	2.100		1.960	977	05/06/2019
084670BL1	5023	BERKSHIRE HATHAWAY		08/14/2014	1,000,000.00	1,022,990.00	1,002,793.33	2.100		2.000	1,077	08/14/2019
14912L6B2	5020	CATERPILLAR		06/09/2014	1,000,000.00	1,020,620.00	1,002,101.34	2.100	A	2.020	1,011	06/09/2019
36962G7G3	5014	G.E. CAPITAL CORP.		03/14/2014	500,000.00	513,450.00	505,082.05	2.300		1.932	865	01/14/2019
02665WAZ4	5035	AMERICAN HONDA FINANCE		10/23/2015	1,000,000.00	1,034,380.00	1,011,730.43	2.450		2.144	1,484	09/24/2020
68389XAN5	5010	ORACLE		03/28/2013	500,000.00	501,475.00	500,272.71	1.200		1.150	409	10/15/2017
90261XHE5	5024	UBS AG STAMFORD CT		08/18/2014	500,000.00	510,455.00	501,177.82	2.375		2.290	1,077	08/14/2019
92826CAB8	5037	VISA INC		12/15/2015	1,000,000.00	1,029,630.00	1,001,989.86	2.200		2.151	1,565	12/14/2020
94974BFG0	5013	WELLS FARGO		04/26/2013	500,000.00	501,955.00	500,994.37	1.500		1.350	502	01/16/2018
94974BGR5	5038	WELLS FARGO		04/01/2016	1,000,000.00	1,028,580.00	1,019,951.60	2.550	A	1.776	1,558	12/07/2020
Subtotal and Average			8,050,217.45		8,000,000.00	8,187,205.00	8,049,649.62			1.927	1,139	
Federal Agency Issues - Coupon												
3133EGEX9	2291	FEDERAL FARM CREDIT BANKS		06/14/2016	1,000,000.00	1,000,020.00	1,000,000.00	1.670	AA	1.670	1,747	06/14/2021
3133EGKA2	2292	FEDERAL FARM CREDIT BANKS		07/06/2016	1,000,000.00	987,730.00	1,000,000.00	1.500	AA	1.500	1,769	07/06/2021
3134G9U70	2293	FEDERAL HOME LOAN MTG ASSOC.		08/16/2016	950,000.00	942,514.00	950,000.00	1.600	AA	1.600	1,810	08/16/2021
3135G0WN9	2258	FEDERAL NTL MORTGAGE ASSOC.		04/30/2013	500,000.00	500,070.00	500,000.00	1.000		1.000	606	04/30/2018
3135G0XG3	2260	FEDERAL NTL MORTGAGE ASSOC.		05/21/2013	500,000.00	499,815.00	500,000.00	1.000		1.000	627	05/21/2018
3136G3AN5	2288	FEDERAL NTL MORTGAGE ASSOC.		03/16/2016	1,000,000.00	1,000,020.00	1,000,000.00	1.500		1.500	1,657	03/16/2021
Subtotal and Average			4,490,322.58		4,950,000.00	4,930,169.00	4,950,000.00			1.453	1,517	
Negotiable CDs												
02437PAG8	3173	AMERICAN NATIONAL BANK DALLAS		08/12/2013	248,000.00	247,462.96	248,000.00	1.250		1.251	345	08/12/2017
02587DWK0	3184	AMERICAN EXPRESS CENTURIAN		11/28/2014	247,000.00	255,715.89	247,000.00	2.200		2.012	1,184	11/29/2019
02587CAW0	3180	AMERICAN EXPRESS FSB		08/21/2014	247,000.00	254,368.55	247,000.00	2.100		2.101	1,084	08/21/2019
05580ACF9	3187	BMW BANK OF NORTH AMERICA, UT		07/17/2015	247,000.00	257,504.09	247,000.00	2.250		2.253	1,415	07/17/2020
0606247B3	3176	BANK OF BARODA N.Y.		11/12/2013	248,000.00	254,019.85	248,000.00	2.150		2.151	803	11/13/2018
856284-E3-4	3147	BANK OF INDIA NEW YORK		04/27/2012	248,000.00	249,267.48	248,000.00	2.000		2.001	238	04/27/2017
14042E4P2	3186	CAPITAL ONE NA		07/15/2015	247,000.00	257,962.50	247,000.00	2.300		2.303	1,413	07/15/2020
140420SQ4	3185	CAPITAL ONE		06/24/2015	247,000.00	256,918.16	247,000.00	2.200		2.202	1,392	06/24/2020
17037TDV6	3169	CHOICE FINANCIAL GROUP		11/20/2012	248,000.00	246,565.37	248,000.00	1.000		1.001	445	11/20/2017
20033AAG13	3168	COMENITY CAPITAL BANK		10/25/2012	249,000.00	247,658.96	249,000.00	1.050		1.065	419	10/25/2017
20451PEN2	3175	COMPASS BANK		09/25/2013	247,000.00	251,915.45	247,000.00	2.000		2.001	754	09/25/2018
20786AAL9	3177	CONNECTONE BANK N.J.		12/13/2013	247,000.00	251,509.03	247,000.00	1.850		1.851	833	12/13/2018
2546714X5	3181	DISCOVER BANK		08/27/2014	247,000.00	254,408.96	247,000.00	2.100		2.101	1,090	08/27/2019

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Negotiable CDs												
29976DNY2	3166	EVERBANK		10/15/2012	248,000.00	246,554.80	248,000.00	1.000		1.001	410	10/16/2017
373128DS3	3167	GEORGIA BANK AND TRUST		10/17/2012	249,000.00	247,543.10	249,000.00	1.000		1.014	411	10/17/2017
38148JBU4	3183	GOLDMAN SACHS		11/05/2014	247,000.00	255,152.51	247,000.00	2.150		2.151	1,157	11/02/2019
40434AZA0	3189	HSBC BANK USA NA		09/25/2015	248,000.00	257,079.53	248,000.00	2.500		2.502	3,311	09/25/2025
628779FJ4	3178	NBT BANK		06/06/2014	247,000.00	251,887.22	247,000.00	1.800		1.801	1,008	06/06/2019
700654AV8	3182	PARK NATIONAL BANK		09/26/2014	249,000.00	255,599.70	249,000.00	2.100		2.099	936	03/26/2019
74267GUQ8	3179	PRIVATEBANK & TRUST CO.		07/21/2014	247,000.00	253,492.37	247,000.00	2.000		2.001	1,054	07/22/2019
795450XG5	3191	SALLIE MAE		12/09/2015	247,000.00	257,796.91	247,000.00	2.200		2.202	1,560	12/09/2020
87165FJG0	3188	SYNCHRONY BANK		07/31/2015	247,000.00	258,045.17	247,000.00	2.300		2.303	1,429	07/31/2020
909557CL2	3170	UNITED BANKERS' BANK		11/29/2012	249,000.00	247,840.81	249,000.00	1.100		1.115	454	11/29/2017
Subtotal and Average			5,695,000.00		5,695,000.00	5,816,269.37	5,695,000.00			1.846	1,006	
Total and Average			60,464,135.34		60,328,247.76	61,065,738.87	60,498,609.62			1.327	738	

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
Average Balance			0.00	Accrued Interest at Purchase		25,611.35	25,611.35				0
				Subtotal		25,611.35	25,611.35				
Total Cash and Investments			60,464,135.34		60,328,247.76	61,091,350.22	60,524,220.97			1.327	738

CITY OF HEMET
Received Interest
Sorted by Issuer - Grouped by Fund
Received August 1, 2016 - August 31, 2016

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Due	Date Received	Interest		Variance
								Amount Due	Amount Received	
Fund: General Fund										
AMERICAN NATIONAL BANK DALLAS	02437PAG8	3173	NC2	248,000.00	1.250	08/12/2016	08/13/2016	1,545.75	1,545.75	-
							Subtotal	1,545.75	1,545.75	
AMERICAN EXPRESS FSB	02587CAW0	3180	NC2	247,000.00	2.100	08/21/2016	08/23/2016	2,586.39	2,586.39	-
							Subtotal	2,586.39	2,586.39	
BERKSHIRE HATHAWAY	084670BL1	5023	MTN	1,000,000.00	2.100	08/14/2016	08/16/2016	10,500.00	10,500.00	-
							Subtotal	10,500.00	10,500.00	
BANK OF HEMET	SYS3174	3174	BCD	494,000.00	0.500	08/06/2016	08/09/2016	209.78	209.78	-
							Subtotal	209.78	209.78	
BANK OF THE WEST	SYS3144	3144	BCD	249,000.00	1.750	08/12/2016	08/15/2016	370.09	370.09	-
							Subtotal	370.09	370.09	
CIT BANK	SYS3136	3136	BCD	0.00	1.800	08/24/2016	08/25/2016	2,223.00	2,216.91	-6.09
							Subtotal	2,223.00	2,216.91	
CITADEL FEDERAL CREDIT UNION	SYS2231	3190	BCD	249,000.00	2.000	07/30/2016	08/09/2016	409.32	422.96	13.64
							Subtotal	409.32	422.96	
COMENITY CAPITAL BANK	20033AAG13	3168	NC2	249,000.00	1.050	08/25/2016	08/29/2016	225.14	222.05	-3.09
							Subtotal	225.14	222.05	
CONNECTONE BANK N.J.	20786AAL9	3177	NC2	247,000.00	1.850	08/13/2016	08/16/2016	388.09	388.09	-
							Subtotal	388.09	388.09	
DISCOVER BANK	2546714X5	3181	NC2	247,000.00	2.100	08/27/2016	08/30/2016	2,586.39	2,586.39	-
							Subtotal	2,586.39	2,586.39	

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

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Interest				
						Date Due	Date Received	Amount Due	Amount Received	Variance
Fund: General Fund										
FEDERAL HOME LOAN BANK	3130A7J55	2290	FAC	0.00	2.000	07/29/2016	08/01/2016	2,500.00	2,500.00	-
								Subtotal	2,500.00	2,500.00
G.E. Capital Financial, Inc.	36160WVR7	3132	BCD	0.00	1.850	08/12/2016	08/15/2016	2,284.75	2,278.49	-6.26
								Subtotal	2,284.75	2,278.49
GEORGIA BANK AND TRUST	373128DS3	3167	NC2	249,000.00	1.000	08/17/2016	08/18/2016	214.42	211.48	-2.94
								Subtotal	214.42	211.48
HABERSHAM COUNTY HOSPITAL	404476HH9	5022	NCB	795,000.00	2.250	08/01/2016	08/02/2016	8,943.75	8,943.75	-
								Subtotal	8,943.75	8,943.75
JP MORGAN CHASE BANK	48124JSB5	3171	NC2	0.00	0.850	07/28/2016	08/01/2016	1,054.00	1,236.60	182.60
								Subtotal	1,054.00	1,236.60
PARK NATIONAL BANK	700654AV8	3182	NC2	249,000.00	2.100	08/26/2016	08/29/2016	444.11	444.11	-
								Subtotal	444.11	444.11
SYNCHRONY BANK	87165FJG0	3188	NC2	247,000.00	2.300	07/31/2016	08/02/2016	2,832.72	2,832.72	-
								Subtotal	2,832.72	2,832.72
UBS AG STAMFORD CT	90261XHE5	5024	MTN	500,000.00	2.375	08/14/2016	08/16/2016	5,937.50	5,937.50	-
								Subtotal	5,937.50	5,937.50
UNITED BANKERS' BANK	909557CL2	3170	NC2	249,000.00	1.100	07/28/2016	08/01/2016	228.25	225.12	-3.13
	909557CL2	3170	NC2	249,000.00	1.100	08/28/2016	08/30/2016	235.86	232.63	-3.23
								Subtotal	464.11	457.75
								General Fund Subtotal	45,719.31	45,890.81

Fund: hEMET RESERVE FUND

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

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Interest				
						Date Due	Date Received	Amount Due	Amount Received	Variance
Fund: hEMET RESERVE FUND										
ASHLAND OREGON	044555PA2	5025	NCB	1,145,000.00	2.800	08/01/2016	08/02/2016	16,030.00	16,030.00	-
								Subtotal	16,030.00	16,030.00
CERRITOS COMMUNITY COLLEGE	156792GW7	5027	NCB	1,260,000.00	2.971	08/01/2016	08/02/2016	18,717.30	18,717.30	-
								Subtotal	18,717.30	18,717.30
HSBC BANK USA NA	40434AZA0	3189	NC2	248,000.00	2.500	07/25/2016	08/09/2016	509.59	509.59	-
	40434AZA0	3189	NC2	248,000.00	2.500	08/25/2016	08/29/2016	526.58	526.58	-
								Subtotal	1,036.17	1,036.17
NEW YORK CITY TRANSITIONA; FIN	64971WMC1	5031	NCB	1,000,000.00	2.840	08/01/2016	08/02/2016	14,200.00	14,200.00	-
								Subtotal	14,200.00	14,200.00
								hEMET RESERVE FUND Subtotal	49,983.47	49,983.47
								Total	95,702.78	95,874.28
								Total Cash Overpayment	196.24	
								Total Cash Shortfall	-24.74	

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

Issuer	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Received	Interest
							Amount Received
Cash Accounts							
Fund: General Fund							
BANK OF NEW YORK	SYS5009	5009	PA1	1,019,132.68		08/01/2016	7.23
						Subtotal	7.23
Citibank	SYS5001	5001	PA1	395,553.29	0.150	08/31/2016	48.21
						Subtotal	48.21
CITIBANK3	SYS5004	5004	PA1	6,135,711.13	0.450	08/31/2016	778.07
						Subtotal	778.07
						General Fund Subtotal	833.51
						Total	833.51

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

www.treasurer.ca.gov/pmia-laif/laif.asp

September 20, 2016

CITY OF HEMET

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

PMIA Average Monthly Yields

Account Number:
98-33-362

Tran Type Definitions

August 2016 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	20,369,440.58
Total Withdrawal:	0.00	Ending Balance:	20,369,440.58

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

Date	Activity	103852000 788-1508 Bond	103852001 788-1508 Prepayment	103852002 Special	103852003 788-1510 Escrow	103852004 788-1502 Cost of	103852005 788-1506 Reserve	TOTAL
8/31/2016	Interest							0.00
	Transfer funds							0.00
	City of Hemet							0.00
	Debt Service			(550,953.75)				(550,953.75)
	Khov prepay (31 lots)							0.00
	Trust fees							0.00
	BALANCE	0.00	0.00	558,639.37	0.00	0.00	274,141.25	832,780.62
	First American Treasury Oblig	832,780.62						
	US Treasury Notes, various							not carried on COH books
	Misc Assets	1.00						
		<u>832,781.62</u>						
	Cash held by FA, net of Escrow acct	832,780.62						
				0.00				



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

FROM: Alexander P. Meyerhoff, City Manager 

DATE: October 25, 2016

RE: Ordinance Bill No 16-074, to Approve an Amendment to the Contract Between the Board of Administration California Public Employees' Retirement System and the City Council of the City of Hemet for Cost Sharing

RECOMMENDED ACTION:

That the City Council adopt Ordinance Bill No. 16-074 to allow cost sharing of the Employer Contribution to CalPERS with the 'classic' CalPERS members of the Hemet City Fire Fighters Local 2342 (HFFA).

BACKGROUND & ANALYSIS:

On July 26, 2016, the City Council approved a Resolution of Intention, which is required to proceed with the introduction of the attached Ordinance Bill No. 16-074, to allow for cost sharing of the employer contributions to CalPERS on behalf of the classic CalPERS members of the HFFA. The City Council, at their meeting of October 11, 2016, introduced and conducted the first reading of this Ordinance.

The current Memorandum of Understanding (MOU) for the Hemet City Fire Fighters Local 2342 includes a provision for their members who are deemed 'classic' members by CalPERS, to contribute a total of three percent (3%) cost sharing of the employer's contribution to CalPERS by July 1, 2015. Members of the unit began contributing a total of three percent (3%) as of July 1, 2015. This three percent (3%) is in addition to the nine percent (9%) employees' contribution that 'classic' members have been paying to CalPERS since July 2011.

The proposed cost sharing amendment would permanently reduce the employer's contribution to CalPERS by a total of three-percent (3%) and permanently increase the employees' contribution by a total of three percent (3%) for 'classic' members of the Hemet City Fire Fighters Local 2342. The benefit to the City is the reduced cost of providing retirement benefits to these affected members. The benefit to the member is that by making the additional percentage part of the employees' contribution, the contributions would be tax deferred and would be credited to the members' account. In the event of the death of the member, their beneficiary would be entitled to all contributions in the member's account with CalPERS.

Per Government Code Section 20474, a secret ballot election of the HFFA members who would be affected by the contract amendment was held and the votes tallied. A majority of voting members approved the amendment by a vote of 24 to 0.

FISCAL IMPACT:

There is no additional fiscal impact with this Ordinance that has not already been presented as part of the approval process for the 2015-2018 Hemet Fire Fighters Local 2342 MOU.

Respectfully submitted,



Alexander P. Meyerhoff
City Manager



Jessica Hurst
DCM/Administrative Services

/njs

Attachment(s): Ordinance Bill No. 16-074 – CalPERS Cost Sharing Ordinance



1
2
3
4 **CITY OF HEMET**
5 **Hemet, California**
6 **ORDINANCE BILL NO. 16-074**

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

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

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

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

21 **SECTION 3: EFFECTIVE DATE**

22 This Ordinance shall take effect thirty (30) days from its passage by the
23 City Council of the City of Hemet.
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28

1 **SECTION 4: PUBLICATION.**

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

7
8

9 **INTRODUCED** at the regular meeting of Hemet City Council on October 11, 2016.

10 **APPROVED AND ADOPTED** this 25th day of October, 2016.

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12

13

Bonnie Wright, Mayor

14

ATTEST:

APPROVED AS TO FORM:

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16

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

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

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I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing Ordinance was introduced and first read on the 11th day of October, 2016, and had its second reading at the regular meeting of the Hemet City Council on the 25th day of October, 2016, and was passed by the following vote:

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

Sarah McComas, City Clerk



EXHIBIT

California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

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

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective July 1, 1969, and witnessed May 23, 1969, and as amended effective May 1, 1977, July 1, 1980, December 31, 1984, June 17, 1985, March 10, 1986, October 14, 1993, December 9, 1994, December 26, 1997, April 27, 2002, January 17, 2005, June 19, 2006, February 24, 2012, July 7, 2014 and October 12, 2015 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 16 are hereby stricken from said contract as executed effective October 12, 2015, and hereby replaced by the following paragraphs numbered 1 through 18 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for classic local miscellaneous members, age 62 for new local miscellaneous members, age 50 for classic local safety members entering membership in the safety classification on or prior to February 24, 2012, age 55 for local classic safety members entering membership for the first time in the safety classification after February 24, 2012 and age 57 for new local safety members.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

2. Public Agency shall participate in the Public Employees' Retirement System from and after July 1, 1969 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Employees other than local safety members (herein referred to as local miscellaneous members).

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5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

NO ADDITIONAL EXCLUSIONS

6. The percentage of final compensation to be provided for each year of credited prior and current service for classic local miscellaneous members in employment before and not on or after January 17, 2005 shall be determined in accordance with Section 21354 of said Retirement Law, subject to the reduction provided therein for service prior to March 31, 1977, termination of Social Security, for members whose service has been included in Federal Social Security (2% at age 55 Full and Modified).
7. The percentage of final compensation to be provided for each year of credited prior and current service for classic local miscellaneous members in employment on or after January 17, 2005 and not entering membership for the first time in the miscellaneous classification after February 24, 2012 shall be determined in accordance with Section 21354.5 of said Retirement Law, subject to the reduction provided therein for service prior to March 31, 1977, termination of Social Security, for members whose service has been included in Federal Social Security (2.7% at age 55 Full and Modified).
8. The percentage of final compensation to be provided for each year of credited current service as a classic local miscellaneous member entering membership for the first time with this agency in the miscellaneous classification after February 24, 2012 shall be determined in accordance with Section 21354.4 of said Retirement Law (2.5% at age 55 Full).
9. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).
10. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local safety member entering membership in the safety classification on or prior to February 24, 2012 shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).
11. The percentage of final compensation to be provided for each year of credited current service as a classic local safety member entering membership for the first time with this agency in the safety classification after February 24, 2012 shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).

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12. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).
13. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 21571 (Basic Level of 1959 Survivor Benefits) for local police members only.
 - b. Sections 21624, 21626 and 21628 (Post-Retirement Survivor Allowance).
 - c. Section 20042 (One-Year Final Compensation) for classic members only.
 - d. Section 20903 (Two Years Additional Service Credit).
 - e. Section 21573 (Third Level of 1959 Survivor Benefits) for local fire members only.
 - f. Section 21574 (Fourth Level of 1959 Survivor Benefits) for local miscellaneous members only.
 - g. Section 21024 (Military Service Credit as Public Service).
 - h. Section 20475 (Different Level of Benefits): Section 21354.4 (2.5% @ 55 Full formula) is applicable to local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after February 24, 2012.

Section 21363.1 (3% @ 55 Full formula) is applicable to classic local safety members entering membership for the first time with this agency in the safety classification after February 24, 2012.
 - i. Section 20516 (Employees Sharing Additional Cost):

From and after July 7, 2014 and until October 12, 2015, 1% for classic local police members in the Hemet Police Officers' Association and the Hemet Police Management Association.

From and after October 12, 2015, 3% for classic local police members in the Hemet Police Officers' Association and the Hemet Police Management Association.

From and after the effective date of this amendment to contract, 3% for classic local fire members in the Hemet City Fire Fighters Local No. 2342.

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The portion of the employer's contribution that the member agrees to contribute from his or her compensation, over and above the member's normal contribution ("Cost Sharing Percentage"), shall not exceed the Employer Normal Cost Rate, as that rate is defined in the CalPERS Actuarial Valuation for the relevant fiscal year. If the Cost Sharing Percentage will exceed the relevant Employer Normal Cost Rate, the Cost Sharing Percentage shall automatically be reduced to an amount equal to, and not to exceed, the Employer Normal Cost Rate for the relevant fiscal year.

14. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on May 1, 1977. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
15. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.
16. Public Agency shall also contribute to said Retirement System as follows:
 - a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21573 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local fire members.
 - b. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members.
 - c. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - d. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

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- 17. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
- 18. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF HEMET

BY _____
RENEE OSTRANDER, CHIEF
EMPLOYER ACCOUNT MANAGEMENT DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

PLEASE DO NOT SIGN "EXHIBIT ONLY"



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: October 25, 2016

RE: Resolution of the City Council of the City of Hemet initiating proceedings for the Formation of Hemet Landscape Maintenance District No. 104, Tractor Supply Company and the levy and collection of assessments for such district for Fiscal Year 2017-2018

RECOMMENDATION:

It is recommended that the City Council approve the resolution initiating proceedings and ordering the Report of the Engineer in connection with the annual levy of assessments for the Hemet Landscape Maintenance District No. 104, Tractor Supply Company 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.

BACKGROUND:

PSOMAS has previously prepared the assessment engineering report in connection with the annual levy of assessments for the existing citywide landscape maintenance districts. The assessments against the lots and parcels of land within the assessment district will pay for the operation, maintenance and servicing of landscaping and appurtenant structures. As part of an agreement with the City, the property owner of this 2.79 acre site located on Florida Avenue between Cawston Avenue and Sanderson Avenue has agreed to the establishment of a Landscape Maintenance District for the purpose of maintaining the perimeter landscaping along Florida Avenue immediately adjacent to the site.

FISCAL IMPACT:

The consultant fee for the formation of the district in connection with the annual levy of assessments for the formation of the landscape maintenance district is \$15,107.76, to be paid from developer deposits.

Respectfully submitted,

Jessica A. Hurst
Jessica A. Hurst
Deputy City Manager/Admin Services

Attachments: Resolution Bill No. 16-075



CITY OF HEMET
Hemet, California
RESOLUTION NO.16-075

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA INITIATING PROCEEDINGS FOR THE FORMATION OF HEMET LANDSCAPE MAINTENANCE DISTRICT NO. 104, TRACTOR SUPPLY COMPANY, AND THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN SUCH DISTRICT FOR FISCAL YEAR 2017-2018 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972, PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND AS PROVIDED BY ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION; AND ORDERING THE PREPARATION OF AN ENGINEER'S REPORT.

The City Council of the City of Hemet (hereafter referred to as the "City Council") does resolve as follows:

WHEREAS, The City Council of the City of Hemet, California has, by previous resolutions, formed Districts known and designated as the Landscape Maintenance Districts (hereafter referred to as the "Districts") pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act"), that provides for levy and collection of assessments by the County of Riverside for the City of Hemet to pay the maintenance and services of landscaping and all appurtenant facilities and operations related thereto; and,

THE CITY COUNCIL OF THE CITY OF HEMET FINDS, DETERMINES, ORDERS AND RESOLVES AS FOLLOWS:

Section 1. The City Council hereby proposes to form a new landscape maintenance district to levy and collect assessments against the lots and parcels of land within the Hemet Landscape Maintenance District No. 104, (hereinafter referred to as the "District") to pay for the costs and expenses of the improvements described in Section 3 hereof for the fiscal year commencing July 1, 2017 and ending June 30, 2018, pursuant to the Landscaping and lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and as provided by Article XIII D of the California Constitution.

Section 2. The general location and boundaries of the proposed District are shown on maps on file in the office of the City Clerk, open to public inspection, and by

1 reference are made part of this resolution. The District is designated as: "Hemet
2 Landscape Maintenance District No. 104, Tractor Supply Company."
3

4 Section 3. The improvements within the Districts include but are not limited to:
5 the operation, maintenance and servicing of ornamental structures, landscaping,
6 including trees, shrubs, grass and other ornamental vegetation, and appurtenant
7 facilities, including irrigation systems, drainage devices and drywells located in public
8 places within the boundaries of the District. Maintenance refers to the furnishing of
9 services and materials for the ordinary and usual maintenance, operation and servicing
10 of the ornamental structures, landscaping and appurtenant facilities, including repair,
11 removal or replacement of all or part of any of the ornamental structures, landscaping or
12 appurtenant facilities; providing for the life, growth, health and beauty of the
13 landscaping, including cultivation, irrigation, trimming, spraying, fertilizing and treating
14 for disease or injury; the removal of trimmings, rubbish, debris and other solid waste;
15 and the cleaning, sandblasting and painting of walls and other improvements to remove
16 or cover graffiti. Servicing refers to the furnishing of electricity for the irrigation and
17 operation of the ornamental structures, landscaping, and appurtenant facilities, and
18 water for the irrigation and control of the landscaping and the maintenance of any of the
19 ornamental structures, landscaping and appurtenant facilities.
20

21 Section 4. The City Council hereby designates Psomas, as the Engineer for
22 the purposes of these proceedings and orders the Engineer to prepare and file with the
23 City Clerk a written report in accordance with Article XIII D, Section 4 of the California
24 Constitution and Article 4 (commencing with Section 22565) of Chapter 1 of the Act for
25 that portion of the fiscal year 2017-2018 commencing July 1, 2017 and ending June 30,
26 2018. Such Report shall refer to the District by its distinctive designation.
27

28 Section 5. Lots or parcels within the District that are owned or used by any
29 county, city, city and county, special district or any other local or regional governmental
30 entity, the State of California or the United States shall be assessed unless the City
31 demonstrates by clear and convincing evidence that such lots or parcels receive no
32 special benefit from the proposed improvements.
33

34 Section 6. That the City Clerk shall certify to the passage and adoption of this
35 resolution; shall enter the same in the book of original resolutions of said City; and shall
36 make a minute of passage and adoption thereof in the records of the proceedings of the
37 City Council of said City, in the minutes of the meeting at which resolution is passed and
38 adopted.
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PASSED, APPROVED, AND ADOPTED this 25th day of October, 2016.

Bonnie Wright, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

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

I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing 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 25th day of October 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: October 25, 2016

RE: Resolution of the City Council of the City of Hemet declaring its intention for the levy and collection of assessments, preliminarily approving the engineer's report, and appointing a time and place for hearing protests for the formation of Landscape Maintenance District No. 104, Tractor Supply Company for Fiscal Year 2017-2018.

RECOMMENDATION:

It is recommended that the City Council approve the resolution declaring its intention to order the annual levy of assessments for the formation of Landscape Maintenance District No. 104, Tractor Supply Company and to levy and collect assessments within the district for Fiscal Year 2017-2018; preliminarily approving the engineer's report and appointing December 13, 2016 for hearing protests.

BACKGROUND:

By its previous action the City Council approved Resolution Bill No. 16-075 initiating proceedings and ordering the engineer's report in connection with the annual levy of assessments for the formation of Landscape Maintenance District No. 104, Tractor Supply Company for Fiscal Year 2017-2018. The assessments against the lots and parcels of land within the assessment district will pay for the operation, maintenance and servicing of ornamental structures, landscaping, including trees, shrubs, grass and other ornamental vegetation, and appurtenant facilities, including irrigation systems and drainage devices located in public places within the district boundary.

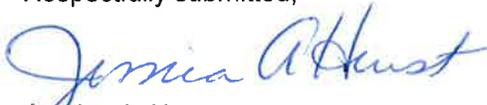
ANALYSIS:

The assessment engineer's report has been prepared and is on file with the City Clerk. A public hearing notice will be published in the Press Enterprise, Hemet News, regarding the proposed annual landscape assessment rates for Fiscal Year 2017-2018.

FISCAL IMPACT:

The total proposed Landscape Maintenance assessment for District No. 104, Tractor Supply Company for Fiscal Year 2017-2018 is \$15,107.76.

Respectfully submitted,


Jessica A. Hurst
Deputy City Manager/Admin Services

Attachments: Resolution Bill No. 16-076



CITY OF HEMET
Hemet, California
RESOLUTION NO. 16-076

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA DELARING ITS INTENTION TO FORM THE CITY OF HEMET LANDSCAPE MAINTENANCE DISTRICT NO. 104, TRACTOR SUPPLY COMPANY, TO LEVY AND COLLECT ASSESSMENTS WITHIN SUCH DISTRICT AND PRELIMINARILY APPROVING THE REPORT OF THE ENGINEER FOR FISCAL YEAR 2017-2018 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972, PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND AS PROVIDED BY ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION; AND APPOINTING A TIME AND PLACE FOR HEARING PROTESTS.

The City Council of the City of Hemet (hereafter referred to as the "City Council") does resolve as follows:

WHEREAS, The City Council of the City of Hemet, California has, by previous resolutions, formed Districts known and designated as the Landscape Maintenance Districts (hereafter referred to as the "Districts") pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act"), that provides for levy and collection of assessments by the County of Riverside for the City of Hemet to pay the maintenance and services of landscaping and all appurtenant facilities and operations related thereto; and,

THE CITY COUNCIL OF THE CITY OF HEMET FINDS, DETERMINES, ORDERS AND RESOLVES AS FOLLOWS:

Section 1. By its previous Resolution Bill No. 16-075 , the City Council initiated proceedings pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code, commencing with Section 22500 (the "Act") and as provided by Article XIII D of the California Constitution, for the formation of the City of Hemet Landscape Maintenance District No. 104, Tractor Supply Company (the "District"), described on maps on file in the office of the City Clerk and incorporated herein by reference, and the levy and collection of assessments against the assessable lots and parcels of land within such District for the 2017-2018 fiscal year and ordered the Engineer, Psomas, to prepare and file a written report in accordance with Article XIII D, Section 4 of the California Constitution and Article 4 of Chapter 1 of the Act. The

1 Engineer has prepared and filed a written report (the "Report") with the City Clerk, which
2 pertains to the proposed District, and by previous resolution the City Council approved
3 the Engineer's Report.
4

5 Section 2. The City Council hereby (1) finds that the public interest and
6 convenience requires and (2) declares its intention to order the formation of the District
7 and to levy and collect assessments against the assessable lots and parcels of land
8 within such District for that portion of the fiscal year commencing July 1, 2017 and
9 ending June 30, 2018 to pay the costs and expenses of the improvements described in
10 Section 3 below. If the assessments, proposed by this resolution, are approved by the
11 property owners pursuant to a mailed ballot election conducted in accordance with
12 Article XIII D of the California Constitution, the City may increase the assessments,
13 commencing with fiscal year 2018-2019. The amount of the assessments for the
14 District can be increased each year, per Chapter 4 of Part 1 of Division 2 of Title 5 of the
15 Government Code, Section 53739(b)(1) based upon the following formula:
16

17 Future CPI adjustments in the assessment rate will be limited by the greater of four
18 percent (4%) or the cumulative percentage increase in the Consumer Price Index for all
19 Urban Consumers ("CPI-U") for the Los Angeles-Riverside-Orange County California
20 Standard Metropolitan Statistical Area ("Index") published by the Bureau of Labor
21 Statistics of the United States Department of Labor. The annual CPI-U adjustment will
22 be based on the cumulative increase, if any, in the Index as it stands on March of each
23 year over the base Index of 2017. Adjustments beyond the greater of four percent (4%)
24 or the CPI-U rate will require approval of the property owners of record as required by
25 Proposition 218 "The Right to Vote on Taxes Act".
26

27 Section 3. The improvements within the District include but are not limited to:
28 the operation, maintenance, and servicing of ornamental structures, landscaping,
29 including trees, shrubs, grass, and other ornamental vegetation, and appurtenant
30 facilities, including irrigation systems, drainage devices, and drywells located in public
31 places within the boundaries of the District. Maintenance means the furnishing of
32 services and materials for the ordinary and usual maintenance, operation, and servicing
33 of the ornamental structures, landscaping and appurtenant facilities, including repair,
34 removal or replacement of all or part of any of the ornamental structures, landscaping or
35 appurtenant facilities; providing for the life, growth, health and beauty of the
36 landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, and treating
37 for disease or injury; the removal of trimmings, rubbish, debris and other solid waste;
38 and the cleaning, sandblasting, and painting of walls and other improvements to remove
39 or cover graffiti. Servicing means the furnishing of electricity for the irrigation and
40 operation of the ornamental structures, landscaping, and appurtenant facilities, and
41 water for the irrigation and control of the landscaping and the maintenance of any of the
42 ornamental structures, landscaping and appurtenant facilities.
43

44 Section 4. The general location and boundaries of the proposed District are
45 shown on maps on file in the office of the City Clerk, are incorporated herein by
46 reference, and open to public inspection. The designation of the proposed District is as

1 follows: City of Hemet Landscape Maintenance District No. 104, Tractor Supply
2 Company.
3

4 Section 5. Reference is hereby made to the Engineer’s Report, on file in the
5 office of the City Clerk and open to public inspection, for a full and detail description of
6 the improvements, the boundaries of the proposed District and the proposed
7 assessments upon assessable lots and parcels of land within the proposed District.
8

9 Section 6. Notice is hereby given that the 13th day of December 2016 at
10 7:00pm in the Council Chambers of the City of Hemet, 450 E. Latham Avenue, Hemet,
11 California 92543, is the time and place fixed for a public hearing by the City Council on
12 the question of the levy and collection of assessments for fiscal year 2017-2018 against
13 lots and parcels of land within the District. At the hearing, all interested persons shall be
14 afforded the opportunity to hear and be heard. Procedures of the City applicable to the
15 completion, return, and tabulation of the ballots required pursuant to Article XIII D,
16 Section 4 of the California Constitution are on file in the office of the City Clerk and open
17 to public inspection.
18

19 Section 7. The City Clerk is hereby authorized and directed to give notice of
20 the public hearing as set forth in Section 6 in accordance with law.
21

22 Section 8. Lots or parcels within the District that are owned or used by any
23 county, city, city and county, special district or any other local or regional governmental
24 agency, the State of California, or the United States shall be assessed unless the City
25 demonstrates by clear and convincing evidence that such lots or parcels receive no
26 special benefit from the proposed improvements.
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31 PASSED, APPROVED, AND ADOPTED this 25th day of October, 2016.
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36 _____
Bonnie Wright, Mayor

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40 ATTEST:

APPROVED AS TO FORM:

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43 _____
44 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 25th day of October 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk

City of Hemet



ENGINEER'S REPORT FOR Landscape Maintenance District No. 104 (Tractor Supply Company)

Prepared by
Psomas
1500 Iowa Ave., Ste. 210
Riverside, CA 92507
(951) 787-8421

October 2016

AGENCY: CITY OF HEMET

**PROJECT: FORMATION OF CITY OF HEMET
LANDSCAPE MAINTENANCE DISTRICT NO. 104**

**TO: HEMET CITY COUNCIL
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

ENGINEER'S REPORT

Pursuant to the provisions of Sections 22565 through 22574 of the Landscaping and Lighting Act of 1972, said act being Part 2 of Division 15 of the California Streets and Highways Code ("1972 Act"), in compliance with the substantive and procedural requirements of Articles XIII C and XIII D of the California Constitution, and under the direction of the City Council of the City of Hemet, California ("City Council"), submitted herewith is the Engineer's Report ("Report") for the City of Hemet ("City").

This Report provides for the formation of the City of Hemet Landscape Maintenance District No. 104 ("District") as required under the terms of Administrative Use Permit 13-001 issued for the development of Assessor Parcel Number (APN) 448250025-8, and establishes the Maximum Assessment to be levied commencing with Fiscal Year 2017-2018 (i.e., commencing July 1, 2017 and ending June 30, 2018) and continuing in all subsequent Fiscal Years, for the area to be known and designated as:

LMD NO. 104

I do hereby assess and apportion the total amount of the costs and expenses upon parcels of land within the designated area liable therefore and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said services.

I, the appointed Engineer, acting on behalf of the City of Hemet, pursuant to the 1972 Act, do hereby submit the following:

Pursuant to the provisions of law, the costs and expenses of the District have been assessed upon the parcels of land in the District benefited thereby in direct proportion and relation to the estimated benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram/Boundary Map, a reduced copy of which is included herein.

As required by law, an Assessment Diagram/Boundary Map is filed herewith, showing the District as well as the boundaries and dimensions of the respective parcels or lots and subdivisions of land within said District, as the same exist as of the date of this Report. Each parcel, lot, or subdivision of land has been given a separate number upon said Assessment Diagram/Boundary Map and in the Assessment Roll contained herein.

The individual numbers given the subdivisions and parcels of land, as shown on said Assessment Diagram/Boundary Map and Assessment Roll, correspond to the numbers

assigned to each parcel by the Riverside County Assessor and are current as of the date of this Report. Reference is made to the Assessor Parcel Map for a description of the lots or parcels.

As of the date of this Report, there are no lots or parcels within the District owned by a federal, state, or other local governmental agency that will benefit from the services to be provided by the assessments to be collected.

DATED this 18th day of October, 2016

PSOMAS



A handwritten signature in blue ink, appearing to read "S. Frieson", written over a horizontal line.

STEVEN B. FRIESON
PROFESSIONAL CIVIL ENGINEER 42110
ENGINEER OF WORK
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

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EXECUTIVE SUMMARY

A. Introduction

Pursuant to the provisions of Sections 22565 through 22574 of the Landscaping and Lighting Act of 1972, said act being Part 2 of Division 15 of the California Streets and Highways Code ("1972 Act"), the costs and expenses of Landscape Maintenance District No. 104 ("LMD No. 104" or "District") have been assessed upon the parcels of land in the District benefited thereby in direct proportion and relation to the estimated benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram/Boundary Map, a reduced copy of which is included in Part IV of this Report. On the 25th day of October, 2016 the City Council, City of Hemet, State of California, ordering the preparation of the Engineer's Report ("Report") providing for the formation of LMD No. 104 did, pursuant to the provisions of the 1972 Act, adopt Resolution No. 16-075 for a special assessment district known and designated as:

Landscape Maintenance District No. 104

The formation of LMD No. 104 includes the commercial subdivision identified by the Assessor Parcel Number (APN) valid as of the date of this Report: 448250025-8. Establishment of a landscape maintenance district is a prerequisite for development of this parcel under the terms of Administrative Use Permit 13-001, approved July 23, 2013.

As required by law, an Assessment Diagram/Boundary Map is filed herewith, showing the District, as well as the respective parcels and subdivisions of land within said District as they exist on the date of this Report. Each of which subdivisions of land into parcels or lots, respectively, has been assigned a distinctive number and is so indicated on the Assessment Diagram/Boundary Map and in the Assessment Roll contained herein. Psomas submits this Report, consisting of five parts, for the formation of LMD No. 104 and the establishment of the Maximum Assessment to be levied and collected commencing Fiscal Year 2017-2018 and continuing in subsequent fiscal years.

PART I

Plans and Specifications: A description of LMD No. 104 boundaries and the proposed improvements within said District. The District shall consist of a single parcel which comprise the commercial development known as LMD No. 104. The proposed improvements described in this Report are based on the requirements of the City assigned Administrative Use Permit 13-001 and the current development and improvement plans provided to Psomas by the City of Hemet as of the date of this Report. Landscape improvement plans (“Plans”) by KLA Landscape Architecture Planning, dated April 7, 2014, approved by Jorge Biagioni, City Engineer RCE No. 33751 are on file in the office of the City Engineer and are incorporated into this Report by reference.

PART II

Method of Apportionment: A narrative of the property benefits from the improvements and the method of calculating each property’s proportional special benefit and annual assessment. The proposed initial Maximum Assessment and assessment range formula established for LMD No. 104 is based on current property development Plans and estimated annual costs and expenses associated with all improvements to be accepted and maintained by LMD No. 104 at build-out.

PART III

Cost Estimate: An estimate of the cost of the landscaping improvements, including incidental costs and expenses in connection therewith, for Fiscal Year 2017-2018.

PART IV

Assessment Diagram/Boundary Map: An Assessment Diagram/Boundary Map showing the parcels of land included within the boundaries of LMD No. 104. For details concerning the lines and dimensions of the applicable Assessor’s Parcel Numbers, refer to the County Assessor’s Maps as of the date of this Report.

PART V

Assessment Roll: A listing of the Assessor’s Parcel Numbers, or the lot/unit numbers assigned for subdivided parcels, and the initial Maximum Assessment per parcel or lot/unit to be applied on the tax roll for Fiscal Year 2017-2018.

B. Assessment District

The improvements and services to be provided by LMD No. 104 generally include landscape maintenance. The formation of LMD No. 104 will provide the financial mechanism (annual assessments) by which the ongoing operation and maintenance of these improvements and services will be funded. LMD No. 104's structure, proposed improvements, method of apportionment and assessments described in this Report are based on the Plans provided to Psomas as of the date of this Report, including all estimated direct expenditures, incidental expenses, and reserves associated with the maintenance and servicing of the proposed improvements.

PART I – PLANS AND SPECIFICATIONS

A. Description of the Assessment District

LMD No. 104 is located within the City of Hemet, County of Riverside, State of California generally east of Cawston Avenue, north of Acacia Avenue, west of Sanderson Avenue, and south of Florida Avenue. At full development, LMD No. 104 is projected to include one assessable commercial lot and zero non-assessable lots. LMD No. 104 consists of all lots/units, parcels and subdivisions of land located in the development area currently defined by the following Assessor Parcel Numbers:

- Assessor Parcel Number(s) as of the date of this Report: 448250025-8

A general boundary map for the District is presented in Part IV of this Report.

B. Description of Improvements and Services Authorized by the Landscaping and Lighting Act of 1972

As applicable to the District, the 1972 Act (specifically, Section 22525 of the California Streets and Highways Code) defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities, including, but not limited to, traffic signals.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The installation of park or recreational improvements, including, but not limited to, all of the following:
 - Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - Lights, playground equipment, play courts, and public restrooms.
 - The maintenance or servicing, or both, of any of the foregoing, and any of the improvement authorized by subdivision (i).
 - The acquisition of land for park, recreational, or open-space purposes.
 - The acquisition of any existing improvement otherwise authorized pursuant to this section.
- The acquisition or construction of any community center, municipal auditorium or hall, or similar public facility for the indoor presentation of performances, shows, stage productions, fairs, conventions, exhibitions, pageants, meetings, parties, or other group events, activities, or

functions, whether those events, activities, or functions are public or private.

Section 22526 of the California Streets and Highways Code states that “incidental expenses” associated with the improvements include, but are not limited to the following:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment.
- The costs of printing, advertising, and the giving of published, posted, and mailed notices.
- Compensation payable to the County for collection of assessments.
- Compensation of any engineer or attorney employed to render services in proceedings pursuant to this part.
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements.
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5 of the California Streets and Highways Code.
- Costs associated with any elections held for the approval of a new or increased assessment.

Section 22531 of the 1972 Act defines “maintain” or “maintenance” to mean the following:

Furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating [vegetation] for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

C. Improvements and Services for LMD No. 104

LMD No. 104 provides for the collection of annual assessments to fund the ongoing maintenance and servicing of landscaping improvements on the Florida Avenue frontage of APN 448250025-8. The assessments will also fund any appurtenant facilities and related incidental expenses including, but not limited to, the cost of personnel, electrical energy, water service, materials, equipment, contracting services, and other items necessary for the satisfactory operation of these services which are the responsibility of LMD No. 104.

PART II – METHOD OF APPORTIONMENT

A. Method of Apportionment

The proposed improvements, the associated costs, and assessments have been carefully reviewed, identified, and allocated based on special benefit.

Landscape maintenance is the responsibility of LMD No. 104.

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include dedicated easements for landscape use, and appurtenant facilities. Section 22573 of the 1972 Act gives the following instructions for apportioning assessments to the parcels within the district:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The formula used for calculating assessments for parcels within LMD No. 104, which reflects the composition of the parcels and the improvements and services which are the responsibility of LMD No. 104, fairly apportions the costs based on the estimated benefit to each parcel.

In addition, Article XIII D of the California Constitution (“Article”) requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The Article provides that only special benefits are assessable, and the County must separate the general benefits from the special benefits conferred on a parcel. A special benefit is a particular and distinct benefit over and above general benefits conferred on the public at large, including real property within the district. The general enhancement of property value does not constitute a special benefit.

Equivalent Benefit Units

A methodology, which takes into consideration the impact of land use and parcel size, has been developed and applied to LMD No. 104. This methodology, called Equivalent Benefit Units (EBUs), calculates the EBUs for each parcel where every land use is converted to EBUs based on the assessment formula appropriate for the City. Single Family Residential, which includes Condominiums, is defined as the basic unit for calculation of assessments and assigned 1 EBU per parcel. Multi-Family Residential (Apartments and Mobile Home Parks) are converted to EBUs based on the number of dwelling units on each parcel. Commercial/Industrial, Vacant Property/Parks, and certain Public Property, such as Schools, are converted to EBUs based on the lot size of each parcel of land. Property Owners Association Property, Public Property and Exempt parcels are assigned zero EBUs. The EBU method is seen as the most appropriate and equitable for landscape maintenance

districts, as the benefit to each parcel from the improvements are apportioned as a function of land use type and parcel size.

Parcel Classification

Residential: Residential means a parcel for which a building permit has been issued permitting construction of one or more Residential dwelling units. Residential parcels shall be further classified as Single Family Residential, Condominium, and Multi-Family Residential.

Single Family Residential (SFR): SFR means all parcels of residential property, other than Multi-Family Residential Property. The SFR parcel is the basic unit for calculation of the benefit assessments. Parcels designated as SFR land use will be assigned 1 EBU per dwelling unit, including vacant subdivided residential lots.

Condominium: Condominium means all parcels of developed property with a residential building or buildings comprised of dwelling units with each unit having individual ownership and assigned an individual assessor parcel number. Condominiums will be treated the same as SFR units. Therefore, parcels designated as Condominium land use will be assigned 1 EBU per dwelling unit.

Multi-Family Residential (Apartments) and Mobile Home Parks: Multi-Family Residential (Apartments) means all parcels of property that consist of a residential building or buildings comprised of attached dwelling units available for rental by the general public, not for sale to an end user, and under common management. Mobile Home Parks means all parcels of land with manufactured homes, all under common management.

Studies have consistently shown that trip generation and wastewater usage are a function of population density. It is also concluded that other infrastructure will be similarly impacted at a reduced level. The lower average population density and reduced average unit size of apartments and mobile homes compared to the typical density and size of a SFR results in a lesser benefit per unit from LMD No. 104 services. The average apartment unit impacts infrastructure approximately 80% as much as a single family residence, while the average mobile home unit impacts infrastructure approximately 50% as much. (Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition, 1991; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition, 1991).

Therefore, the EBUs assigned to a Multi-Family Residential or a Mobile Home Park parcel are calculated based on the number of dwelling units and the appropriate Equivalent Benefit Factor (as shown in Table 1). Specifically, the Equivalent Benefit Factor for multi-residential (0.8) is multiplied by the number of dwelling units on the parcel to determine the total EBUs for the multi-unit residential parcel. Similarly, the total EBUs for a mobile home park parcel are calculated by multiplying the Equivalent Benefit Factor (0.5) by the number of mobile home units on the parcel.

Non-Residential: Residential means a parcel for which a building permit has been issued permitting construction of one or more Non-Residential structures. Non-Residential parcels shall be further classified as Commercial/Industrial, Vacant Property/Parks, Property Owners Association Property, Public Property/Schools and Exempt.

Commercial/Industrial: Commercial/Industrial means non-residential parcels that are not Exempt, Public Property, Property Owners Association Property, or Vacant, and are used for retail, professional, medical, restaurant, government, institutional, financial, lodging, or other commercial/industrial related uses. These parcels are assigned EBU's based on acreage. In converting Commercial/Industrial properties to EBUs, the factor used is the City of Hemet average single family residential density of 2.58 dwelling units per acre (as derived from the City of Hemet 2030 General Plan, Table 2.3 - Development Capacity, dated January 24, 2012 (Hemet General Plan)). Therefore, the Commercial/Industrial parcels, including institutional uses, will be assigned 2.58 EBUs per acre.

Vacant Property/Parks: Vacant Property means parcels with no improved structures. These parcels are assigned EBUs based on acreage and receive less specific benefit than SFR parcels. Therefore, Vacant Property will be assigned EBUs at the rate of 25% of the SFR parcels density of 2.58 dwelling units per acre (as derived from the Hemet General Plan), or 0.65 EBUs per acre (25% of 2.58 EBUs), up to a maximum of 5 acres per parcel, regardless of parcel size. Parks will be assessed at the same rate as Vacant Property as they receive the same type of specific benefits as vacant parcels. Vacant parcels with approved subdivision maps filed on them will be assessed at the rate appropriate to their future designated use.

Property Owners Association Property (POAP): Property Owners Association Property means all parcels which have been conveyed, dedicated to, or irrevocably offered for dedication to a property owner association, including any master or sub-association. The ultimate benefactors of these parcels are the property owners themselves. Therefore, the costs of providing landscape maintenance improvements and services to these parcels will be spread to the taxable parcels in the District and exempt the POAP parcels from assessment. These parcels are defined as having a zero EBU factor and, therefore, zero EBUs to be assessed.

Public Property/Schools: Public property means all parcels which are (i) used for rights-of-way or any other purpose and are owned by, dedicated to, or irrevocably offered for dedication to the federal government, the state, the county, City or any other public agency, provided however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement. Public property not leased to a private agency or utility easements, as described in section (ii) above, are defined as having a zero EBU factor and, therefore, zero EBUs to be assessed.

Schools will be assessed as Commercial/Industrial uses for those portions of the parcels with building improvements on them, and the playground and athletic fields will not be assessed as they are the same as Property Owners Association Property with no development potential.

Exempt: Exempt means any parcel dedicated as public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-way, public greenbelts, parkways and that portion of public property that is not developed or used for business purposes similar to private commercial, industrial and institutional activities. Also defined as Exempt parcels are utility rights-of-way, common areas (such as in condominium complexes), landlocked parcels and small parcels vacated by the City as these parcels have little or no development potential and do not benefit from the improvements. These parcels are defined as having a zero EBU factor and, therefore, zero EBUs to be assessed.

Determination of Rate

A summary of Equivalent Benefit Unit (EBU) rates is shown in Table 1:

TABLE 1

Land Use Category	Basic Unit		Equivalent Benefit Factor		EBU Rates
Residential:					
Single Family Residential	1 D.U.	X	1.0	=	1 EBU/DU
Condominium	1 D.U.	X	1.0	=	1 EBU/DU
Multi-Family Apartments	1 D.U.	X	.8	=	0.8 EBU/DU
Mobile Home Park	1 Space	X	.5	=	0.5 EBU/Space
Non-Residential:					
Commercial/Industrial	Per Acre	X	2.58	=	2.58 EBU/Acre
Schools	Per Acre	X	2.58	=	2.58 EBU/Acre Area of Building Improvements
Vacant Non-Residential / Parks	Per Acre	X	.65	=	0.65 EBU/Acre 5 Acre Max
POAP, Public & Exempt	N/A	X	0.0	=	0.0 EBU/DU

B. Annual Assessment

The Method of Apportionment of the Assessment is based upon the relative special benefit derived from the improvements and conferred upon the assessable real property within LMD No. 104 over and above general benefit conferred upon the assessable real property within LMD No. 104 or to the public at large. The Assessment for each assessable parcel within LMD No.104 is calculated as follows:

Each parcel currently within the District will be placed into one of the designated categories by land use. Using the EBU Rate for the applicable land use category in Table 1 above, multiply the EBU rate by the number of Basic Units for each parcel to determine the number of EBUs for that parcel.

Once the total costs and the total number of EBUs associated with all parcels within the District are determined, the total costs are divided by the total EBUs to determine an assessment rate for each EBU in the District.

$$\text{Total District Costs} \div \text{Total Number of EBUs in District} = \text{District Assessment Rate per EBU.}$$

Each individual parcel's assessment will then be determined by multiplying the District assessment rate by the parcel's total EBUs.

$$\text{District Assessment Rate per EBU} \times \text{Parcel's Total EBUs} = \text{Parcel's Annual Assessment.}$$

Currently, there is one commercial parcel, 2.79 acres in size, located in the District. Applying the EBU formula (2.58 EBUs x 2.79 acres) results in a total EBU count of 7.20 for LMD No. 104. Since LMD No. 104 is composed of a single parcel, all EBUs and costs will be assigned to this single parcel.

The maximum assessment rate is subject to a cost of living increase as explained in the Maximum Assessment Methodology section below.

General Benefit

The total benefit from the improvements is a combination of the special benefits to the parcels in the District and the general benefits to the public at large and to adjacent property owners. The portion of the total maintenance costs associated with general benefits, if any, will not be assessed to the parcels in the District, but will be paid from other City of Hemet funds. Because the landscaping improvements are located immediately adjacent to properties within the District and are maintained solely for the benefit of the properties within the District, any benefit received by properties outside the District is nominal. Therefore, the general benefit portion of the benefit received from District improvements is zero.

Special Benefit

The landscaping improvements within LMD No. 104 provide direct and special benefit to the lots or parcels within the District. Therefore, the maintenance of these improvements also provides direct and special benefit by maintaining the functionality of the improvements and allowing the improvements to operate in a proper manner.

Each and every lot or parcel in the District receives a particular and distinct benefit from the improvements over and above general benefits conferred by the

improvements. First, the improvements were conditions of approval for the creation or development of the parcels. In order to create or develop the parcels, the City required the developer to install landscaping improvements and to guarantee the maintenance of the landscaping improvements and appurtenant facilities serving these lots or parcels. Therefore, each and every lot or parcel within the District could not have been developed in the absence of the installation and expected maintenance of these improvements and appurtenant facilities. In addition, the improvements continue to confer a particular and distinct special benefit upon parcels within LMD No. 104 because of the nature of the improvements.

The proper maintenance of landscaping and appurtenant facilities specially benefits parcels within LMD No. 104 by providing oxygenation, attenuating noise from adjacent streets, and controlling dust for those properties in close proximity to the landscaping. Spraying and treating landscaping for disease reduces the likelihood of insect infestation and spread of other diseases to landscaping throughout the properties in the District.

The property maintenance of the landscaping, ornamental structures, and appurtenant facilities reduces property-related crimes against properties in the District (especially vandalism) by screening the properties within the District from arterial streets. Additionally, the proper maintenance of landscaping and appurtenant structures improves the attractiveness of the properties within the District. This provides a positive visual experience each and every time a trip is made to or from the property in the District.

Based on the benefits described above, landscaping improvements are an integral part of the quality of life within the District. This quality of life is a special benefit to all parcels within the District except government-owned, utility easements, or flood channel parcels. Government-owned easements, utility easements, and flood channel parcels do not benefit from the improvements due to their type of use and lack of human habitation on such parcels. Parcels of this nature are usually vacant narrow strips of land or flood control channels and therefore do not generate or experience pedestrian or vehicular traffic. Nor do these types of parcels support dwelling units or other structures that would promote frequent use by the traveling public. As a result of this lack of activity on such parcels, they do not receive any benefit from landscaping improvements and are not assessed.

Special Benefits of LMD No. 104 Authorized Improvements and Services

The special benefits associated with landscaping improvements are specifically:

- Improved aesthetic appeal of properties, providing a positive representation of the area and the properties themselves.
- Enhanced adaptation of the urban environment within the natural environment by providing adequate green space and landscaping.
- Enhanced environmental quality through improved erosion resistance, dust and debris control, and fire prevention.
- Increased sense of pride in ownership resulting from well-maintained improvements associated with the properties.

- Enhanced quality of life through well-maintained green belts and landscaped areas.
- Reduced criminal activity and property-related crimes (especially vandalism) through well-maintained surroundings and amenities.
- Enhanced environmental quality of the parcels by moderating temperatures, providing oxygenation, and attenuating noise.

Summary

In summary, no property is assessed in excess of the reasonable cost of the proportional special benefit conferred on that property. Additionally, because of differences in land use and parcel size, it is determined that some land uses within the District benefit from the improvements unequally. Therefore, the proportionate share of the costs and expenses for the provision of landscaping, as well as costs and expenses for the maintenance of the landscaping are apportioned on an EBU basis. For a single parcel District, all EBUs will be apportioned to the single benefiting parcel.

C. Maximum Assessment Methodology

The purpose of establishing a Maximum Assessment formula is to provide for reasonable increases and inflationary adjustments to annual assessments without requiring costly noticing and mailing procedures, which would add to the District costs and assessments.

The Maximum Assessment formula shall be applied to all assessable parcels of land within the District. For LMD No. 104, the initial Maximum Assessment for Fiscal Year 2017-2018 is as follows:

- The initial Maximum Assessment established within LMD No. 104 shall be \$15,107.76
- Pursuant to the Plans, the single parcel within the District shall have an initial Maximum Assessment of \$15,107.76, or \$2,098.30 per EBU.

The initial Maximum Assessment is subject to an annual inflator starting in Fiscal Year 2018-2019. The initial Maximum Assessment may be adjusted by the greater of four percent (4%) or the cumulative percentage increase in the Consumer Price Index for all Urban Consumers for ("CPI-U") for the Los Angeles-Riverside-Orange County California Standard Metropolitan Statistical Area ("Index") published by the Bureau of Labor Statistics of the United States Department of Labor. The annual CPI-U adjustment will be based on the cumulative increase, if any, in the Index as it stands in March of each year over the base Index of 2017.

The Maximum Assessment is adjusted annually and is calculated independent of the LMD No. 104 annual budget and proposed annual assessment. The annual assessment (rate per assessable parcel) applied in any fiscal year is not considered to be an increased assessment if less than or equal to the Maximum Assessment

amount for that fiscal year. In no case shall the annual assessment exceed the Maximum Assessment.

Although the Maximum Assessment will increase each year, the actual LMD No. 104 assessments may remain virtually unchanged. The Maximum Assessment adjustment is designed to establish a reasonable limit on LMD No. 104 assessments. The Maximum Assessment calculated each year does not require or facilitate an increase to the annual assessment and neither does it restrict assessments to the adjusted maximum amount. If the budget and assessments for the fiscal year require an increase to an amount greater than the adjusted Maximum Assessment, it is considered an increased assessment.

To impose an increased assessment, the City of Hemet must comply with the provisions of California Constitution Articles XIII C and XIII D, which require a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Through the balloting process, property owners must approve the proposed assessment increase. If the proposed assessment is approved, then a new Maximum Assessment is established for LMD No. 104. If the proposed assessment is not approved, the City may not levy an assessment greater than the adjusted Maximum Assessment previously established for LMD No. 104.

PART IV – ASSESSMENT DIAGRAM / BOUNDARY MAP

FISCAL YEAR 2017-2018 LMD NO. 104

The Assessment Diagram/Boundary Map for LMD No. 104 by this reference is incorporated and made a part of this Report. Only the parcels identified within the LMD No. 104 Assessment Diagram/Boundary Map are within said boundary.

If any parcel submitted for collection is identified by the County Auditor-Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel number (or numbers) will be identified and resubmitted to the County Auditor-Controller. The assessment amount to be levied and collected for the resubmitted parcel and/or new parcel number(s) shall be based on the method of apportionment and the assessment rate as defined in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and the assessment rate rather than as a proportionate share of the original assessment.



**Assessment Diagram /
Boundary Map
Landscape Maintenance
District No. 104
Tractor Supply Company**
City of Hemet
County of Riverside
State of California

POR. OF S.W. SEC. 8, T.5 S.R. 1W, S.B.M.

Legend

 District Boundary

Assessor Parcel Number within District Boundaries:

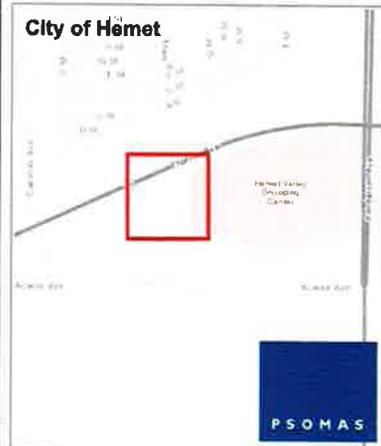
448-250-025

For parcel detail, please refer to the Assessor Parcel Map of the County of Riverside for Fiscal Year 2015-16 for an exact description of the lines and dimensions of each parcel/lot



August 2016

NTS



PART V – ASSESSMENT ROLL

Parcel identification for each lot/unit or parcel within LMD No. 104 shall be the parcel as shown on the Riverside County Secured Roll for the year in which this Report is prepared and reflective of the Assessor's Parcel Maps. LMD No. 104 includes the following APN(s) as of the date of this Report:

448250025-8

The initial Maximum Assessment per parcel shall be \$15,107.76⁽⁵⁾.

LANDSCAPE MAINTENANCE DISTRICT NO. 104 (TRACTOR SUPPLY COMPANY)

PROPOSED FISCAL YEAR 2017-2018 MAXIMUM ASSESSMENT⁽⁶⁾

Parcel No.	Maximum Assessment
448250025-8	\$15,107.76

⁽⁵⁾ The Actual Assessment per Assessable Parcel, when submitted to the tax roll, will be rounded to even pennies, as required by the Riverside County Auditor-Controller to allow for the equal division of 2 equal installment payments on the property tax bill.

⁽⁶⁾ The initial Maximum Assessment may be adjusted annually by the greater of four percent (4%), or the cumulative percentage increase in the CPI-U, if any, as it stands in March of each year over the base Index of 2017.





Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: October 25, 2016

RE: Resolution of the City Council of the City of Hemet initiating proceedings for the Formation of Hemet Streetlight Maintenance District No. 104, Tractor Supply Company and the levy and collection of assessments for such district for Fiscal Year 2017-2018

RECOMMENDATION:

It is recommended that the City Council approve the resolution initiating proceedings and ordering the Report of the Engineer in connection with the annual levy of assessments for the Hemet Streetlight Maintenance District No. 104, Tractor Supply Company 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.

BACKGROUND:

PSOMAS has previously prepared the assessment engineering report in connection with the annual levy of assessments for the existing citywide streetlight maintenance districts. The assessments against the lots and parcels of land within the assessment district pay for the operation, maintenance and servicing of streetlights and appurtenant structures. As part of an agreement with the City, the property owner of this 2.79 acre site located on Florida Avenue between Cawston Avenue and Sanderson Avenue has agreed to the establishment of a Streetlight Maintenance District for the purpose of maintaining a 50% share of the streetlight shared with Les Schwab Tires and pedestrian pole lights located on Florida Avenue immediately adjacent to the site.

FISCAL IMPACT:

The consultant fee for the formation of the district in connection with the annual levy of assessments for the formation of the streetlight maintenance district is \$1,860.34, to be paid from developer deposits.

Respectfully submitted,

Jessica A. Hurst
Deputy City Manager/Admin Services

Attachments: Resolution Bill No. 16-077



CITY OF HEMET
Hemet, California
RESOLUTION NO. 16-077

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA INITIATING PROCEEDINGS FOR THE FORMATION OF HEMET STREETLIGHT MAINTENANCE DISTRICT NO. 104, TRACTOR SUPPLY COMPANY, AND THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN SUCH DISTRICT FOR FISCAL YEAR 2017-2018 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972, PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND AS PROVIDED BY ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION; AND ORDERING THE PREPARATION OF AN ENGINEER'S REPORT.

The City Council of the City of Hemet (hereafter referred to as the "City Council") does resolve as follows:

WHEREAS, The City Council of the City of Hemet, California has, by previous resolutions, formed Districts known and designated as the Streetlight Maintenance Districts (hereafter referred to as the "Districts") pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act"), that provides for levy and collection of assessments by the County of Riverside for the City of Hemet to pay the maintenance and services of street lighting and all appurtenant facilities and operations related thereto; and,

THE CITY COUNCIL OF THE CITY OF HEMET FINDS, DETERMINES, ORDERS AND RESOLVES AS FOLLOWS:

Section 1. The City Council hereby proposes to form a new streetlight maintenance district to levy and collect assessments against the lots and parcels of land within the Hemet Streetlight Maintenance District No. 104, (hereinafter referred to as the "District") to pay for the costs and expenses of the improvements described in Section 3 hereof for the fiscal year commencing July 1, 2017 and ending June 30, 2018, pursuant to the Landscaping and lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and as provided by Article XIII D of the California Constitution.

Section 2. The general location and boundaries of the proposed District are shown on maps on file in the office of the City Clerk, open to public inspection, and by

1 reference are made part of this resolution. The District is designated as: "Hemet
2 Streetlight Maintenance District No. 104, Tractor Supply Company."
3

4 Section 3. The improvements within the District include but are not limited to:
5 installation, construction or maintenance of any authorized improvements under the Act,
6 streetlight improvements and any facilities which are appurtenant to any of the
7 aforementioned or which are necessary or convenient for the maintenance or servicing
8 thereof.
9

10 Section 4. The City Council hereby designates Psomas, as the Engineer for
11 the purposes of these proceedings and orders the Engineer to prepare and file with the
12 City Clerk a written report in accordance with Article XIII D, Section 4 of the California
13 Constitution and Article 4 (commencing with Section 22565) of Chapter 1 of the Act for
14 that portion of the fiscal year 2017-2018 commencing July 1, 2017 and ending June 30,
15 2018. Such Report shall refer to the District by its distinctive designation.
16

17 Section 5. Lots or parcels within the District that are owned or used by any
18 county, city, city and county, special district or any other local or regional governmental
19 entity, the State of California or the United States shall be assessed unless the City
20 demonstrates by clear and convincing evidence that such lots or parcels receive no
21 special benefit from the proposed improvements.
22

23 Section 6. That the City Clerk shall certify to the passage and adoption of this
24 resolution; shall enter the same in the book of original resolutions of said City; and shall
25 make a minute of passage and adoption thereof in the records of the proceedings of the
26 City Council of said City, in the minutes of the meeting at which resolution is passed and
27 adopted.
28

29
30
31 PASSED, APPROVED, AND ADOPTED this 25th day of October, 2016.
32
33
34

35 _____
36 Bonnie Wright, Mayor
37

38
39 ATTEST:

40 APPROVED AS TO FORM:
41

42 _____
43 Sarah McComas, City Clerk
44

45 _____
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 25th day of October, 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: October 25, 2016

RE: Resolution of the City Council of the City of Hemet declaring its intention for the levy and collection of assessments, preliminarily approving the engineer's report, and appointing a time and place for a public hearing for the formation of Streetlight Maintenance District No. 104, Tractor Supply Company for Fiscal Year 2017-2018.

RECOMMENDATION:

It is recommended that the City Council approve the resolution of intention to order the annual levy of assessments for the formation of Streetlight Maintenance District No. 104, Tractor Supply Company and to levy and collect assessments within the district for Fiscal Year 2017-2018, preliminarily approving the engineer's report and appointing December 13, 2016 for a public hearing.

BACKGROUND:

By its previous action the City Council approved Resolution Bill No. 16-077 initiating proceedings and ordering the engineer's report in connection with the annual levy of assessments for the formation of Streetlight Maintenance District No. 104, Tractor Supply Company for Fiscal Year 2017-2018. The assessments against the lots and parcels of land within the assessment districts will pay for the operation, maintenance and servicing of streetlights and appurtenant structures.

ANALYSIS:

The assessment engineer's report has been prepared and is on file with the City Clerk. A public hearing notice will be published in the Press Enterprise, Hemet News, regarding the proposed annual streetlight assessment rates for Fiscal Year 2017-2018.

FISCAL IMPACT:

The total proposed citywide streetlight maintenance district assessment for the Fiscal Year 2017-2018 is \$1,860.34.

Respectfully submitted,

Jessica A. Hurst
Deputy City Manager/Admin Services

Attachments: Resolution Bill No. 16-078



CITY OF HEMET
Hemet, California
RESOLUTION NO. 16-078

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA DELARING ITS INTENTION TO FORM THE CITY OF HEMET STREETLIGHT MAINTENANCE DISTRICT NO. 104, TRACTOR SUPPLY COMPANY, TO LEVY AND COLLECT ASSESSMENTS WITHIN SUCH DISTRICT AND PRELIMINARILY APPROVING THE REPORT OF THE ENGINEER FOR FISCAL YEAR 2017-2018 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972, PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND AS PROVIDED BY ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION; AND APPOINTING A TIME AND PLACE FOR HEARING PROTESTS.

The City Council of the City of Hemet (hereafter referred to as the "City Council") does resolve as follows:

WHEREAS, The City Council of the City of Hemet, California has, by previous resolutions, formed Districts known and designated as the Streetlight Maintenance Districts (hereafter referred to as the "Districts") pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act"), that provides for levy and collection of assessments by the County of Riverside for the City of Hemet to pay the maintenance and services of street lighting and all appurtenant facilities and operations related thereto; and,

THE CITY COUNCIL OF THE CITY OF HEMET FINDS, DETERMINES, ORDERS AND RESOLVES AS FOLLOWS:

Section 1. By its previous Resolution Bill No.16-077, the City Council initiated proceedings pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code, commencing with Section 22500 (the "Act") and as provided by Article XIII D of the California Constitution, for the formation of the City of Hemet Streetlight Maintenance District No. 104, Tractor Supply Company (the "District"), described on maps on file in the office of the City Clerk and incorporated herein by reference, and the levy and collection of assessments against the assessable lots and parcels of land within such District for the 2017-2018 fiscal year and ordered the Engineer, Psomas, to prepare and file a written report in accordance with Article XIII D, Section 4 of the California Constitution and Article 4 of Chapter 1 of the Act. The

1 Engineer has prepared and filed a written report (the "Report") with the City Clerk, which
2 pertains to the proposed District, and by previous resolution the City Council approved
3 the Engineer's Report.

4
5 Section 2. The City Council hereby (1) finds that the public interest and
6 convenience requires and (2) declares its intention to order the formation of the District
7 and to levy and collect assessments against the assessable lots and parcels of land
8 within such District for that portion of the fiscal year commencing July 1, 2017 and
9 ending June 30, 2018 to pay the costs and expenses of the improvements described in
10 Section 3 below. If the assessments, proposed by this resolution, are approved by the
11 property owners pursuant to a mailed ballot election conducted in accordance with
12 Article XIII D of the California Constitution, the City may increase the assessments,
13 commencing with fiscal year 2018-2019. The amount of the assessments for the
14 District can be increased each year, per Chapter 4 of Part 1 of Division 2 of Title 5 of the
15 Government Code, Section 53739(b)(1) based upon the following formula:

16
17 Future CPI adjustments in the assessment rate will be limited by the greater of four
18 percent (4%) or the cumulative percentage increase in the Consumer Price Index for all
19 Urban Consumers ("CPI-U") for the Los Angeles-Riverside-Orange County California
20 Standard Metropolitan Statistical Area ("Index") published by the Bureau of Labor
21 Statistics of the United States Department of Labor. The annual CPI-U adjustment will
22 be based on the cumulative increase, if any, in the Index as it stands on March of each
23 year over the base Index of 2017. Adjustments beyond the greater of four percent (4%)
24 or the CPI-U rate will require approval of the property owners of record as required by
25 Proposition 218 "The Right to Vote on Taxes Act".

26
27 Section 3. The improvements within the District include but are not limited to:
28 installation, construction or maintenance of any authorized improvements under the Act,
29 streetlight improvements and any facilities which are appurtenant to any of the
30 aforementioned or which are necessary or convenient for the maintenance or servicing
31 thereof.

32
33 Section 4. The general location and boundaries of the proposed District are
34 shown on maps on file in the office of the City Clerk, are incorporated herein by
35 reference, and open to public inspection. The designation of the proposed District is as
36 follows: City of Hemet Streetlight Maintenance District No. 104, Tractor Supply
37 Company.

38
39 Section 5. Reference is hereby made to the Engineer's Report, on file in the
40 office of the City Clerk and open to public inspection, for a full and detail description of
41 the improvements, the boundaries of the proposed District and the proposed
42 assessments upon assessable lots and parcels of land within the proposed District.

43
44 Section 6. Notice is hereby given that the 13th day of December 2016 at
45 7:00pm in the Council Chambers of the City of Hemet, 450 E. Latham Avenue, Hemet,
46 California 92543, is the time and place fixed for a public hearing by the City Council on

1 the question of the levy and collection of assessments for fiscal year 2017-2018 against
2 lots and parcels of land within the District. At the hearing, all interested persons shall be
3 afforded the opportunity to hear and be heard. Procedures of the City applicable to the
4 completion, return, and tabulation of the ballots required pursuant to Article XIII D,
5 Section 4 of the California Constitution are on file in the office of the City Clerk and open
6 to public inspection.
7

8 Section 7. The City Clerk is hereby authorized and directed to give notice of
9 the public hearing as set forth in Section 6 in accordance with law.
10

11 Section 8. Lots or parcels within the District that are owned or used by any
12 county, city, city and county, special district or any other local or regional governmental
13 agency, the State of California, or the United States shall be assessed unless the City
14 demonstrates by clear and convincing evidence that such lots or parcels receive no
15 special benefit from the proposed improvements.
16
17
18
19

20 PASSED, APPROVED, AND ADOPTED this 25th day of October, 2016.
21
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25 _____
Bonnie Wright, Mayor

28 ATTEST:

APPROVED AS TO FORM:

29 _____
Sarah McComas, City Clerk

30 _____
Eric S. Vail, City Attorney

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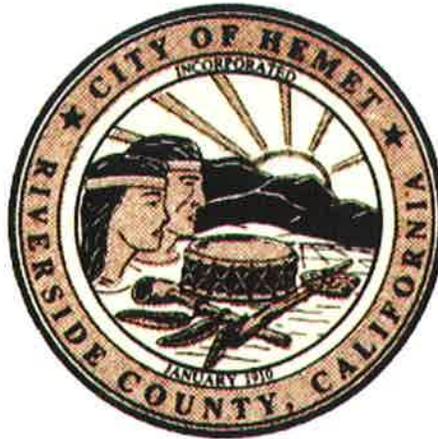
State of California)
County of Riverside)
City of Hemet)

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 25th day of October, 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk

City of Hemet



ENGINEER'S REPORT FOR Streetlight Maintenance District No. 104 (Tractor Supply Company)

Prepared by
Psomas
1500 Iowa Ave., Ste. 210
Riverside, CA 92507
(951) 787-8421

October 2016

AGENCY: CITY OF HEMET

**PROJECT: FORMATION OF CITY OF HEMET
STREETLIGHT MAINTENANCE DISTRICT NO. 104**

**TO: HEMET CITY COUNCIL
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

ENGINEER'S REPORT

Pursuant to the provisions of Sections 22565 through 22574 of the Landscaping and Lighting Act of 1972, said act being Part 2 of Division 15 of the California Streets and Highways Code ("1972 Act"), in compliance with the substantive and procedural requirements of Articles XIII C and XIII D of the California Constitution, and under the direction of the City Council of the City of Hemet, California ("City Council"), submitted herewith is the Engineer's Report ("Report") for the City of Hemet ("City").

This Report provides for the formation of the City of Hemet Streetlight Maintenance District No. 104 ("District") as required under the terms of Administrative Use Permit 13-001 issued for the development of Assessor Parcel Number (APN) 448250025-8, and establishes the Maximum Assessment to be levied commencing with Fiscal Year 2017-2018 (i.e., commencing July 1, 2017 and ending June 30, 2018) and continuing in all subsequent Fiscal Years, for the area to be known and designated as:

SMD NO. 104

I do hereby assess and apportion the total amount of the costs and expenses upon parcels of land within the designated area liable therefor and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said services.

I, the appointed Engineer, acting on behalf of the City of Hemet, pursuant to the 1972 Act, do hereby submit the following:

Pursuant to the provisions of law, the costs and expenses of the District have been assessed upon the parcels of land in the District benefited thereby in direct proportion and relation to the estimated benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram/Boundary Map, a reduced copy of which is included herein.

As required by law, an Assessment Diagram/Boundary Map is filed herewith, showing the District as well as the boundaries and dimensions of the respective parcels or lots and subdivisions of land within said District, as the same exist as of the date of this Report. Each parcel, lot, or subdivision of land has been given a separate number upon said Assessment Diagram/Boundary Map and in the Assessment Roll contained herein.

The individual numbers given the subdivisions and parcels of land, as shown on said Assessment Diagram/Boundary Map and Assessment Roll, correspond to the numbers assigned to each parcel by the Riverside County Assessor and are current as of the

date of this Report. Reference is made to the Assessor Parcel Map for a description of the lots or parcels.

As of the date of this Report, there are no lots or parcels within the District owned by a federal, state, or other local governmental agency that will benefit from the services to be provided by the assessments to be collected.

DATED this 18th day of October, 2016

PSOMAS



STEVEN B. FRIESON
PROFESSIONAL CIVIL ENGINEER 42110
ENGINEER OF WORK
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

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EXECUTIVE SUMMARY

A. Introduction

Pursuant to the provisions of Sections 22565 through 22574 of the Landscaping and Lighting Act of 1972, said act being Part 2 of Division 15 of the California Streets and Highways Code ("1972 Act"), the costs and expenses of Streetlight Maintenance District No. 104 ("SMD No. 104" or "District") have been assessed upon the parcels of land in the District benefited thereby in direct proportion and relation to the estimated benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram/Boundary Map, a reduced copy of which is included in Part IV of this Report. On the 25th day of October, 2016 the City Council, City of Hemet, State of California, ordering the preparation of the Engineer's Report ("Report") providing for the formation of SMD No. 104 did, pursuant to the provisions of the 1972 Act, adopt Resolution No. 16-079 for a special assessment district known and designated as:

Streetlight Maintenance District No. 104

The formation of SMD No. 104 includes the commercial subdivision identified by the Assessor Parcel Number (APN) valid as of the date of this Report: 448250025-8. Establishment of a Streetlight maintenance district is a prerequisite for development of this parcel under the terms of Administrative Use Permit 13-001, approved July 23, 2013.

As required by law, an Assessment Diagram/Boundary Map is filed herewith, showing the District, as well as the respective parcels and subdivisions of land within said District as they exist on the date of this Report. Each of which subdivisions of land into parcels or lots, respectively, has been assigned a distinctive number and is so indicated on the Assessment Diagram/Boundary Map and in the Assessment Roll contained herein. Psomas submits this Report, consisting of five parts, for the formation of SMD No. 104 and the establishment of the Maximum Assessment to be levied and collected commencing Fiscal Year 2017-2018 and continuing in subsequent fiscal years.

PART I

Plans and Specifications: A description of SMD No. 104 boundaries and the proposed improvements within said District. The District shall consist of a single parcel which comprise the commercial development known as SMD No. 104. The proposed improvements described in this Report are based on the requirements of the City assigned Administrative Use Permit 13-001 and the current development and improvement plans provided to Psomas by the City of Hemet as of the date of this Report. Streetlight improvement plans (“Plans”) by Miller Pezzoni & Associates, Inc., dated March 11, 2014, approved by Jorge Biagioni, City Engineer RCE No. 33751 are on file in the office of the City Engineer and are incorporated into this Report by reference.

PART II

Method of Apportionment: A narrative of the property benefits from the improvements and the method of calculating each property’s proportional special benefit and annual assessment. The proposed initial Maximum Assessment and assessment range formula established for SMD No. 104 is based on current property development Plans and estimated annual costs and expenses associated with all improvements to be accepted and maintained by SMD No. 104 at build-out.

PART III

Cost Estimate: An estimate of the cost of the streetlight improvements, including incidental costs and expenses in connection therewith, for Fiscal Year 2017-2018.

PART IV

Assessment Diagram/Boundary Map: An Assessment Diagram/Boundary Map showing the parcels of land included within the boundaries of SMD No. 104. For details concerning the lines and dimensions of the applicable Assessor’s Parcel Numbers, refer to the County Assessor’s Maps as of the date of this Report.

PART V

Assessment Roll: A listing of the Assessor’s Parcel Numbers, or the lot/unit numbers assigned for subdivided parcels, and the initial Maximum Assessment per parcel or lot/unit to be applied on the tax roll for Fiscal Year 2017-2018.

B. Assessment District

The improvements and services to be provided by SMD No. 104 generally include Streetlight maintenance. The formation of SMD No. 104 will provide the financial mechanism (annual assessments) by which the ongoing operation and maintenance of these improvements and services will be funded. SMD No. 104's structure, proposed improvements, method of apportionment and assessments described in this Report are based on the Plans provided to Psomas as of the date of this Report, including all estimated direct expenditures, incidental expenses, and reserves associated with the maintenance and servicing of the proposed improvements.

PART I – PLANS AND SPECIFICATIONS

A. Description of the Assessment District

SMD No. 104 is located within the City of Hemet, County of Riverside, State of California generally east of Cawston Avenue, north of Acacia Avenue, west of Sanderson Avenue, and south of Florida Avenue. At full development, SMD No. 104 is projected to include one assessable commercial lot and zero non-assessable lots. SMD No. 104 consists of all lots/units, parcels and subdivisions of land located in the development area currently defined by the following Assessor Parcel Numbers:

- Assessor Parcel Number(s) as of the date of this Report: 448250025-8

A general boundary map for the District is presented in Part IV of this Report.

B. Description of Improvements and Services Authorized by the Landscaping and Lighting Act of 1972

As applicable to the District, the 1972 Act (specifically, Section 22525 of the California Streets and Highways Code) defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities, including, but not limited to, traffic signals.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The installation of park or recreational improvements, including, but not limited to, all of the following:
 - Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - Lights, playground equipment, play courts, and public restrooms.
 - The maintenance or servicing, or both, of any of the foregoing, and any of the improvement authorized by subdivision (i).
 - The acquisition of land for park, recreational, or open-space purposes.
 - The acquisition of any existing improvement otherwise authorized pursuant to this section.
 - The acquisition or construction of any community center, municipal auditorium or hall, or similar public facility for the indoor presentation of performances, shows, stage productions, fairs, conventions, exhibitions, pageants, meetings, parties, or other group events, activities, or

functions, whether those events, activities, or functions are public or private.

Section 22526 of the California Streets and Highways Code states that “incidental expenses” associated with the improvements include, but are not limited to the following:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment.
- The costs of printing, advertising, and the giving of published, posted, and mailed notices.
- Compensation payable to the County for collection of assessments.
- Compensation of any engineer or attorney employed to render services in proceedings pursuant to this part.
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements.
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5 of the California Streets and Highways Code.
- Costs associated with any elections held for the approval of a new or increased assessment.

Section 22531 of the 1972 Act defines “maintain” or “maintenance” to mean the following:

Furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating [vegetation] for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

C. Improvements and Services for SMD No. 104

SMD No. 104 provides for the collection of annual assessments to fund the ongoing maintenance and servicing of public lighting facilities, specifically streetlights and pedestrian lights, on the Florida Avenue frontage of APN 448250025-8. The assessments will also fund any appurtenant facilities and related incidental expenses including, but not limited to, the cost of personnel, electrical energy, materials, equipment, contracting services, and other items necessary for the satisfactory operation of these services in which are the responsibility of SMD No. 104.

PART II – METHOD OF APPORTIONMENT

A. Method of Apportionment

The proposed improvements, the associated costs, and assessments have been carefully reviewed, identified, and allocated based on special benefit.

Streetlight maintenance is the responsibility of SMD No. 104.

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include dedicated easements for Streetlight use, and appurtenant facilities. Section 22573 of the 1972 Act gives the following instructions for apportioning assessments to the parcels within the district:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The formula used for calculating assessments for parcels within SMD No. 104, which reflects the composition of the parcels and the improvements and services which are the responsibility of SMD No. 104, fairly apportions the costs based on the estimated benefit to each parcel.

In addition, Article XIII D of the California Constitution (“Article”) requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The Article provides that only special benefits are assessable, and the County must separate the general benefits from the special benefits conferred on a parcel. A special benefit is a particular and distinct benefit over and above general benefits conferred on the public at large, including real property within the district. The general enhancement of property value does not constitute a special benefit.

Equivalent Benefit Units

A methodology, which takes into consideration the impact of land use and parcel size, has been developed and applied to SMD No. 104. This methodology, called Equivalent Benefit Units (EBUs), calculates the EBUs for each parcel where every land use is converted to EBUs based on the assessment formula appropriate for the City. Single Family Residential, which includes Condominiums, is defined as the basic unit for calculation of assessments and assigned 1 EBU per parcel. Multi-Family Residential (Apartments and Mobile Home Parks) are converted to EBUs based on the number of dwelling units on each parcel. Commercial/Industrial, Vacant Property/Parks, and certain Public Property, such as Schools, are converted to EBUs based on the lot size of each parcel of land. Property Owners Association Property, Public Property and Exempt parcels are assigned zero EBUs. The EBU method is seen as the most appropriate and equitable for streetlight maintenance

districts, as the benefit to each parcel from the improvements are apportioned as a function of land use type and parcel size.

Parcel Classification

Residential: Residential means a parcel for which a building permit has been issued permitting construction of one or more Residential dwelling units. Residential parcels shall be further classified as Single Family Residential, Condominium, and Multi-Family Residential.

Single Family Residential (SFR): SFR means all parcels of residential property, other than Multi-Family Residential Property. The SFR parcel is the basic unit for calculation of the benefit assessments. Parcels designated as SFR land use will be assigned 1 EBU per dwelling unit, including vacant subdivided residential lots.

Condominium: Condominium means all parcels of developed property with a residential building or buildings comprised of dwelling units with each unit having individual ownership and assigned an individual assessor parcel number. Condominiums will be treated the same as SFR units. Therefore, parcels designated as Condominium land use will be assigned 1 EBU per dwelling unit.

Multi-Family Residential (Apartments) and Mobile Home Parks: Multi-Family Residential (Apartments) means all parcels of property that consist of a residential building or buildings comprised of attached dwelling units available for rental by the general public, not for sale to an end user, and under common management. Mobile Home Parks means all parcels of land with manufactured homes, all under common management.

Studies have consistently shown that trip generation and wastewater usage are a function of population density. It is also concluded that other infrastructure will be similarly impacted at a reduced level. The lower average population density and reduced average unit size of apartments and mobile homes compared to the typical density and size of a SFR results in a lesser benefit per unit from SMD No. 104 services. The average apartment unit impacts infrastructure approximately 80% as much as a single family residence, while the average mobile home unit impacts infrastructure approximately 50% as much. (Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition, 1991; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition, 1991).

Therefore, the EBUs assigned to a Multi-Family Residential or a Mobile Home Park parcel are calculated based on the number of dwelling units and the appropriate Equivalent Benefit Factor (as shown in Table 1). Specifically, the Equivalent Benefit Factor for multi-residential (0.8) is multiplied by the number of dwelling units on the parcel to determine the total EBUs for the multi-unit residential parcel. Similarly, the total EBUs for a mobile home park parcel are calculated by multiplying the Equivalent Benefit Factor (0.5) by the number of mobile home units on the parcel.

Non-Residential: Residential means a parcel for which a building permit has been issued permitting construction of one or more Non-Residential structures. Non-Residential parcels shall be further classified as Commercial/Industrial, Vacant Property/Parks, Property Owners Association Property, Public Property/Schools and Exempt.

Commercial/Industrial: Commercial/Industrial means non-residential parcels that are not Exempt, Public Property, Property Owners Association Property, or Vacant, and are used for retail, professional, medical, restaurant, government, institutional, financial, lodging, or other commercial/industrial related uses. These parcels are assigned EBU's based on acreage. In converting Commercial/Industrial properties to EBUs, the factor used is the City of Hemet average single family residential density of 2.58 dwelling units per acre (as derived from the City of Hemet 2030 General Plan, Table 2.3 - Development Capacity, dated January 24, 2012 (Hemet General Plan)). Therefore, the Commercial/Industrial parcels, including institutional uses, will be assigned 2.58 EBUs per acre.

Vacant Property/Parks: Vacant Property means parcels with no improved structures. These parcels are assigned EBUs based on acreage and receive less specific benefit than SFR parcels. Therefore, Vacant Property will be assigned EBUs at the rate of 25% of the SFR parcels density of 2.58 dwelling units per acre (as derived from the Hemet General Plan), or 0.65 EBUs per acre (25% of 2.58 EBUs), up to a maximum of 5 acres per parcel, regardless of parcel size. Parks will be assessed at the same rate as Vacant Property as they receive the same type of specific benefits as vacant parcels. Vacant parcels with approved subdivision maps filed on them will be assessed at the rate appropriate to their future designated use.

Property Owners Association Property (POAP): Property Owners Association Property means all parcels which have been conveyed, dedicated to, or irrevocably offered for dedication to a property owner association, including any master or sub-association. The ultimate benefactors of these parcels are the property owners themselves. Therefore, the costs of providing landscape maintenance improvements and services to these parcels will be spread to the taxable parcels in the District and exempt the POAP parcels from assessment. These parcels are defined as having a zero EBU factor and, therefore, zero EBUs to be assessed.

Public Property/Schools: Public property means all parcels which are (i) used for rights-of-way or any other purpose and are owned by, dedicated to, or irrevocably offered for dedication to the federal government, the state, the county, City or any other public agency, provided however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement. Public property not leased to a private agency or utility easements, as described in section (ii) above, are defined as having a zero EBU factor and, therefore, zero EBUs to be assessed.

Schools will be assessed as Commercial/Industrial uses for those portions of the parcels with building improvements on them, and the playground and athletic fields will not be assessed as they are the same as Property Owners Association Property with no development potential.

Exempt: Exempt means any parcel dedicated as public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-way, public greenbelts, parkways and that portion of public property that is not developed or used for business purposes similar to private commercial, industrial and institutional activities. Also defined as Exempt parcels are utility rights-of-way, common areas (such as in condominium complexes), landlocked parcels and small parcels vacated by the City as these parcels have little or no development potential and do not benefit from the improvements. These parcels are defined as having a zero EBU factor and, therefore, zero EBUs to be assessed.

Determination of Rate

A summary of Equivalent Benefit Unit (EBU) rates is shown in Table 1:

TABLE 1

Land Use Category	Basic Unit		Equivalent Benefit Factor		EBU Rates
Residential:					
Single Family Residential	1 D.U.	X	1.0	=	1 EBU/DU
Condominium	1 D.U.	X	1.0	=	1 EBU/DU
Multi-Family Apartments	1 D.U.	X	.8	=	0.8 EBU/DU
Mobile Home Park	1 Space	X	.5	=	0.5 EBU/Space
Non-Residential:					
Commercial/Industrial	Per Acre	X	2.58	=	2.58 EBU/Acre
Schools	Per Acre	X	2.58	=	2.58 EBU/Acre Area of Building Improvements
Vacant Non-Residential / Parks	Per Acre	X	.65	=	0.65 EBU/Acre 5 Acre Max
POAP, Public & Exempt	N/A	X	0.0	=	0.0 EBU/DU

B. Annual Assessment

The Method of Apportionment of the Assessment is based upon the relative special benefit derived from the improvements and conferred upon the assessable real property within SMD No. 104 over and above general benefit conferred upon the assessable real property within SMD No. 104 or to the public at large. The Assessment for each assessable parcel within SMD No.104 is calculated as follows:

Each parcel currently within the District will be placed into one of the designated categories by land use. Using the EBU Rate for the applicable land use category in Table 1 above, multiply the EBU rate by the number of Basic Units for each parcel to determine the number of EBUs for that parcel.

Once the total costs and the total number of EBUs associated with all parcels within the District are determined, the total costs are divided by the total EBUs to determine an assessment rate for each EBU in the District.

$$\text{Total District Costs} \div \text{Total Number of EBUs in District} = \text{District Assessment Rate per EBU.}$$

Each individual parcel's assessment will then be determined by multiplying the District assessment rate by the parcel's total EBUs.

$$\text{District Assessment Rate per EBU} \times \text{Parcel's Total EBUs} = \text{Parcel's Annual Assessment.}$$

Currently, there is one commercial parcel, 2.79 acres in size, located in the District. Applying the EBU formula (2.58 EBUs x 2.79 acres) results in a total EBU count of 7.20 for SMD No. 104. Since SMD No. 104 is composed of a single parcel, all EBUs and costs will be assigned to this single parcel.

The maximum assessment rate is subject to a cost of living increase as explained in the Maximum Assessment Methodology section below.

General Benefit

The total benefit from the improvements is a combination of the special benefits to the parcels in the District and the general benefits to the public at large and to adjacent property owners. The portion of the total maintenance costs associated with general benefits, if any, will not be assessed to the parcels in the District, but will be paid from other City of Hemet funds. Because the streetlight improvements are located immediately adjacent to properties within the District and are maintained solely for the benefit of the properties within the District, any benefit received by properties outside the District is nominal. Therefore, the general benefit portion of the benefit received from District improvements is zero.

Special Benefit

The streetlight improvements within SMD No. 104 provide direct and special benefit to the lots or parcels within the District. Therefore, the maintenance of these improvements also provides direct and special benefit by maintaining the functionality of the improvements and allowing the improvements to operate in a proper manner.

Each and every lot or parcel in the District receives a particular and distinct benefit from the improvements over and above general benefits conferred by the

improvements. First, the improvements were conditions of approval for the creation or development of the parcels. In order to create or develop the parcels, the City required the developer to install streetlight improvements and to guarantee the maintenance of the streetlight improvements and appurtenant facilities serving these lots or parcels. Therefore, each and every lot or parcel within the District could not have been developed in the absence of the installation and expected maintenance of these improvements and appurtenant facilities. In addition, the improvements continue to confer a particular and distinct special benefit upon parcels within SMD No. 104 because of the nature of the improvements.

The proper maintenance of streetlights, and appurtenant facilities specially benefit parcels within SMD No. 104 by increasing public safety for both pedestrians and the motoring public, and increasing traffic safety by improving visibility. Streetlights also provide safety for pedestrians and motorists living and owning property in the SMD No. 104 during the nighttime hours, and to assign rights-of-way for the safety of pedestrians and motorists by defining a specific path during all hours of the day.

Streets are constructed for the safe and convenient travel of vehicles and pedestrians. They also provide an area for underground and overhead utilities. These elements are a distinct and special benefit to all developed parcels in the SMD No. 104. Streetlights are installed on and are for street purposes and are maintained and serviced to allow the street to perform to the standards it was designed.

Streetlights are determined to be an integral part of "streets" as a "permanent public improvement." One of the principal purposes of fixed roadway lighting is to create a nighttime environment conducive to quick, accurate, and comfortable seeing for the users as well as a sense of safe motoring and pedestrian experience of traffic egress from and ingress into the facility. These factors, if attained, combine to improve traffic safety and achieve efficient traffic movement. Fixed lighting can enable the motorist to see detail more distinctly and to react safely toward roadway and traffic conditions present on or near the roadway facility.

The system of streets within SMD No. 104 is established to provide access to each parcel in SMD No. 104. Streetlights provide a safer street environment for owners of the parcels served. If the parcels were not subdivided to provide individual parcels to owners within SMD No. 104, there would be no need for a system of streets with streetlights. Therefore, the installation of streetlights is for the express, special benefit of the parcels within SMD No. 104.

Based on the benefits described above, streetlight improvements are an integral part of the quality of life within the District. This quality of life is a special benefit to all parcels within the District except government-owned, utility easements, or flood channel parcels. Government-owned easements, utility easements, and flood channel parcels do not benefit from the improvements due to their type of use and lack of human habitation on such parcels. Parcels of this nature are usually vacant narrow strips of land or flood control channels and therefore do not generate or experience pedestrian or vehicular traffic. Nor do these types of parcels support dwelling units or other structures that would promote frequent use by the traveling

public. As a result of this lack of activity on such parcels, they do not receive any benefit from streetlight improvements and are not assessed.

Special Benefits of SMD No. 104 Authorized Improvements and Services

The special benefits of street lighting are the provision of energy, convenience, safety, security of property, improvements and goods. This includes the following:

- Enhanced deterrence of crime such as vandalism and other criminal activities which would reduce damage to improvements or property.
- Improved visibility to assist police in the protection of property.
- Increased nighttime safety on roads and streets by reducing nighttime accidents and personal property loss.
- Improved traffic circulation.
- Improved ability to see for pedestrians and motorists.
- Improved visibility for egress from and ingress to the property.

Summary

In summary, no property is assessed in excess of the reasonable cost of the proportional special benefit conferred on that property. Additionally, because of differences in land use and parcel size, it is determined that some land uses within the District benefit from the improvements unequally. Therefore, the proportionate share of the costs and expenses for the provision of streetlights, as well as costs and expenses for the maintenance of the streetlights are apportioned on an EBU basis. For a single parcel District, all EBUs will be apportioned to the single benefiting parcel.

C. Maximum Assessment Methodology

The purpose of establishing a Maximum Assessment formula is to provide for reasonable increases and inflationary adjustments to annual assessments without requiring costly noticing and mailing procedures, which would add to the District costs and assessments.

The Maximum Assessment formula shall be applied to all assessable parcels of land within the District. For SMD No. 104, the initial Maximum Assessment for Fiscal Year 2017-2018 are as follows:

- The initial Maximum Assessment established within SMD No. 104 shall be \$1,860.34
- Pursuant to the Plans, the single parcel within the District shall have an initial Maximum Assessment of \$1,860.38, or \$258.38 per EBU.

The initial Maximum Assessment is subject to an annual inflator starting in Fiscal Year 2018-2019. The initial Maximum Assessment may be adjusted by the greater of four percent (4%) or the cumulative percentage increase in the Consumer Price

Index for all Urban Consumers for ("CPI-U") for the Los Angeles-Riverside-Orange County California Standard Metropolitan Statistical Area ("Index") published by the Bureau of Labor Statistics of the United States Department of Labor. The annual CPI-U adjustment will be based on the cumulative increase, if any, in the Index as it stands in March of each year over the base Index of 2017.

The Maximum Assessment is adjusted annually and is calculated independent of the SMD No. 104 annual budget and proposed annual assessment. The annual assessment (rate per assessable parcel) applied in any fiscal year is not considered to be an increased assessment if less than or equal to the Maximum Assessment amount for that fiscal year. In no case shall the annual assessment exceed the Maximum Assessment.

Although the Maximum Assessment will increase each year, the actual SMD No. 104 assessments may remain virtually unchanged. The Maximum Assessment adjustment is designed to establish a reasonable limit on SMD No. 104 assessments. The Maximum Assessment calculated each year does not require or facilitate an increase to the annual assessment and neither does it restrict assessments to the adjusted maximum amount. If the budget and assessments for the fiscal year require an increase to an amount greater than the adjusted Maximum Assessment, it is considered an increased assessment.

To impose an increased assessment, the City of Hemet must comply with the provisions of California Constitution Articles XIII C and XIII D, which require a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Through the balloting process, property owners must approve the proposed assessment increase. If the proposed assessment is approved, then a new Maximum Assessment is established for SMD No. 104. If the proposed assessment is not approved, the City may not levy an assessment greater than the adjusted Maximum Assessment previously established for SMD No. 104.

PART IV – ASSESSMENT DIAGRAM / BOUNDARY MAP

FISCAL YEAR 2017-2018 SMD NO. 104

The Assessment Diagram/Boundary Map for SMD No. 104 by this reference is incorporated and made a part of this Report. Only the parcels identified within the SMD No. 104 Assessment Diagram/Boundary Map are within said boundary.

If any parcel submitted for collection is identified by the County Auditor-Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel number (or numbers) will be identified and resubmitted to the County Auditor-Controller. The assessment amount to be levied and collected for the resubmitted parcel and/or new parcel number(s) shall be based on the method of apportionment and the assessment rate as defined in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and the assessment rate rather than as a proportionate share of the original assessment.



**Assessment Diagram /
Boundary Map
Streetlight Maintenance
District No. 104
Tractor Supply Company
City of Hemet
County of Riverside
State of California**

POR, OF S.W. SEC. 8, T.5 S.R. 1W, S.B.M.

Legend

 District Boundary

Assessor Parcel Numbers within District Boundaries:

448-250-025

For parcel detail, please refer to the Assessor Parcel Map of the County of Riverside for Fiscal Year 2015-16 for an exact description of the lines and dimensions of each parcel/lot



August 2016

NTS



PART V – ASSESSMENT ROLL

Parcel identification for each lot/unit or parcel within SMD No. 104 shall be the parcel as shown on the Riverside County Secured Roll for the year in which this Report is prepared and reflective of the Assessor's Parcel Maps. SMD No. 104 includes the following APN(s) as of the date of this Report:

448250025-8

The initial Maximum Assessment per parcel shall be \$1,860.34 ⁽⁵⁾.

STREETLIGHT MAINTENANCE DISTRICT NO. 104 (TRACTOR SUPPLY COMPANY)

PROPOSED FISCAL YEAR 2017-2018 MAXIMUM ASSESSMENT⁽⁶⁾

Parcel No.	Maximum Assessment
448250025-8	\$1,860.34

⁽⁵⁾ The Actual Assessment per Assessable Parcel, when submitted to the tax roll, will be rounded to even pennies, as required by the Riverside County Auditor-Controller to allow for the equal division of 2 equal installment payments on the property tax bill.

⁽⁶⁾ The initial Maximum Assessment may be adjusted annually by the greater of four percent (4%), or the cumulative percentage increase in the CPI-U, if any, as it stands in March of each year over the base Index of 2017.





Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: October 25, 2016

RE: Resolution of the City Council of the City of Hemet initiating proceedings for the Formation of Hemet Landscape Maintenance District No. 105, Les Schwab Tires and the levy and collection of assessments for such district for Fiscal Year 2017-2018

RECOMMENDATION:

It is recommended that the City Council approve the resolution initiating proceedings and ordering the Report of the Engineer in connection with the annual levy of assessments for the Hemet Landscape Maintenance District No. 105, Les Schwab Tires 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.

BACKGROUND:

PSOMAS has previously prepared the assessment engineering report in connection with the annual levy of assessments for the existing citywide landscape maintenance districts. The assessments against the lots and parcels of land within the assessment district will pay for the operation, maintenance and servicing of landscaping and appurtenant structures. As part of an agreement with the City, the property owner of this 1.13 acre site located on Florida Avenue between Cawston Avenue and Sanderson Avenue has agreed to the establishment of a Landscape Maintenance District for the purpose of maintaining the perimeter landscaping along Florida Avenue immediately adjacent to the site.

FISCAL IMPACT:

The consultant fee for the formation of the district in connection with the annual levy of assessments for the formation of the landscape maintenance district is \$7,059.94, to be paid from developer deposits.

Respectfully submitted,



Jessica A. Hurst
Deputy City Manager/Admin Services

Attachments: Resolution Bill No. 16-079



CITY OF HEMET
Hemet, California
RESOLUTION NO.16-079

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA INITIATING PROCEEDINGS FOR THE FORMATION OF HEMET LANDSCAPE MAINTENANCE DISTRICT NO. 105, LES SCHWAB TIRES, AND THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN SUCH DISTRICT FOR FISCAL YEAR 2017-2018 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972, PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND AS PROVIDED BY ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION; AND ORDERING THE PREPARATION OF AN ENGINEER'S REPORT.

The City Council of the City of Hemet (hereafter referred to as the "City Council") does resolve as follows:

WHEREAS, The City Council of the City of Hemet, California has, by previous resolutions, formed Districts known and designated as the Landscape Maintenance Districts (hereafter referred to as the "Districts") pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act"), that provides for levy and collection of assessments by the County of Riverside for the City of Hemet to pay the maintenance and services of landscaping and all appurtenant facilities and operations related thereto; and,

THE CITY COUNCIL OF THE CITY OF HEMET FINDS, DETERMINES, ORDERS AND RESOLVES AS FOLLOWS:

Section 1. The City Council hereby proposes to form a new landscape maintenance district to levy and collect assessments against the lots and parcels of land within the Hemet Landscape Maintenance District No. 105, (hereinafter referred to as the "District") to pay for the costs and expenses of the improvements described in Section 3 hereof for the fiscal year commencing July 1, 2017 and ending June 30, 2018, pursuant to the Landscaping and lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and as provided by Article XIII D of the California Constitution.

Section 2. The general location and boundaries of the proposed District are shown on maps on file in the office of the City Clerk, open to public inspection, and by

1 reference are made part of this resolution. The District is designated as: "Hemet
2 Landscape Maintenance District No. 105, Les Schwab Tires."
3

4 Section 3. The improvements within the Districts include but are not limited to:
5 the operation, maintenance and servicing of ornamental structures, landscaping,
6 including trees, shrubs, grass and other ornamental vegetation, and appurtenant
7 facilities, including irrigation systems, drainage devices and drywells located in public
8 places within the boundaries of the District. Maintenance refers to the furnishing of
9 services and materials for the ordinary and usual maintenance, operation and servicing
10 of the ornamental structures, landscaping and appurtenant facilities, including repair,
11 removal or replacement of all or part of any of the ornamental structures, landscaping or
12 appurtenant facilities; providing for the life, growth, health and beauty of the
13 landscaping, including cultivation, irrigation, trimming, spraying, fertilizing and treating
14 for disease or injury; the removal of trimmings, rubbish, debris and other solid waste;
15 and the cleaning, sandblasting and painting of walls and other improvements to remove
16 or cover graffiti. Servicing refers to the furnishing of electricity for the irrigation and
17 operation of the ornamental structures, landscaping, and appurtenant facilities, and
18 water for the irrigation and control of the landscaping and the maintenance of any of the
19 ornamental structures, landscaping and appurtenant facilities.
20

21 Section 4. The City Council hereby designates Psomas, as the Engineer for
22 the purposes of these proceedings and orders the Engineer to prepare and file with the
23 City Clerk a written report in accordance with Article XIII D, Section 4 of the California
24 Constitution and Article 4 (commencing with Section 22565) of Chapter 1 of the Act for
25 that portion of the fiscal year 2017-2018 commencing July 1, 2017 and ending June 30,
26 2018. Such Report shall refer to the District by its distinctive designation.
27

28 Section 5. Lots or parcels within the District that are owned or used by any
29 county, city, city and county, special district or any other local or regional governmental
30 entity, the State of California or the United States shall be assessed unless the City
31 demonstrates by clear and convincing evidence that such lots or parcels receive no
32 special benefit from the proposed improvements.
33

34 Section 6. That the City Clerk shall certify to the passage and adoption of this
35 resolution; shall enter the same in the book of original resolutions of said City; and shall
36 make a minute of passage and adoption thereof in the records of the proceedings of the
37 City Council of said City, in the minutes of the meeting at which resolution is passed and
38 adopted.
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PASSED, APPROVED, AND ADOPTED this 25th day of October, 2016.

Bonnie Wright, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

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

I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing 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 25th day of October 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: October 25, 2016

RE: Resolution of the City Council of the City of Hemet declaring its intention for the levy and collection of assessments, preliminarily approving the engineer's report, and appointing a time and place for hearing protests for the formation of Landscape Maintenance District No. 105, Les Schwab Tires for Fiscal Year 2017-2018.

RECOMMENDATION:

It is recommended that the City Council approve the resolution of intention to order the annual levy of assessments for the formation of Landscape Maintenance District No. 105, Les Schwab Tires and to levy and collect assessments within the district for Fiscal Year 2017-2018; preliminarily approving the engineer's report and appointing December 13, 2016 for hearing protests.

BACKGROUND:

By its previous action the City Council approved Resolution Bill No. 16-079 initiating proceedings and ordering the engineer's report in connection with the annual levy of assessments for the formation of Landscape Maintenance District No. 105, Les Schwab Tires for Fiscal Year 2017-2018. The assessments against the lots and parcels of land within the assessment district will pay for the operation, maintenance and servicing of ornamental structures, landscaping, including trees, shrubs, grass and other ornamental vegetation, and appurtenant facilities, including irrigation systems and drainage devices located in public places within the district boundary.

ANALYSIS:

The assessment engineer's report has been prepared and is on file with the City Clerk. A public hearing notice will be published in the Press Enterprise, Hemet News, regarding the proposed annual landscape assessment rates for Fiscal Year 2017-2018.

FISCAL IMPACT:

The total proposed Landscape Maintenance assessment for District No. 105, Les Schwab Tires for Fiscal Year 2017-2018 is \$7,059.94.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jessica A. Hurst".

Jessica A. Hurst
Deputy City Manager/Admin Services

Attachments: Resolution Bill No. 16-080



CITY OF HEMET
Hemet, California
RESOLUTION NO. 16-080

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA DELARING ITS INTENTION TO FORM THE CITY OF HEMET LANDSCAPE MAINTENANCE DISTRICT NO. 105, LES SCHWAB TIRES, TO LEVY AND COLLECT ASSESSMENTS WITHIN SUCH DISTRICT AND PRELIMINARILY APPROVING THE REPORT OF THE ENGINEER FOR FISCAL YEAR 2017-2018 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972, PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND AS PROVIDED BY ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION; AND APPOINTING A TIME AND PLACE FOR HEARING PROTESTS.

The City Council of the City of Hemet (hereafter referred to as the "City Council") does resolve as follows:

WHEREAS, The City Council of the City of Hemet, California has, by previous resolutions, formed Districts known and designated as the Landscape Maintenance Districts (hereafter referred to as the "Districts") pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act"), that provides for levy and collection of assessments by the County of Riverside for the City of Hemet to pay the maintenance and services of landscaping and all appurtenant facilities and operations related thereto; and,

THE CITY COUNCIL OF THE CITY OF HEMET FINDS, DETERMINES, ORDERS AND RESOLVES AS FOLLOWS:

Section 1. By its previous Resolution Bill No. 16-079 , the City Council initiated proceedings pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code, commencing with Section 22500 (the "Act") and as provided by Article XIII D of the California Constitution, for the formation of the City of Hemet Landscape Maintenance District No. 105, Les Schwab Tires (the "District"), described on maps on file in the office of the City Clerk and incorporated herein by reference, and the levy and collection of assessments against the assessable lots and parcels of land within such District for the 2017-2018 fiscal year and ordered the Engineer, Psomas, to prepare and file a written report in accordance with Article XIII D, Section 4 of the California Constitution and Article 4 of Chapter 1 of the Act. The

1 Engineer has prepared and filed a written report (the "Report") with the City Clerk, which
2 pertains to the proposed District, and by previous resolution the City Council approved
3 the Engineer's Report.

4
5 Section 2. The City Council hereby (1) finds that the public interest and
6 convenience requires and (2) declares its intention to order the formation of the District
7 and to levy and collect assessments against the assessable lots and parcels of land
8 within such District for that portion of the fiscal year commencing July 1, 2017 and
9 ending June 30, 2018 to pay the costs and expenses of the improvements described in
10 Section 3 below. If the assessments, proposed by this resolution, are approved by the
11 property owners pursuant to a mailed ballot election conducted in accordance with
12 Article XIII D of the California Constitution, the City may increase the assessments,
13 commencing with fiscal year 2018-2019. The amount of the assessments for the
14 District can be increased each year, per Chapter 4 of Part 1 of Division 2 of Title 5 of the
15 Government Code, Section 53739(b)(1) based upon the following formula:

16
17 Future CPI adjustments in the assessment rate will be limited by the greater of four
18 percent (4%) or the cumulative percentage increase in the Consumer Price Index for all
19 Urban Consumers ("CPI-U") for the Los Angeles-Riverside-Orange County California
20 Standard Metropolitan Statistical Area ("Index") published by the Bureau of Labor
21 Statistics of the United States Department of Labor. The annual CPI-U adjustment will
22 be based on the cumulative increase, if any, in the Index as it stands on March of each
23 year over the base Index of 2017. Adjustments beyond the greater of four percent (4%)
24 or the CPI-U rate will require approval of the property owners of record as required by
25 Proposition 218 "The Right to Vote on Taxes Act".

26
27 Section 3. The improvements within the District include but are not limited to:
28 the operation, maintenance, and servicing of ornamental structures, landscaping,
29 including trees, shrubs, grass, and other ornamental vegetation, and appurtenant
30 facilities, including irrigation systems, drainage devices, and drywells located in public
31 places within the boundaries of the District. Maintenance means the furnishing of
32 services and materials for the ordinary and usual maintenance, operation, and servicing
33 of the ornamental structures, landscaping and appurtenant facilities, including repair,
34 removal or replacement of all or part of any of the ornamental structures, landscaping or
35 appurtenant facilities; providing for the life, growth, health and beauty of the
36 landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, and treating
37 for disease or injury; the removal of trimmings, rubbish, debris and other solid waste;
38 and the cleaning, sandblasting, and painting of walls and other improvements to remove
39 or cover graffiti. Servicing means the furnishing of electricity for the irrigation and
40 operation of the ornamental structures, landscaping, and appurtenant facilities, and
41 water for the irrigation and control of the landscaping and the maintenance of any of the
42 ornamental structures, landscaping and appurtenant facilities.

43
44 Section 4. The general location and boundaries of the proposed District are
45 shown on maps on file in the office of the City Clerk, are incorporated herein by

1 reference, and open to public inspection. The designation of the proposed District is as
2 follows: City of Hemet Landscape Maintenance District No. 105, Les Schwab Tires.

3
4 Section 5. Reference is hereby made to the Engineer's Report, on file in the
5 office of the City Clerk and open to public inspection, for a full and detail description of
6 the improvements, the boundaries of the proposed District and the proposed
7 assessments upon assessable lots and parcels of land within the proposed District.

8
9 Section 6. Notice is hereby given that the 13th day of December 2016 at
10 7:00pm in the Council Chambers of the City of Hemet, 450 E. Latham Avenue, Hemet,
11 California 92543, is the time and place fixed for a public hearing by the City Council on
12 the question of the levy and collection of assessments for fiscal year 2017-2018 against
13 lots and parcels of land within the District. At the hearing, all interested persons shall be
14 afforded the opportunity to hear and be heard. Procedures of the City applicable to the
15 completion, return, and tabulation of the ballots required pursuant to Article XIII D,
16 Section 4 of the California Constitution are on file in the office of the City Clerk and open
17 to public inspection.

18
19 Section 7. The City Clerk is hereby authorized and directed to give notice of
20 the public hearing as set forth in Section 6 in accordance with law.

21
22 Section 8. Lots or parcels within the District that are owned or used by any
23 county, city, city and county, special district or any other local or regional governmental
24 agency, the State of California, or the United States shall be assessed unless the City
25 demonstrates by clear and convincing evidence that such lots or parcels receive no
26 special benefit from the proposed improvements.

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31 PASSED, APPROVED, AND ADOPTED this 25th day of October, 2016.

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Bonnie Wright, Mayor

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40 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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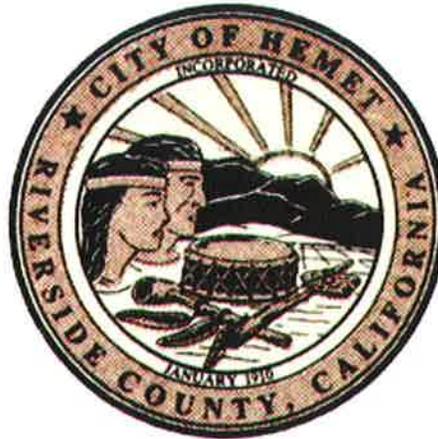
State of California)
County of Riverside)
City of Hemet)

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 25th day of October 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk

City of Hemet



ENGINEER'S REPORT FOR Landscape Maintenance District No. 105 (Les Schwab Tires)

Prepared by
Psomas
1500 Iowa Ave., Ste. 210
Riverside, CA 92507
(951) 787-8421

October 2016

AGENCY: CITY OF HEMET

**PROJECT: FORMATION OF CITY OF HEMET
LANDSCAPE MAINTENANCE DISTRICT NO. 105**

**TO: HEMET CITY COUNCIL
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

ENGINEER'S REPORT

Pursuant to the provisions of Sections 22565 through 22574 of the Landscaping and Lighting Act of 1972, said act being Part 2 of Division 15 of the California Streets and Highways Code ("1972 Act"), in compliance with the substantive and procedural requirements of Articles XIII C and XIII D of the California Constitution, and under the direction of the City Council of the City of Hemet, California ("City Council"), submitted herewith is the Engineer's Report ("Report") for the City of Hemet ("City").

This Report provides for the formation of the City of Hemet Landscape Maintenance District No. 105 ("District") as required under the terms of Conditional Use Permit 15-006 issued for the development of Assessor Parcel Number (APN) 448250024-7, and establishes the Maximum Assessment to be levied commencing with Fiscal Year 2017-2018 (i.e., commencing July 1, 2017 and ending June 30, 2018) and continuing in all subsequent Fiscal Years, for the area to be known and designated as:

LMD NO. 105

I do hereby assess and apportion the total amount of the costs and expenses upon parcels of land within the designated area liable therefore and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said services.

I, the appointed Engineer, acting on behalf of the City of Hemet, pursuant to the 1972 Act, do hereby submit the following:

Pursuant to the provisions of law, the costs and expenses of the District have been assessed upon the parcels of land in the District benefited thereby in direct proportion and relation to the estimated benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram/Boundary Map, a reduced copy of which is included herein.

As required by law, an Assessment Diagram/Boundary Map is filed herewith, showing the District as well as the boundaries and dimensions of the respective parcels or lots and subdivisions of land within said District, as the same exist as of the date of this Report. Each parcel, lot, or subdivision of land has been given a separate number upon said Assessment Diagram/Boundary Map and in the Assessment Roll contained herein.

The individual numbers given the subdivisions and parcels of land, as shown on said Assessment Diagram/Boundary Map and Assessment Roll, correspond to the numbers assigned to each parcel by the Riverside County Assessor and are current as of the

date of this Report. Reference is made to the Assessor Parcel Map for a description of the lots or parcels.

As of the date of this Report, there are no lots or parcels within the District owned by a federal, state, or other local governmental agency that will benefit from the services to be provided by the assessments to be collected.

DATED this 18th day of October, 2016

PSOMAS



STEVEN B. FRIESON
PROFESSIONAL CIVIL ENGINEER 42110
ENGINEER OF WORK
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

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EXECUTIVE SUMMARY

A. Introduction

Pursuant to the provisions of Sections 22565 through 22574 of the Landscaping and Lighting Act of 1972, said act being Part 2 of Division 15 of the California Streets and Highways Code (“1972 Act”), the costs and expenses of Landscape Maintenance District No. 105 (“LMD No. 105” or “District”) have been assessed upon the parcels of land in the District benefited thereby in direct proportion and relation to the estimated benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram/Boundary Map, a reduced copy of which is included in Part IV of this Report. On the 25th day of October, 2016 the City Council, City of Hemet, State of California, ordering the preparation of the Engineer’s Report (“Report”) providing for the formation of LMD No. 105 did, pursuant to the provisions of the 1972 Act, adopt Resolution No. 16-077 for a special assessment district known and designated as:

Landscape Maintenance District No. 105

The formation of LMD No. 105 includes the commercial subdivision identified by the Assessor Parcel Number (APN) valid as of the date of this Report: 448250024-7. Establishment of a landscape maintenance district is a prerequisite for development of this parcel under the terms of Conditional Use Permit 15-006, approved December 15, 2015.

As required by law, an Assessment Diagram/Boundary Map is filed herewith, showing the District, as well as the respective parcels and subdivisions of land within said District as they exist on the date of this Report. Each of which subdivisions of land into parcels or lots, respectively, has been assigned a distinctive number and is so indicated on the Assessment Diagram/Boundary Map and in the Assessment Roll contained herein. Psomas submits this Report, consisting of five parts, for the formation of LMD No. 105 and the establishment of the Maximum Assessment to be levied and collected commencing Fiscal Year 2017-2018 and continuing in subsequent fiscal years.

PART I

Plans and Specifications: A description of LMD No. 105 boundaries and the proposed improvements within said District. The District shall consist of a single parcel which comprise the commercial development known as LMD No. 105. The proposed improvements described in this Report are based on the requirements of the City assigned Conditional Use Permit 15-006 and the current development and improvement plans provided to Psomas by the City of Hemet as of the date of this Report. Landscape improvement plans (“Plans”) by KLA Landscape Architecture Planning, dated April 7, 2014, approved by Jorge Biagioni, City Engineer RCE No. 33751 are on file in the office of the City Engineer and are incorporated into this Report by reference.

PART II

Method of Apportionment: A narrative of the property benefits from the improvements and the method of calculating each property’s proportional special benefit and annual assessment. The proposed initial Maximum Assessment and assessment range formula established for LMD No. 105 is based on current property development Plans and estimated annual costs and expenses associated with all improvements to be accepted and maintained by LMD No. 105 at build-out.

PART III

Cost Estimate: An estimate of the cost of the landscaping improvements, including incidental costs and expenses in connection therewith, for Fiscal Year 2017-2018.

PART IV

Assessment Diagram/Boundary Map: An Assessment Diagram/Boundary Map showing the parcels of land included within the boundaries of LMD No. 105. For details concerning the lines and dimensions of the applicable Assessor’s Parcel Numbers, refer to the County Assessor’s Maps as of the date of this Report.

PART V

Assessment Roll: A listing of the Assessor’s Parcel Numbers, or the lot/unit numbers assigned for subdivided parcels, and the initial Maximum Assessment per parcel or lot/unit to be applied on the tax roll for Fiscal Year 2017-2018.

B. Assessment District

The improvements and services to be provided by LMD No. 105 generally include landscape maintenance. The formation of LMD No. 105 will provide the financial mechanism (annual assessments) by which the ongoing operation and maintenance of these improvements and services will be funded. LMD No. 105's structure, proposed improvements, method of apportionment and assessments described in this Report are based on the Plans provided to Psomas as of the date of this Report, including all estimated direct expenditures, incidental expenses, and reserves associated with the maintenance and servicing of the proposed improvements.

PART I – PLANS AND SPECIFICATIONS

A. Description of the Assessment District

LMD No. 105 is located within the City of Hemet, County of Riverside, State of California generally east of Cawston Avenue, north of Acacia Avenue, west of Sanderson Avenue, and south of Florida Avenue. At full development, LMD No. 105 is projected to include one assessable commercial lot and zero non-assessable lots. LMD No. 105 consists of all lots/units, parcels and subdivisions of land located in the development area currently defined by the following Assessor Parcel Numbers:

- Assessor Parcel Number(s) as of the date of this Report: 448250024-7

A general boundary map for the District is presented in Part IV of this Report.

B. Description of Improvements and Services Authorized by the Landscaping and Lighting Act of 1972

As applicable to the District, the 1972 Act (specifically, Section 22525 of the California Streets and Highways Code) defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities, including, but not limited to, traffic signals.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The installation of park or recreational improvements, including, but not limited to, all of the following:
 - Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - Lights, playground equipment, play courts, and public restrooms.
 - The maintenance or servicing, or both, of any of the foregoing, and any of the improvement authorized by subdivision (i).
 - The acquisition of land for park, recreational, or open-space purposes.
 - The acquisition of any existing improvement otherwise authorized pursuant to this section.
 - The acquisition or construction of any community center, municipal auditorium or hall, or similar public facility for the indoor presentation of performances, shows, stage productions, fairs, conventions, exhibitions, pageants, meetings, parties, or other group events, activities, or

functions, whether those events, activities, or functions are public or private.

Section 22526 of the California Streets and Highways Code states that “incidental expenses” associated with the improvements include, but are not limited to the following:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment.
- The costs of printing, advertising, and the giving of published, posted, and mailed notices.
- Compensation payable to the County for collection of assessments.
- Compensation of any engineer or attorney employed to render services in proceedings pursuant to this part.
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements.
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5 of the California Streets and Highways Code.
- Costs associated with any elections held for the approval of a new or increased assessment.

Section 22531 of the 1972 Act defines “maintain” or “maintenance” to mean the following:

Furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating [vegetation] for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

C. Improvements and Services for LMD No. 105

LMD No. 105 provides for the collection of annual assessments to fund the ongoing maintenance and servicing of landscaping improvements on the Florida Avenue frontage of APN 448250024-7. The assessments will also fund any appurtenant facilities and related incidental expenses including, but not limited to, the cost of personnel, electrical energy, water service, materials, equipment, contracting services, and other items necessary for the satisfactory operation of these services which are the responsibility of LMD No. 105.

PART II – METHOD OF APPORTIONMENT

A. Method of Apportionment

The proposed improvements, the associated costs, and assessments have been carefully reviewed, identified, and allocated based on special benefit.

Landscape maintenance is the responsibility of LMD No. 105.

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include dedicated easements for landscape use, and appurtenant facilities. Section 22573 of the 1972 Act gives the following instructions for apportioning assessments to the parcels within the district:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The formula used for calculating assessments for parcels within LMD No. 105, which reflects the composition of the parcels and the improvements and services which are the responsibility of LMD No. 105, fairly apportions the costs based on the estimated benefit to each parcel.

In addition, Article XIII D of the California Constitution (“Article”) requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The Article provides that only special benefits are assessable, and the County must separate the general benefits from the special benefits conferred on a parcel. A special benefit is a particular and distinct benefit over and above general benefits conferred on the public at large, including real property within the district. The general enhancement of property value does not constitute a special benefit.

Equivalent Benefit Units

A methodology, which takes into consideration the impact of land use and parcel size, has been developed and applied to LMD No. 105. This methodology, called Equivalent Benefit Units (EBUs), calculates the EBUs for each parcel where every land use is converted to EBUs based on the assessment formula appropriate for the City. Single Family Residential, which includes Condominiums, is defined as the basic unit for calculation of assessments and assigned 1 EBU per parcel. Multi-Family Residential (Apartments and Mobile Home Parks) are converted to EBUs based on the number of dwelling units on each parcel. Commercial/Industrial, Vacant Property/Parks, and certain Public Property, such as Schools, are converted to EBUs based on the lot size of each parcel of land. Property Owners Association Property, Public Property and Exempt parcels are assigned zero EBUs. The EBU method is seen as the most appropriate and equitable for landscape maintenance

districts, as the benefit to each parcel from the improvements are apportioned as a function of land use type and parcel size.

Parcel Classification

Residential: Residential means a parcel for which a building permit has been issued permitting construction of one or more Residential dwelling units. Residential parcels shall be further classified as Single Family Residential, Condominium, and Multi-Family Residential.

Single Family Residential (SFR): SFR means all parcels of residential property, other than Multi-Family Residential Property. The SFR parcel is the basic unit for calculation of the benefit assessments. Parcels designated as SFR land use will be assigned 1 EBU per dwelling unit, including vacant subdivided residential lots.

Condominium: Condominium means all parcels of developed property with a residential building or buildings comprised of dwelling units with each unit having individual ownership and assigned an individual assessor parcel number. Condominiums will be treated the same as SFR units. Therefore, parcels designated as Condominium land use will be assigned 1 EBU per dwelling unit.

Multi-Family Residential (Apartments) and Mobile Home Parks: Multi-Family Residential (Apartments) means all parcels of property that consist of a residential building or buildings comprised of attached dwelling units available for rental by the general public, not for sale to an end user, and under common management. Mobile Home Parks means all parcels of land with manufactured homes, all under common management.

Studies have consistently shown that trip generation and wastewater usage are a function of population density. It is also concluded that other infrastructure will be similarly impacted at a reduced level. The lower average population density and reduced average unit size of apartments and mobile homes compared to the typical density and size of a SFR results in a lesser benefit per unit from LMD No. 104 services. The average apartment unit impacts infrastructure approximately 80% as much as a single family residence, while the average mobile home unit impacts infrastructure approximately 50% as much. (Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition, 1991; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition, 1991).

Therefore, the EBUs assigned to a Multi-Family Residential or a Mobile Home Park parcel are calculated based on the number of dwelling units and the appropriate Equivalent Benefit Factor (as shown in Table 1). Specifically, the Equivalent Benefit Factor for multi-residential (0.8) is multiplied by the number of dwelling units on the parcel to determine the total EBUs for the multi-unit residential parcel. Similarly, the total EBUs for a mobile home park parcel are calculated by multiplying the Equivalent Benefit Factor (0.5) by the number of mobile home units on the parcel.

Non-Residential: Residential means a parcel for which a building permit has been issued permitting construction of one or more Non-Residential structures. Non-Residential parcels shall be further classified as Commercial/Industrial, Vacant Property/Parks, Property Owners Association Property, Public Property/Schools and Exempt.

Commercial/Industrial: Commercial/Industrial means non-residential parcels that are not Exempt, Public Property, Property Owners Association Property, or Vacant, and are used for retail, professional, medical, restaurant, government, institutional, financial, lodging, or other commercial/industrial related uses. These parcels are assigned EBU's based on acreage. In converting Commercial/Industrial properties to EBUs, the factor used is the City of Hemet average single family residential density of 2.58 dwelling units per acre (as derived from the City of Hemet 2030 General Plan, Table 2.3 - Development Capacity, dated January 24, 2012 (Hemet General Plan)). Therefore, the Commercial/Industrial parcels, including institutional uses, will be assigned 2.58 EBUs per acre.

Vacant Property/Parks: Vacant Property means parcels with no improved structures. These parcels are assigned EBUs based on acreage and receive less specific benefit than SFR parcels. Therefore, Vacant Property will be assigned EBUs at the rate of 25% of the SFR parcels density of 2.58 dwelling units per acre (as derived from the Hemet General Plan), or 0.65 EBUs per acre (25% of 2.58 EBUs), up to a maximum of 5 acres per parcel, regardless of parcel size. Parks will be assessed at the same rate as Vacant Property as they receive the same type of specific benefits as vacant parcels. Vacant parcels with approved subdivision maps filed on them will be assessed at the rate appropriate to their future designated use.

Property Owners Association Property (POAP): Property Owners Association Property means all parcels which have been conveyed, dedicated to, or irrevocably offered for dedication to a property owner association, including any master or sub-association. The ultimate benefactors of these parcels are the property owners themselves. Therefore, the costs of providing landscape maintenance improvements and services to these parcels will be spread to the taxable parcels in the District and exempt the POAP parcels from assessment. These parcels are defined as having a zero EBU factor and, therefore, zero EBUs to be assessed.

Public Property/Schools: Public property means all parcels which are (i) used for rights-of-way or any other purpose and are owned by, dedicated to, or irrevocably offered for dedication to the federal government, the state, the county, City or any other public agency, provided however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement. Public property not leased to a private agency or utility easements, as described in section (ii) above, are defined as having a zero EBU factor and, therefore, zero EBUs to be assessed.

Schools will be assessed as Commercial/Industrial uses for those portions of the parcels with building improvements on them, and the playground and athletic fields will not be assessed as they are the same as Property Owners Association Property with no development potential.

Exempt: Exempt means any parcel dedicated as public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-way, public greenbelts, parkways and that portion of public property that is not developed or used for business purposes similar to private commercial, industrial and institutional activities. Also defined as Exempt parcels are utility rights-of-way, common areas (such as in condominium complexes), landlocked parcels and small parcels vacated by the City as these parcels have little or no development potential and do not benefit from the improvements. These parcels are defined as having a zero EBU factor and, therefore, zero EBUs to be assessed.

Determination of Rate

A summary of Equivalent Benefit Unit (EBU) rates is shown in Table 1:

TABLE 1

Land Use Category	Basic Unit		Equivalent Benefit Factor		EBU Rates
Residential:					
Single Family Residential	1 D.U.	X	1.0	=	1 EBU/DU
Condominium	1 D.U.	X	1.0	=	1 EBU/DU
Multi-Family Apartments	1 D.U.	X	.8	=	0.8 EBU/DU
Mobile Home Park	1 Space	X	.5	=	0.5 EBU/Space
Non-Residential:					
Commercial/Industrial	Per Acre	X	2.58	=	2.58 EBU/Acre
Schools	Per Acre	X	2.58	=	2.58 EBU/Acre Area of Building Improvements
Vacant Non-Residential / Parks	Per Acre	X	.65	=	0.65 EBU/Acre 5 Acre Max
POAP, Public & Exempt	N/A	X	0.0	=	0.0 EBU/DU

B. Annual Assessment

The Method of Apportionment of the Assessment is based upon the relative special benefit derived from the improvements and conferred upon the assessable real property within LMD No. 105 over and above general benefit conferred upon the assessable real property within LMD No. 105 or to the public at large. The Assessment for each assessable parcel within LMD No.105 is calculated as follows:

Each parcel currently within the District will be placed into one of the designated categories by land use. Using the EBU Rate for the applicable land use category in Table 1 above, multiply the EBU rate by the number of Basic Units for each parcel to determine the number of EBUs for that parcel.

Once the total costs and the total number of EBUs associated with all parcels within the District are determined, the total costs are divided by the total EBUs to determine an assessment rate for each EBU in the District.

$$\text{Total District Costs} \div \text{Total Number of EBUs in District} = \text{District Assessment Rate per EBU.}$$

Each individual parcel's assessment will then be determined by multiplying the District assessment rate by the parcel's total EBUs.

$$\text{District Assessment Rate per EBU} \times \text{Parcel's Total EBUs} = \text{Parcel's Annual Assessment.}$$

Currently, there is one commercial parcel, 1.13 acres in size, located in the District. Applying the EBU formula (2.58 EBUs x 1.13 acres) results in a total EBU count of 2.92 for LMD No. 105. Since LMD No. 105 is composed of a single parcel, all EBUs and costs will be assigned to this single parcel.

The maximum assessment rate is subject to a cost of living increase as explained in the Maximum Assessment Methodology section below.

General Benefit

The total benefit from the improvements is a combination of the special benefits to the parcels in the District and the general benefits to the public at large and to adjacent property owners. The portion of the total maintenance costs associated with general benefits, if any, will not be assessed to the parcels in the District, but will be paid from other City of Hemet funds. Because the landscaping improvements are located immediately adjacent to properties within the District and are maintained solely for the benefit of the properties within the District, any benefit received by properties outside the District is nominal. Therefore, the general benefit portion of the benefit received from District improvements is zero.

Special Benefit

The landscaping improvements within LMD No. 105 provide direct and special benefit to the lots or parcels within the District. Therefore, the maintenance of these improvements also provides direct and special benefit by maintaining the functionality of the improvements and allowing the improvements to operate in a proper manner.

Each and every lot or parcel in the District receives a particular and distinct benefit from the improvements over and above general benefits conferred by the

improvements. First, the improvements were conditions of approval for the creation or development of the parcels. In order to create or develop the parcels, the City required the developer to install landscaping improvements and to guarantee the maintenance of the landscaping improvements and appurtenant facilities serving these lots or parcels. Therefore, each and every lot or parcel within the District could not have been developed in the absence of the installation and expected maintenance of these improvements and appurtenant facilities. In addition, the improvements continue to confer a particular and distinct special benefit upon parcels within LMD No. 105 because of the nature of the improvements.

The proper maintenance of landscaping and appurtenant facilities specially benefits parcels within LMD No. 105 by providing oxygenation, attenuating noise from adjacent streets, and controlling dust for those properties in close proximity to the landscaping. Spraying and treating landscaping for disease reduces the likelihood of insect infestation and spread of other diseases to landscaping throughout the properties in the District.

The property maintenance of the landscaping, ornamental structures, and appurtenant facilities reduces property-related crimes against properties in the District (especially vandalism) by screening the properties within the District from arterial streets. Additionally, the proper maintenance of landscaping and appurtenant structures improves the attractiveness of the properties within the District. This provides a positive visual experience each and every time a trip is made to or from the property in the District.

Based on the benefits described above, landscaping improvements are an integral part of the quality of life within the District. This quality of life is a special benefit to all parcels within the District except government-owned, utility easements, or flood channel parcels. Government-owned easements, utility easements, and flood channel parcels do not benefit from the improvements due to their type of use and lack of human habitation on such parcels. Parcels of this nature are usually vacant narrow strips of land or flood control channels and therefore do not generate or experience pedestrian or vehicular traffic. Nor do these types of parcels support dwelling units or other structures that would promote frequent use by the traveling public. As a result of this lack of activity on such parcels, they do not receive any benefit from landscaping improvements and are not assessed.

Special Benefits of LMD No. 105 Authorized Improvements and Services

The special benefits associated with landscaping improvements are specifically:

- Improved aesthetic appeal of properties, providing a positive representation of the area and the properties themselves.
- Enhanced adaptation of the urban environment within the natural environment by providing adequate green space and landscaping.
- Enhanced environmental quality through improved erosion resistance, dust and debris control, and fire prevention.
- Increased sense of pride in ownership resulting from well-maintained improvements associated with the properties.

- Enhanced quality of life through well-maintained green belts and landscaped areas.
- Reduced criminal activity and property-related crimes (especially vandalism) through well-maintained surroundings and amenities.
- Enhanced environmental quality of the parcels by moderating temperatures, providing oxygenation, and attenuating noise.

Summary

In summary, no property is assessed in excess of the reasonable cost of the proportional special benefit conferred on that property. Additionally, because of differences in land use and parcel size, it is determined that some land uses within the District benefit from the improvements unequally. Therefore, the proportionate share of the costs and expenses for the provision of landscaping, as well as costs and expenses for the maintenance of the landscaping are apportioned on an EBU basis. For a single parcel District, all EBUs will be apportioned to the single benefiting parcel.

C. Maximum Assessment Methodology

The purpose of establishing a Maximum Assessment formula is to provide for reasonable increases and inflationary adjustments to annual assessments without requiring costly noticing and mailing procedures, which would add to the District costs and assessments.

The Maximum Assessment formula shall be applied to all assessable parcels of land within the District. For LMD No. 105, the initial Maximum Assessment for Fiscal Year 2017-2018 are as follows:

- The initial Maximum Assessment established within LMD No. 105 shall be \$7,059.94
- Pursuant to the Plans, the single parcel within the District shall have an initial Maximum Assessment of \$7,059.94, or \$2,417.78 per EBU.

The initial Maximum Assessment is subject to an annual inflator starting in Fiscal Year 2018-2019. The initial Maximum Assessment may be adjusted by the greater of four percent (4%) or the cumulative percentage increase in the Consumer Price Index for all Urban Consumers for ("CPI-U") for the Los Angeles-Riverside-Orange County California Standard Metropolitan Statistical Area ("Index") published by the Bureau of Labor Statistics of the United States Department of Labor. The annual CPI-U adjustment will be based on the cumulative increase, if any, in the Index as it stands in March of each year over the base Index of 2017.

The Maximum Assessment is adjusted annually and is calculated independent of the LMD No. 105 annual budget and proposed annual assessment. The annual assessment (rate per assessable parcel) applied in any fiscal year is not considered to be an increased assessment if less than or equal to the Maximum Assessment

amount for that fiscal year. In no case shall the annual assessment exceed the Maximum Assessment.

Although the Maximum Assessment will increase each year, the actual LMD No. 105 assessments may remain virtually unchanged. The Maximum Assessment adjustment is designed to establish a reasonable limit on LMD No. 105 assessments. The Maximum Assessment calculated each year does not require or facilitate an increase to the annual assessment and neither does it restrict assessments to the adjusted maximum amount. If the budget and assessments for the fiscal year require an increase to an amount greater than the adjusted Maximum Assessment, it is considered an increased assessment.

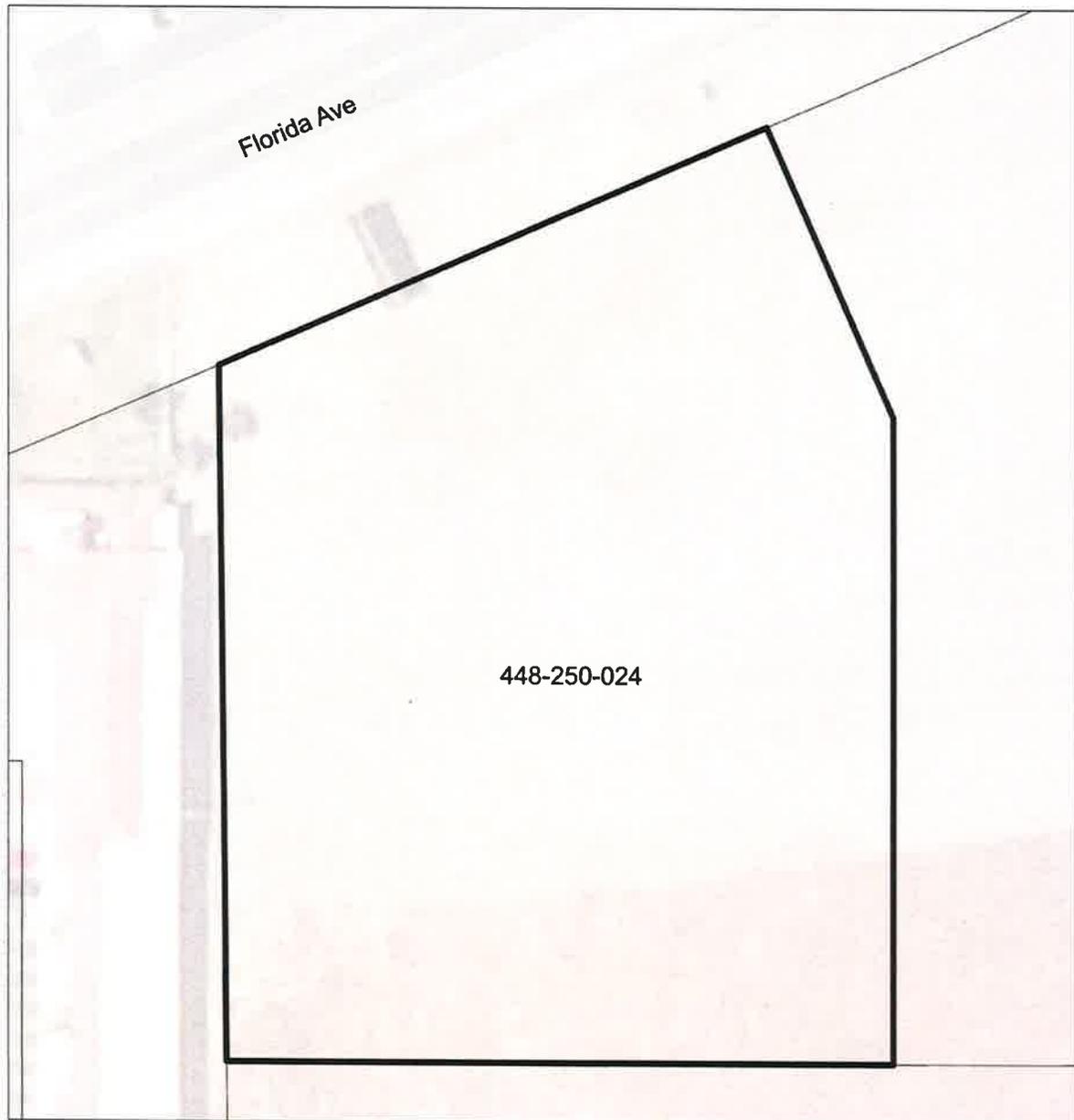
To impose an increased assessment, the City of Hemet must comply with the provisions of California Constitution Articles XIII C and XIII D, which require a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Through the balloting process, property owners must approve the proposed assessment increase. If the proposed assessment is approved, then a new Maximum Assessment is established for LMD No. 105. If the proposed assessment is not approved, the City may not levy an assessment greater than the adjusted Maximum Assessment previously established for LMD No. 105.

PART IV – ASSESSMENT DIAGRAM / BOUNDARY MAP

FISCAL YEAR 2017-2018 LMD NO. 105

The Assessment Diagram/Boundary Map for LMD No. 105 by this reference is incorporated and made a part of this Report. Only the parcels identified within the LMD No. 105 Assessment Diagram/Boundary Map are within said boundary.

If any parcel submitted for collection is identified by the County Auditor-Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel number (or numbers) will be identified and resubmitted to the County Auditor-Controller. The assessment amount to be levied and collected for the resubmitted parcel and/or new parcel number(s) shall be based on the method of apportionment and the assessment rate as defined in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and the assessment rate rather than as a proportionate share of the original assessment.



**Assessment Diagram /
Boundary Map
Landscape Maintenance
District No. 105
Les Schwab Tires
City of Hemet
County of Riverside
State of California**

POR. OF S.W. SEC. 8, T.5 S.R. 1W, S.B.M.

Legend

 District Boundary

Assessor Parcel Number within District Boundaries:

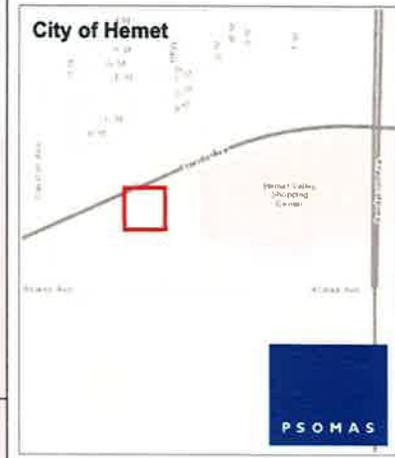
448-250-024

For parcel detail, please refer to the Assessor Parcel Map of the County of Riverside for Fiscal Year 2015-16 for an exact description of the lines and dimensions of each parcel/lot.



August 2016

NTS



PART V – ASSESSMENT ROLL

Parcel identification for each lot/unit or parcel within LMD No. 105 shall be the parcel as shown on the Riverside County Secured Roll for the year in which this Report is prepared and reflective of the Assessor's Parcel Maps. LMD No. 105 includes the following APN(s) as of the date of this Report:

448250024-7

The initial Maximum Assessment per parcel shall be \$7,059.94⁽⁵⁾.

LANDSCAPE MAINTENANCE DISTRICT NO. 105 (LES SCHWAB TIRES)

PROPOSED FISCAL YEAR 2017-2018 MAXIMUM ASSESSMENT⁽⁶⁾

Parcel No.	Maximum Assessment
448250024-7	\$7,059.94

⁽⁵⁾ The Actual Assessment per Assessable Parcel, when submitted to the tax roll, will be rounded to even pennies, as required by the Riverside County Auditor-Controller to allow for the equal division of 2 equal installment payments on the property tax bill.

⁽⁶⁾ The initial Maximum Assessment may be adjusted annually by the greater of four percent (4%), or the cumulative percentage increase in the CPI-U, if any, as it stands in March of each year over the base Index of 2017.





Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: October 25, 2016

RE: Resolution of the City Council of the City of Hemet initiating proceedings for the Formation of Hemet Streetlight Maintenance District No. 105, Les Schwab Tires and the levy and collection of assessments for such district for Fiscal Year 2017-2018

RECOMMENDATION:

It is recommended that the City Council approve the resolution initiating proceedings and ordering the Report of the Engineer in connection with the annual levy of assessments for the Hemet Streetlight Maintenance District No. 105, Les Schwab Tires 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.

BACKGROUND:

PSOMAS has previously prepared the assessment engineering report in connection with the annual levy of assessments for the existing citywide streetlight maintenance districts. The assessments against the lots and parcels of land within the assessment district will pay for the operation, maintenance and servicing of streetlights and appurtenant structures. As part of an agreement with the City, the property owner of this 1.13 acre site located on Florida Avenue between Cawston Avenue and Sanderson Avenue has agreed to the establishment of a Streetlight Maintenance District for the purpose of maintaining a 50% share of the streetlight shared with Tractor Supply Company and pedestrian pole lights located on Florida Avenue immediately adjacent to the site.

FISCAL IMPACT:

The consultant fee for the formation of the district in connection with the annual levy of assessments for the formation of the streetlight maintenance district is \$1,404.94, to be paid from developer deposits.

Respectfully submitted,

Jessica A. Hurst
Deputy City Manager/Admin Services

Attachments: Resolution Bill No. 16-081



CITY OF HEMET
Hemet, California
RESOLUTION NO. 16-081

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA INITIATING PROCEEDINGS FOR THE FORMATION OF HEMET STREETLIGHT MAINTENANCE DISTRICT NO. 105, LES SCHWAB TIRES, AND THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN SUCH DISTRICT FOR FISCAL YEAR 2017-2018 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972, PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND AS PROVIDED BY ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION; AND ORDERING THE PREPARATION OF AN ENGINEER'S REPORT.

The City Council of the City of Hemet (hereafter referred to as the "City Council") does resolve as follows:

WHEREAS, The City Council of the City of Hemet, California has, by previous resolutions, formed Districts known and designated as the Streetlight Maintenance Districts (hereafter referred to as the "Districts") pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act"), that provides for levy and collection of assessments by the County of Riverside for the City of Hemet to pay the maintenance and services of street lighting and all appurtenant facilities and operations related thereto; and,

THE CITY COUNCIL OF THE CITY OF HEMET FINDS, DETERMINES, ORDERS AND RESOLVES AS FOLLOWS:

Section 1. The City Council hereby proposes to form a new streetlight maintenance district to levy and collect assessments against the lots and parcels of land within the Hemet Streetlight Maintenance District No. 105, (hereinafter referred to as the "District") to pay for the costs and expenses of the improvements described in Section 3 hereof for the fiscal year commencing July 1, 2017 and ending June 30, 2018, pursuant to the Landscaping and lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and as provided by Article XIII D of the California Constitution.

Section 2. The general location and boundaries of the proposed District are shown on maps on file in the office of the City Clerk, open to public inspection, and by

1 reference are made part of this resolution. The District is designated as: "Hemet
2 Streetlight Maintenance District No. 105, Les Schwab Tires."
3

4 Section 3. The improvements within the District include but are not limited to:
5 installation, construction or maintenance of any authorized improvements under the Act,
6 streetlight improvements and any facilities which are appurtenant to any of the
7 aforementioned or which are necessary or convenient for the maintenance or servicing
8 thereof.
9

10 Section 4. The City Council hereby designates Psomas, as the Engineer for
11 the purposes of these proceedings and orders the Engineer to prepare and file with the
12 City Clerk a written report in accordance with Article XIII D, Section 4 of the California
13 Constitution and Article 4 (commencing with Section 22565) of Chapter 1 of the Act for
14 that portion of the fiscal year 2017-2018 commencing July 1, 2017 and ending June 30,
15 2018. Such Report shall refer to the District by its distinctive designation.
16

17 Section 5. Lots or parcels within the District that are owned or used by any
18 county, city, city and county, special district or any other local or regional governmental
19 entity, the State of California or the United States shall be assessed unless the City
20 demonstrates by clear and convincing evidence that such lots or parcels receive no
21 special benefit from the proposed improvements.
22

23 Section 6. That the City Clerk shall certify to the passage and adoption of this
24 resolution; shall enter the same in the book of original resolutions of said City; and shall
25 make a minute of passage and adoption thereof in the records of the proceedings of the
26 City Council of said City, in the minutes of the meeting at which resolution is passed and
27 adopted.
28
29
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31 PASSED, APPROVED, AND ADOPTED this 25th day of October, 2016.
32
33
34

35 _____
36 Bonnie Wright, Mayor
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38
39 ATTEST:

40 APPROVED AS TO FORM:
41

42 _____
43 Sarah McComas, City Clerk
44

45 _____
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 25th day of October, 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: October 25, 2016

RE: Resolution of the City Council of the City of Hemet declaring its intention for the levy and collection of assessments, preliminarily approving the engineer's report, and appointing a time and place for a public hearing for the formation of Streetlight Maintenance District No. 105, Les Schwab Tires for Fiscal Year 2017-2018.

RECOMMENDATION:

It is recommended that the City Council approve the resolution declaring its intention to order the annual levy of assessments for the formation of Streetlight Maintenance District No. 105, Les Schwab Tires and to levy and collect assessments within the district for Fiscal Year 2017-2018, preliminarily approving the engineer's report and appointing December 13, 2016 for a public hearing.

BACKGROUND:

By its previous action the City Council approved Resolution Bill No. 16-081 initiating proceedings and ordering the engineer's report in connection with the annual levy of assessments for the formation of Streetlight Maintenance District No. 105, Les Schwab Tires for Fiscal Year 2017-2018. The assessments against the lots and parcels of land within the assessment districts will pay for the operation, maintenance and servicing of streetlights and appurtenant structures.

ANALYSIS:

The assessment engineer's report has been prepared and is on file with the City Clerk. A public hearing notice will be published in the Press Enterprise, Hemet News, regarding the proposed annual streetlight assessment rates for Fiscal Year 2017-2018.

FISCAL IMPACT:

The total proposed citywide streetlight maintenance district assessment for the Fiscal Year 2017-2018 is \$1,404.94.

Respectfully submitted,

A handwritten signature in blue ink that reads "Jessica A. Hurst".

Jessica A. Hurst
Deputy City Manager/Admin Services

Attachments: Resolution Bill No. 16-082



CITY OF HEMET
Hemet, California
RESOLUTION NO. 16-082

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA DELARING ITS INTENTION TO FORM THE CITY OF HEMET STREETLIGHT MAINTENANCE DISTRICT NO. 105, LES SCHWAB TIRES, TO LEVY AND COLLECT ASSESSMENTS WITHIN SUCH DISTRICT AND PRELIMINARILY APPROVING THE REPORT OF THE ENGINEER FOR FISCAL YEAR 2017-2018 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972, PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND AS PROVIDED BY ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION; AND APPOINTING A TIME AND PLACE FOR HEARING PROTESTS.

The City Council of the City of Hemet (hereafter referred to as the "City Council") does resolve as follows:

WHEREAS, The City Council of the City of Hemet, California has, by previous resolutions, formed Districts known and designated as the Streetlight Maintenance Districts (hereafter referred to as the "Districts") pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the "Act"), that provides for levy and collection of assessments by the County of Riverside for the City of Hemet to pay the maintenance and services of street lighting and all appurtenant facilities and operations related thereto; and,

THE CITY COUNCIL OF THE CITY OF HEMET FINDS, DETERMINES, ORDERS AND RESOLVES AS FOLLOWS:

Section 1. By its previous Resolution Bill No.16-081, the City Council initiated proceedings pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code, commencing with Section 22500 (the "Act") and as provided by Article XIII D of the California Constitution, for the formation of the City of Hemet Streetlight Maintenance District No. 105, Les Schwab Tires (the "District"), described on maps on file in the office of the City Clerk and incorporated herein by reference, and the levy and collection of assessments against the assessable lots and parcels of land within such District for the 2017-2018 fiscal year and ordered the Engineer, Psomas, to prepare and file a written report in accordance with Article XIII D, Section 4 of the California Constitution and Article 4 of Chapter 1 of the Act. The

1 Engineer has prepared and filed a written report (the "Report") with the City Clerk, which
2 pertains to the proposed District, and by previous resolution the City Council approved
3 the Engineer's Report.
4

5 Section 2. The City Council hereby (1) finds that the public interest and
6 convenience requires and (2) declares its intention to order the formation of the District
7 and to levy and collect assessments against the assessable lots and parcels of land
8 within such District for that portion of the fiscal year commencing July 1, 2017 and
9 ending June 30, 2018 to pay the costs and expenses of the improvements described in
10 Section 3 below. If the assessments, proposed by this resolution, are approved by the
11 property owners pursuant to a mailed ballot election conducted in accordance with
12 Article XIII D of the California Constitution, the City may increase the assessments,
13 commencing with fiscal year 2018-2019. The amount of the assessments for the
14 District can be increased each year, per Chapter 4 of Part 1 of Division 2 of Title 5 of the
15 Government Code, Section 53739(b)(1) based upon the following formula:
16

17 Future CPI adjustments in the assessment rate will be limited by the greater of four
18 percent (4%) or the cumulative percentage increase in the Consumer Price Index for all
19 Urban Consumers ("CPI-U") for the Los Angeles-Riverside-Orange County California
20 Standard Metropolitan Statistical Area ("Index") published by the Bureau of Labor
21 Statistics of the United States Department of Labor. The annual CPI-U adjustment will
22 be based on the cumulative increase, if any, in the Index as it stands on March of each
23 year over the base Index of 2017. Adjustments beyond the greater of four percent (4%)
24 or the CPI-U rate will require approval of the property owners of record as required by
25 Proposition 218 "The Right to Vote on Taxes Act".
26

27 Section 3. The improvements within the District include but are not limited to:
28 installation, construction or maintenance of any authorized improvements under the Act,
29 streetlight improvements and any facilities which are appurtenant to any of the
30 aforementioned or which are necessary or convenient for the maintenance or servicing
31 thereof.
32

33 Section 4. The general location and boundaries of the proposed District are
34 shown on maps on file in the office of the City Clerk, are incorporated herein by
35 reference, and open to public inspection. The designation of the proposed District is as
36 follows: City of Hemet Streetlight Maintenance District No. 105, Les Schwab Tires.
37

38 Section 5. Reference is hereby made to the Engineer's Report, on file in the
39 office of the City Clerk and open to public inspection, for a full and detail description of
40 the improvements, the boundaries of the proposed District and the proposed
41 assessments upon assessable lots and parcels of land within the proposed District.
42

43 Section 6. Notice is hereby given that the 13th day of December 2016 at
44 7:00pm in the Council Chambers of the City of Hemet, 450 E. Latham Avenue, Hemet,
45 California 92543, is the time and place fixed for a public hearing by the City Council on
46 the question of the levy and collection of assessments for fiscal year 2017-2018 against

1 lots and parcels of land within the District. At the hearing, all interested persons shall be
2 afforded the opportunity to hear and be heard. Procedures of the City applicable to the
3 completion, return, and tabulation of the ballots required pursuant to Article XIII D,
4 Section 4 of the California Constitution are on file in the office of the City Clerk and open
5 to public inspection.

6
7 Section 7. The City Clerk is hereby authorized and directed to give notice of
8 the public hearing as set forth in Section 6 in accordance with law.

9
10 Section 8. Lots or parcels within the District that are owned or used by any
11 county, city, city and county, special district or any other local or regional governmental
12 agency, the State of California, or the United States shall be assessed unless the City
13 demonstrates by clear and convincing evidence that such lots or parcels receive no
14 special benefit from the proposed improvements.

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18
19 PASSED, APPROVED, AND ADOPTED this 25th day of October, 2016.
20
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22
23

24 _____
Bonnie Wright, Mayor

25
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28 ATTEST:

APPROVED AS TO FORM:

29
30
31 _____
32 Sarah McComas, City Clerk

33 _____
Eric S. Vail, City Attorney
34

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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 25th day of October, 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk

City of Hemet



ENGINEER'S REPORT FOR Streetlight Maintenance District No. 105 (Les Schwab Tires)

Prepared by
Psomas
1500 Iowa Ave., Ste. 210
Riverside, CA 92507
(951) 787-8421

October 2016

AGENCY: CITY OF HEMET

**PROJECT: FORMATION OF CITY OF HEMET
STREETLIGHT MAINTENANCE DISTRICT NO. 105**

**TO: HEMET CITY COUNCIL
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

ENGINEER'S REPORT

Pursuant to the provisions of Sections 22565 through 22574 of the Landscaping and Lighting Act of 1972, said act being Part 2 of Division 15 of the California Streets and Highways Code ("1972 Act"), in compliance with the substantive and procedural requirements of Articles XIII C and XIII D of the California Constitution, and under the direction of the City Council of the City of Hemet, California ("City Council"), submitted herewith is the Engineer's Report ("Report") for the City of Hemet ("City").

This Report provides for the formation of the City of Hemet Streetlight Maintenance District No. 105 ("District") as required under the terms of Conditional Use Permit 15-006 issued for the development of Assessor Parcel Number (APN) 448250024-7, and establishes the Maximum Assessment to be levied commencing with Fiscal Year 2017-2018 (i.e., commencing July 1, 2017 and ending June 30, 2018) and continuing in all subsequent Fiscal Years, for the area to be known and designated as:

SMD NO. 105

I do hereby assess and apportion the total amount of the costs and expenses upon parcels of land within the designated area liable therefore and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said services.

I, the appointed Engineer, acting on behalf of the City of Hemet, pursuant to the 1972 Act, do hereby submit the following:

Pursuant to the provisions of law, the costs and expenses of the District have been assessed upon the parcels of land in the District benefited thereby in direct proportion and relation to the estimated benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram/Boundary Map, a reduced copy of which is included herein.

As required by law, an Assessment Diagram/Boundary Map is filed herewith, showing the District as well as the boundaries and dimensions of the respective parcels or lots and subdivisions of land within said District, as the same exist as of the date of this Report. Each parcel, lot, or subdivision of land has been given a separate number upon said Assessment Diagram/Boundary Map and in the Assessment Roll contained herein.

The individual numbers given the subdivisions and parcels of land, as shown on said Assessment Diagram/Boundary Map and Assessment Roll, correspond to the numbers

assigned to each parcel by the Riverside County Assessor and are current as of the date of this Report. Reference is made to the Assessor Parcel Map for a description of the lots or parcels.

As of the date of this Report, there are no lots or parcels within the District owned by a federal, state, or other local governmental agency that will benefit from the services to be provided by the assessments to be collected.

DATED this 18th day of October, 2016

PSOMAS



A handwritten signature in blue ink, which appears to be "S. Frieson", written over a horizontal line.

STEVEN B. FRIESON
PROFESSIONAL CIVIL ENGINEER 42110
ENGINEER OF WORK
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

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EXECUTIVE SUMMARY

A. Introduction

Pursuant to the provisions of Sections 22565 through 22574 of the Landscaping and Lighting Act of 1972, said act being Part 2 of Division 15 of the California Streets and Highways Code ("1972 Act"), the costs and expenses of Streetlight Maintenance District No. 105 ("SMD No. 105" or "District") have been assessed upon the parcels of land in the District benefited thereby in direct proportion and relation to the estimated benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram/Boundary Map, a reduced copy of which is included in Part IV of this Report. On the 25th day of October, 2016 the City Council, City of Hemet, State of California, ordering the preparation of the Engineer's Report ("Report") providing for the formation of SMD No. 105 did, pursuant to the provisions of the 1972 Act, adopt Resolution No. 16-081 for a special assessment district known and designated as:

Streetlight Maintenance District No. 105

The formation of SMD No. 105 includes the commercial subdivision identified by the Assessor Parcel Number (APN) valid as of the date of this Report: 448250024-7. Establishment of a Streetlight maintenance district is a prerequisite for development of this parcel under the terms of Conditional Use Permit 15-006, approved December 15, 2015.

As required by law, an Assessment Diagram/Boundary Map is filed herewith, showing the District, as well as the respective parcels and subdivisions of land within said District as they exist on the date of this Report. Each of which subdivisions of land into parcels or lots, respectively, has been assigned a distinctive number and is so indicated on the Assessment Diagram/Boundary Map and in the Assessment Roll contained herein. Psomas submits this Report, consisting of five parts, for the formation of SMD No. 105 and the establishment of the Maximum Assessment to be levied and collected commencing Fiscal Year 2017-2018 and continuing in subsequent fiscal years.

PART I

Plans and Specifications: A description of SMD No. 105 boundaries and the proposed improvements within said District. The District shall consist of a single parcel which comprise the commercial development known as SMD No. 105. The proposed improvements described in this Report are based on the requirements of the City assigned Conditional Use Permit 15-006 and the current development and improvement plans provided to Psomas by the City of Hemet as of the date of this Report. Streetlight improvement plans ("Plans") by Miller Pezzoni & Associates, Inc., dated March 11, 2014, approved by Jorge Biagioni, City Engineer RCE No. 33751 are on file in the office of the City Engineer and are incorporated into this Report by reference.

PART II

Method of Apportionment: A narrative of the property benefits from the improvements and the method of calculating each property's proportional special benefit and annual assessment. The proposed initial Maximum Assessment and assessment range formula established for SMD No. 105 is based on current property development Plans and estimated annual costs and expenses associated with all improvements to be accepted and maintained by SMD No. 105 at build-out.

PART III

Cost Estimate: An estimate of the cost of the streetlight improvements, including incidental costs and expenses in connection therewith, for Fiscal Year 2017-2018.

PART IV

Assessment Diagram/Boundary Map: An Assessment Diagram/Boundary Map showing the parcels of land included within the boundaries of SMD No. 105. For details concerning the lines and dimensions of the applicable Assessor's Parcel Numbers, refer to the County Assessor's Maps as of the date of this Report.

PART V

Assessment Roll: A listing of the Assessor's Parcel Numbers, or the lot/unit numbers assigned for subdivided parcels, and the initial Maximum Assessment per parcel or lot/unit to be applied on the tax roll for Fiscal Year 2017-2018.

B. Assessment District

The improvements and services to be provided by SMD No. 105 generally include Streetlight maintenance. The formation of SMD No. 105 will provide the financial mechanism (annual assessments) by which the ongoing operation and maintenance of these improvements and services will be funded. SMD No. 105's structure, proposed improvements, method of apportionment and assessments described in this Report are based on the Plans provided to Psomas as of the date of this Report, including all estimated direct expenditures, incidental expenses, and reserves associated with the maintenance and servicing of the proposed improvements.

PART I – PLANS AND SPECIFICATIONS

A. Description of the Assessment District

SMD No. 105 is located within the City of Hemet, County of Riverside, State of California generally east of Cawston Avenue, north of Acacia Avenue, west of Sanderson Avenue, and south of Florida Avenue. At full development, SMD No. 105 is projected to include one assessable commercial lot and zero non-assessable lots. SMD No. 105 consists of all lots/units, parcels and subdivisions of land located in the development area currently defined by the following Assessor Parcel Numbers:

- Assessor Parcel Number(s) as of the date of this Report: 448250024-7

A general boundary map for the District is presented in Part IV of this Report.

B. Description of Improvements and Services Authorized by the Landscaping and Lighting Act of 1972

As applicable to the District, the 1972 Act (specifically, Section 22525 of the California Streets and Highways Code) defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities, including, but not limited to, traffic signals.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The installation of park or recreational improvements, including, but not limited to, all of the following:
 - Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - Lights, playground equipment, play courts, and public restrooms.
 - The maintenance or servicing, or both, of any of the foregoing, and any of the improvement authorized by subdivision (i).
 - The acquisition of land for park, recreational, or open-space purposes.
 - The acquisition of any existing improvement otherwise authorized pursuant to this section.
- The acquisition or construction of any community center, municipal auditorium or hall, or similar public facility for the indoor presentation of performances, shows, stage productions, fairs, conventions, exhibitions, pageants, meetings, parties, or other group events, activities, or

functions, whether those events, activities, or functions are public or private.

Section 22526 of the California Streets and Highways Code states that “incidental expenses” associated with the improvements include, but are not limited to the following:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment.
- The costs of printing, advertising, and the giving of published, posted, and mailed notices.
- Compensation payable to the County for collection of assessments.
- Compensation of any engineer or attorney employed to render services in proceedings pursuant to this part.
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements.
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5 of the California Streets and Highways Code.
- Costs associated with any elections held for the approval of a new or increased assessment.

Section 22531 of the 1972 Act defines “maintain” or “maintenance” to mean the following:

Furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating [vegetation] for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

C. Improvements and Services for SMD No. 105

SMD No. 105 provides for the collection of annual assessments to fund the ongoing maintenance and servicing of public lighting facilities, specifically streetlights and pedestrian lights, on the Florida Avenue frontage of APN 448250024-7. The assessments will also fund any appurtenant facilities and related incidental expenses including, but not limited to, the cost of personnel, electrical energy, materials, equipment, contracting services, and other items necessary for the satisfactory operation of these services in which are the responsibility of SMD No. 105.

PART II – METHOD OF APPORTIONMENT

A. Method of Apportionment

The proposed improvements, the associated costs, and assessments have been carefully reviewed, identified, and allocated based on special benefit.

Streetlight maintenance is the responsibility of SMD No. 105.

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include dedicated easements for Streetlight use, and appurtenant facilities. Section 22573 of the 1972 Act gives the following instructions for apportioning assessments to the parcels within the district:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The formula used for calculating assessments for parcels within SMD No. 105, which reflects the composition of the parcels and the improvements and services which are the responsibility of SMD No. 105, fairly apportions the costs based on the estimated benefit to each parcel.

In addition, Article XIII D of the California Constitution (“Article”) requires that a parcel’s assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The Article provides that only special benefits are assessable, and the County must separate the general benefits from the special benefits conferred on a parcel. A special benefit is a particular and distinct benefit over and above general benefits conferred on the public at large, including real property within the district. The general enhancement of property value does not constitute a special benefit.

Equivalent Benefit Units

A methodology, which takes into consideration the impact of land use and parcel size, has been developed and applied to SMD No. 105. This methodology, called Equivalent Benefit Units (EBUs), calculates the EBUs for each parcel where every land use is converted to EBUs based on the assessment formula appropriate for the City. Single Family Residential, which includes Condominiums, is defined as the basic unit for calculation of assessments and assigned 1 EBU per parcel. Multi-Family Residential (Apartments and Mobile Home Parks) are converted to EBUs based on the number of dwelling units on each parcel. Commercial/Industrial, Vacant Property/Parks, and certain Public Property, such as Schools, are converted to EBUs based on the lot size of each parcel of land. Property Owners Association Property, Public Property and Exempt parcels are assigned zero EBUs. The EBU method is seen as the most appropriate and equitable for streetlight maintenance

districts, as the benefit to each parcel from the improvements are apportioned as a function of land use type and parcel size.

Parcel Classification

Residential: Residential means a parcel for which a building permit has been issued permitting construction of one or more Residential dwelling units. Residential parcels shall be further classified as Single Family Residential, Condominium, and Multi-Family Residential.

Single Family Residential (SFR): SFR means all parcels of residential property, other than Multi-Family Residential Property. The SFR parcel is the basic unit for calculation of the benefit assessments. Parcels designated as SFR land use will be assigned 1 EBU per dwelling unit, including vacant subdivided residential lots.

Condominium: Condominium means all parcels of developed property with a residential building or buildings comprised of dwelling units with each unit having individual ownership and assigned an individual assessor parcel number. Condominiums will be treated the same as SFR units. Therefore, parcels designated as Condominium land use will be assigned 1 EBU per dwelling unit.

Multi-Family Residential (Apartments) and Mobile Home Parks: Multi-Family Residential (Apartments) means all parcels of property that consist of a residential building or buildings comprised of attached dwelling units available for rental by the general public, not for sale to an end user, and under common management. Mobile Home Parks means all parcels of land with manufactured homes, all under common management.

Studies have consistently shown that trip generation and wastewater usage are a function of population density. It is also concluded that other infrastructure will be similarly impacted at a reduced level. The lower average population density and reduced average unit size of apartments and mobile homes compared to the typical density and size of a SFR results in a lesser benefit per unit from SMD No. 105 services. The average apartment unit impacts infrastructure approximately 80% as much as a single family residence, while the average mobile home unit impacts infrastructure approximately 50% as much. (Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition, 1991; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition, 1991).

Therefore, the EBUs assigned to a Multi-Family Residential or a Mobile Home Park parcel are calculated based on the number of dwelling units and the appropriate Equivalent Benefit Factor (as shown in Table 1). Specifically, the Equivalent Benefit Factor for multi-residential (0.8) is multiplied by the number of dwelling units on the parcel to determine the total EBUs for the multi-unit residential parcel. Similarly, the total EBUs for a mobile home park parcel are calculated by multiplying the Equivalent Benefit Factor (0.5) by the number of mobile home units on the parcel.

Non-Residential: Residential means a parcel for which a building permit has been issued permitting construction of one or more Non-Residential structures. Non-Residential parcels shall be further classified as Commercial/Industrial, Vacant Property/Parks, Property Owners Association Property, Public Property/Schools and Exempt.

Commercial/Industrial: Commercial/Industrial means non-residential parcels that are not Exempt, Public Property, Property Owners Association Property, or Vacant, and are used for retail, professional, medical, restaurant, government, institutional, financial, lodging, or other commercial/industrial related uses. These parcels are assigned EBU's based on acreage. In converting Commercial/Industrial properties to EBUs, the factor used is the City of Hemet average single family residential density of 2.58 dwelling units per acre (as derived from the City of Hemet 2030 General Plan, Table 2.3 - Development Capacity, dated January 24, 2012 (Hemet General Plan)). Therefore, the Commercial/Industrial parcels, including institutional uses, will be assigned 2.58 EBUs per acre.

Vacant Property/Parks: Vacant Property means parcels with no improved structures. These parcels are assigned EBUs based on acreage and receive less specific benefit than SFR parcels. Therefore, Vacant Property will be assigned EBUs at the rate of 25% of the SFR parcels density of 2.58 dwelling units per acre (as derived from the Hemet General Plan), or 0.65 EBUs per acre (25% of 2.58 EBUs), up to a maximum of 5 acres per parcel, regardless of parcel size. Parks will be assessed at the same rate as Vacant Property as they receive the same type of specific benefits as vacant parcels. Vacant parcels with approved subdivision maps filed on them will be assessed at the rate appropriate to their future designated use.

Property Owners Association Property (POAP): Property Owners Association Property means all parcels which have been conveyed, dedicated to, or irrevocably offered for dedication to a property owner association, including any master or sub-association. The ultimate benefactors of these parcels are the property owners themselves. Therefore, the costs of providing landscape maintenance improvements and services to these parcels will be spread to the taxable parcels in the District and exempt the POAP parcels from assessment. These parcels are defined as having a zero EBU factor and, therefore, zero EBUs to be assessed.

Public Property/Schools: Public property means all parcels which are (i) used for rights-of-way or any other purpose and are owned by, dedicated to, or irrevocably offered for dedication to the federal government, the state, the county, City or any other public agency, provided however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement. Public property not leased to a private agency or utility easements, as described in section (ii) above, are defined as having a zero EBU factor and, therefore, zero EBUs to be assessed.

Schools will be assessed as Commercial/Industrial uses for those portions of the parcels with building improvements on them, and the playground and athletic fields will not be assessed as they are the same as Property Owners Association Property with no development potential.

Exempt: Exempt means any parcel dedicated as public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-way, public greenbelts, parkways and that portion of public property that is not developed or used for business purposes similar to private commercial, industrial and institutional activities. Also defined as Exempt parcels are utility rights-of-way, common areas (such as in condominium complexes), landlocked parcels and small parcels vacated by the City as these parcels have little or no development potential and do not benefit from the improvements. These parcels are defined as having a zero EBU factor and, therefore, zero EBUs to be assessed.

Determination of Rate

A summary of Equivalent Benefit Unit (EBU) rates is shown in Table 1:

TABLE 1

Land Use Category	Basic Unit		Equivalent Benefit Factor		EBU Rates
Residential:					
Single Family Residential	1 D.U.	X	1.0	=	1 EBU/DU
Condominium	1 D.U.	X	1.0	=	1 EBU/DU
Multi-Family Apartments	1 D.U.	X	.8	=	0.8 EBU/DU
Mobile Home Park	1 Space	X	.5	=	0.5 EBU/Space
Non-Residential:					
Commercial/Industrial	Per Acre	X	2.58	=	2.58 EBU/Acre
Schools	Per Acre	X	2.58	=	2.58 EBU/Acre Area of Building Improvements
Vacant Non-Residential / Parks	Per Acre	X	.65	=	0.65 EBU/Acre 5 Acre Max
POAP, Public & Exempt	N/A	X	0.0	=	0.0 EBU/DU

B. Annual Assessment

The Method of Apportionment of the Assessment is based upon the relative special benefit derived from the improvements and conferred upon the assessable real property within SMD No. 105 over and above general benefit conferred upon the assessable real property within SMD No. 105 or to the public at large. The Assessment for each assessable parcel within SMD No.105 is calculated as follows:

Each parcel currently within the District will be placed into one of the designated categories by land use. Using the EBU Rate for the applicable land use category in Table 1 above, multiply the EBU rate by the number of Basic Units for each parcel to determine the number of EBUs for that parcel.

Once the total costs and the total number of EBUs associated with all parcels within the District are determined, the total costs are divided by the total EBUs to determine an assessment rate for each EBU in the District.

$$\text{Total District Costs} \div \text{Total Number of EBUs in District} = \text{District Assessment Rate per EBU.}$$

Each individual parcel's assessment will then be determined by multiplying the District assessment rate by the parcel's total EBUs.

$$\text{District Assessment Rate per EBU} \times \text{Parcel's Total EBUs} = \text{Parcel's Annual Assessment.}$$

Currently, there is one commercial parcel, 1.13 acres in size, located in the District. Applying the EBU formula (2.58 EBUs x 1.13 acres) results in a total EBU count of 2.92 for SMD No. 105. Since SMD No. 105 is composed of a single parcel, all EBUs and costs will be assigned to this single parcel.

The maximum assessment rate is subject to a cost of living increase as explained in the Maximum Assessment Methodology section below.

General Benefit

The total benefit from the improvements is a combination of the special benefits to the parcels in the District and the general benefits to the public at large and to adjacent property owners. The portion of the total maintenance costs associated with general benefits, if any, will not be assessed to the parcels in the District, but will be paid from other City of Hemet funds. Because the streetlight improvements are located immediately adjacent to properties within the District and are maintained solely for the benefit of the properties within the District, any benefit received by properties outside the District is nominal. Therefore, the general benefit portion of the benefit received from District improvements is zero.

Special Benefit

The streetlight improvements within SMD No. 105 provide direct and special benefit to the lots or parcels within the District. Therefore, the maintenance of these improvements also provides direct and special benefit by maintaining the functionality of the improvements and allowing the improvements to operate in a proper manner.

Each and every lot or parcel in the District receives a particular and distinct benefit from the improvements over and above general benefits conferred by the

improvements. First, the improvements were conditions of approval for the creation or development of the parcels. In order to create or develop the parcels, the City required the developer to install streetlight improvements and to guarantee the maintenance of the streetlight improvements and appurtenant facilities serving these lots or parcels. Therefore, each and every lot or parcel within the District could not have been developed in the absence of the installation and expected maintenance of these improvements and appurtenant facilities. In addition, the improvements continue to confer a particular and distinct special benefit upon parcels within SMD No. 105 because of the nature of the improvements.

The proper maintenance of streetlights, and appurtenant facilities specially benefit parcels within SMD No. 105 by increasing public safety for both pedestrians and the motoring public, and increasing traffic safety by improving visibility. Streetlights also provide safety for pedestrians and motorists living and owning property in the SMD No. 105 during the nighttime hours, and to assign rights-of-way for the safety of pedestrians and motorists by defining a specific path during all hours of the day.

Streets are constructed for the safe and convenient travel of vehicles and pedestrians. They also provide an area for underground and overhead utilities. These elements are a distinct and special benefit to all developed parcels in the SMD No. 105. Streetlights are installed on and are for street purposes and are maintained and serviced to allow the street to perform to the standards it was designed.

Streetlights are determined to be an integral part of "streets" as a "permanent public improvement." One of the principal purposes of fixed roadway lighting is to create a nighttime environment conducive to quick, accurate, and comfortable seeing for the users as well as a sense of safe motoring and pedestrian experience of traffic egress from and ingress into the facility. These factors, if attained, combine to improve traffic safety and achieve efficient traffic movement. Fixed lighting can enable the motorist to see detail more distinctly and to react safely toward roadway and traffic conditions present on or near the roadway facility.

The system of streets within SMD No. 105 is established to provide access to each parcel in SMD No. 105. Streetlights provide a safer street environment for owners of the parcels served. If the parcels were not subdivided to provide individual parcels to owners within SMD No. 105, there would be no need for a system of streets with streetlights. Therefore, the installation of streetlights is for the express, special benefit of the parcels within SMD No. 105.

Based on the benefits described above, streetlight improvements are an integral part of the quality of life within the District. This quality of life is a special benefit to all parcels within the District except government-owned, utility easements, or flood channel parcels. Government-owned easements, utility easements, and flood channel parcels do not benefit from the improvements due to their type of use and lack of human habitation on such parcels. Parcels of this nature are usually vacant narrow strips of land or flood control channels and therefore do not generate or experience pedestrian or vehicular traffic. Nor do these types of parcels support dwelling units or other structures that would promote frequent use by the traveling

public. As a result of this lack of activity on such parcels, they do not receive any benefit from streetlight improvements and are not assessed.

Special Benefits of SMD No. 105 Authorized Improvements and Services

The special benefits of street lighting are the provision of energy, convenience, safety, security of property, improvements and goods. This includes the following:

- Enhanced deterrence of crime such as vandalism and other criminal activities which would reduce damage to improvements or property.
- Improved visibility to assist police in the protection of property.
- Increased nighttime safety on roads and streets by reducing nighttime accidents and personal property loss.
- Improved traffic circulation.
- Improved ability to see for pedestrians and motorists.
- Improved visibility for egress from and ingress to the property.

Summary

In summary, no property is assessed in excess of the reasonable cost of the proportional special benefit conferred on that property. Additionally, because of differences in land use and parcel size, it is determined that some land uses within the District benefit from the improvements unequally. Therefore, the proportionate share of the costs and expenses for the provision of streetlights, as well as costs and expenses for the maintenance of the streetlights are apportioned on an EBU basis. For a single parcel District, all EBUs will be apportioned to the single benefiting parcel.

C. Maximum Assessment Methodology

The purpose of establishing a Maximum Assessment formula is to provide for reasonable increases and inflationary adjustments to annual assessments without requiring costly noticing and mailing procedures, which would add to the District costs and assessments.

The Maximum Assessment formula shall be applied to all assessable parcels of land within the District. For SMD No. 105, the initial Maximum Assessment for Fiscal Year 2017-2018 are as follows:

- The initial Maximum Assessment established within SMD No. 105 shall be \$1,404.94
- Pursuant to the Plans, the single parcel within the District shall have an initial Maximum Assessment of \$1,404.94, or \$481.14 per EBU.

The initial Maximum Assessment is subject to an annual inflator starting in Fiscal Year 2018-2019. The initial Maximum Assessment may be adjusted by the greater of four percent (4%) or the cumulative percentage increase in the Consumer Price Index for all Urban Consumers for ("CPI-U") for the Los Angeles-Riverside-Orange

County California Standard Metropolitan Statistical Area (“Index”) published by the Bureau of Labor Statistics of the United States Department of Labor. The annual CPI-U adjustment will be based on the cumulative increase, if any, in the Index as it stands in March of each year over the base Index of 2017.

The Maximum Assessment is adjusted annually and is calculated independent of the SMD No. 105 annual budget and proposed annual assessment. The annual assessment (rate per assessable parcel) applied in any fiscal year is not considered to be an increased assessment if less than or equal to the Maximum Assessment amount for that fiscal year. In no case shall the annual assessment exceed the Maximum Assessment.

Although the Maximum Assessment will increase each year, the actual SMD No. 105 assessments may remain virtually unchanged. The Maximum Assessment adjustment is designed to establish a reasonable limit on SMD No. 105 assessments. The Maximum Assessment calculated each year does not require or facilitate an increase to the annual assessment and neither does it restrict assessments to the adjusted maximum amount. If the budget and assessments for the fiscal year require an increase to an amount greater than the adjusted Maximum Assessment, it is considered an increased assessment.

To impose an increased assessment, the City of Hemet must comply with the provisions of California Constitution Articles XIII C and XIII D, which require a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Through the balloting process, property owners must approve the proposed assessment increase. If the proposed assessment is approved, then a new Maximum Assessment is established for SMD No. 105. If the proposed assessment is not approved, the City may not levy an assessment greater than the adjusted Maximum Assessment previously established for SMD No. 105.

PART III – COST ESTIMATE

**STREETLIGHT MAINTENANCE DISTRICT NO. 105
CITY OF HEMET
ANNUAL BUDGET
FISCAL YEAR 2017-18**

MAINTENANCE OF IMPROVEMENTS

FUNCTION	PROJECTED ANNUAL COST	NO. OF EBU ^s ¹	COST PER EBU
Standard Street Light 31 ft pole 135 watt LED ²	\$ 94.14 /	2.92	\$ 32.24
Pedestrian Pole Lights 25 watt LED ³	\$ 708.80 /	2.92	\$ 242.74
One Electric Meter	\$ 290.40 /	2.92	\$ 99.45
	\$ - /		
	\$ - /		
	\$ - /		
TOTAL MAINTENANCE COSTS	\$ 1,093.33		COST PER EBU \$ 374.43

INCIDENTAL COSTS

FUNCTION	PROJECTED ANNUAL COST	NO. OF EBU ^s	COST PER EBU
Administrative Costs	\$ 92.93 /	2.92	\$ 31.83
Contingency	\$ 109.33 /	2.92	\$ 37.44
Operating Reserves	\$ 109.33 /	2.92	\$ 37.44
TOTAL INCIDENTAL COSTS	\$ 311.60		COST PER EBU \$ 106.71

TOTAL PROJECTED COSTS **\$ 1,404.94** **COST PER EBU \$ 481.14**

MAXIMUM ANNUAL ASSESSMENT FY 17-18 \$ 1,404.94
MAXIMUM PER EBU ASSESSMENT FY 17-18 \$ 481.14

ANNUAL ASSESSMENT FY 17-18 \$ 1,404.94
PER EBU ASSESSMENT FY 17-18 \$ 481.14

¹ District is composed of a single parcel

² 50% of 1 shared street light annual cost allocated to SMD 105.

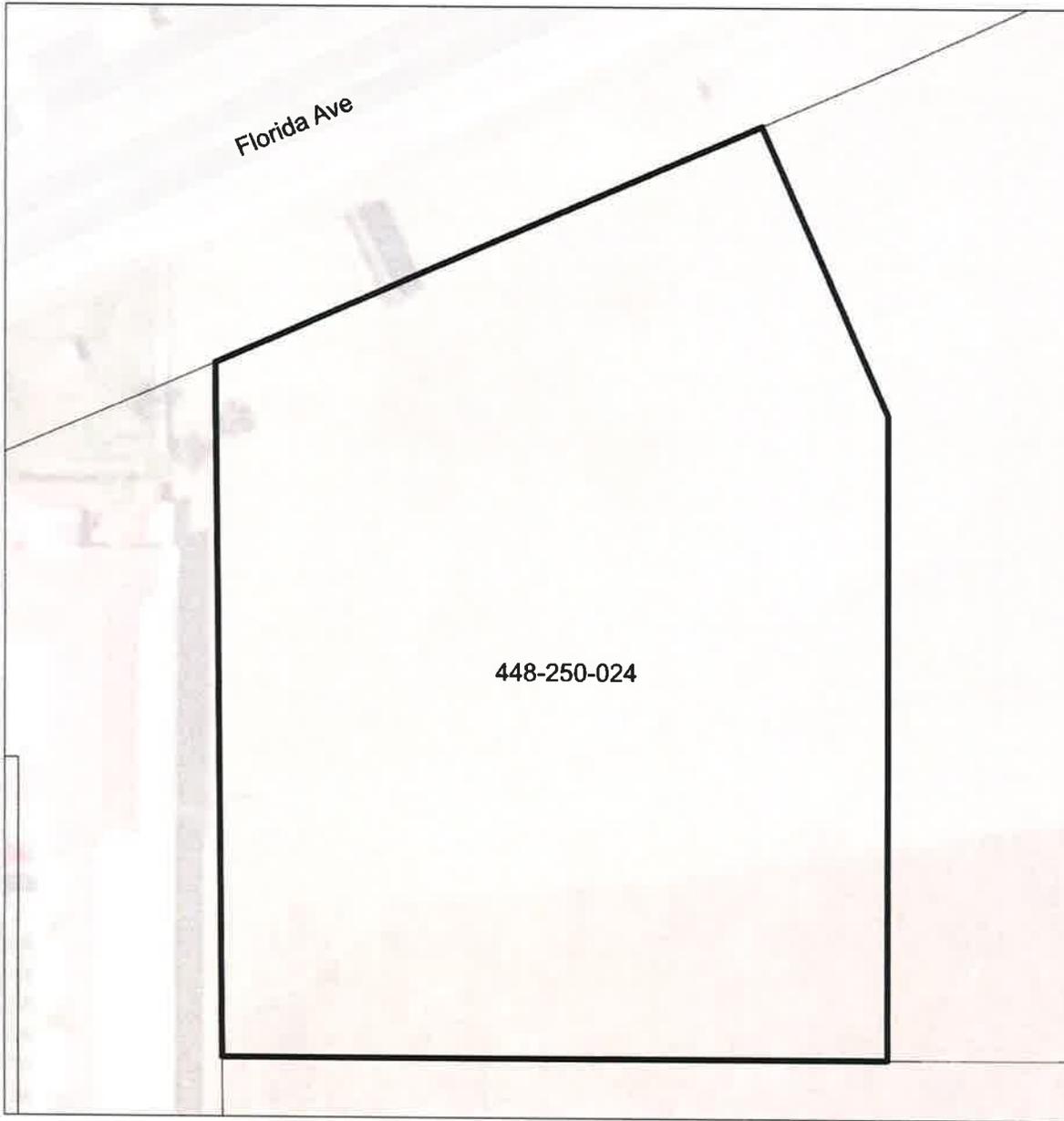
³ 3 pedestrian light poles with 2 bulbs per pole.

PART IV – ASSESSMENT DIAGRAM / BOUNDARY MAP

FISCAL YEAR 2017-2018 SMD NO. 105

The Assessment Diagram/Boundary Map for SMD No. 105 by this reference is incorporated and made a part of this Report. Only the parcels identified within the SMD No. 105 Assessment Diagram/Boundary Map are within said boundary.

If any parcel submitted for collection is identified by the County Auditor-Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel number (or numbers) will be identified and resubmitted to the County Auditor-Controller. The assessment amount to be levied and collected for the resubmitted parcel and/or new parcel number(s) shall be based on the method of apportionment and the assessment rate as defined in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and the assessment rate rather than as a proportionate share of the original assessment.



**Assessment Diagram /
Boundary Map
Streetlight Maintenance
District No. 105
Les Schwab Tires
City of Hemet
County of Riverside
State of California**

POR. OF S.W. SEC. 8, T.5 S.R. 1W, S.B.M.

Legend

 District Boundary

Assessor Parcel Number within District Boundaries:

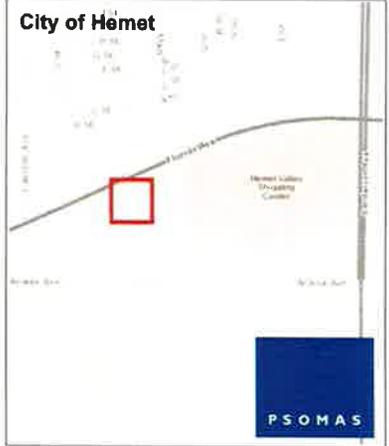
448-250-024

For parcel detail, please refer to the Assessor Parcel Map of the County of Riverside for Fiscal Year 2015-16 for an exact description of the lines and dimensions of each parcel/lot.



August 2016

NTS



PART V – ASSESSMENT ROLL

Parcel identification for each lot/unit or parcel within SMD No. 105 shall be the parcel as shown on the Riverside County Secured Roll for the year in which this Report is prepared and reflective of the Assessor's Parcel Maps. SMD No. 105 includes the following APN(s) as of the date of this Report:

448250024-7

The initial Maximum Assessment per parcel shall be \$1,404.94 ⁽⁵⁾.

STREETLIGHT MAINTENANCE DISTRICT NO. 105 (LES SCHWAB TIRES)

PROPOSED FISCAL YEAR 2017-2018 MAXIMUM ASSESSMENT⁽⁶⁾

Parcel No.	Maximum Assessment
448250024-7	\$1,404.94

⁽⁵⁾ The Actual Assessment per Assessable Parcel, when submitted to the tax roll, will be rounded to even pennies, as required by the Riverside County Auditor-Controller to allow for the equal division of 2 equal installment payments on the property tax bill.

⁽⁶⁾ The initial Maximum Assessment may be adjusted annually by the greater of four percent (4%), or the cumulative percentage increase in the CPI-U, if any, as it stands in March of each year over the base Index of 2017.



*Staff Report*

TO: Honorable Mayor and Members of the City Council

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

DATE: October 25, 2016

RE: Tract Map 36759 – Finance Map within the Tres Cerritos East Specific Plan Area

RECOMMENDATION:

It is respectfully requested that the City Council:

- a. Adopt a resolution approving Tract Map No. 36759 for finance purposes only within the Tres Cerritos East Specific Plan area, located at the northwest corner of Cawston Avenue and Devonshire Avenue. **Resolution Bill No. 16-087.**

BACKGROUND:

The 165.82 acre subdivision was submitted by the developer Signal Family Hemet, LLC, a California Limited Liability Company (Mr. Craig C. Barto, President) and is for finance purposes only. The subdivision comprises of 14 numbered lots and 23 lettered lots and is generally located on the north side of Devonshire Avenue and west of Cawston Avenue. The developer has requested that the map be for "finance purposes only", which will allow the developer to delay the requirement to fund and bond for the public improvements.

Prior to any development occurring on the subject site, the developer will be required to submit, and record a conventional map replacing the finance map. At that time, the developer will be responsible to enter into the appropriate improvement agreements and furnish securities for the construction of the public improvements.

Tentative Tract Map No. 36759 was approved by the Planning Commission on October 21, 2014.

This map meets all conditions of the Subdivision Map Act and the Hemet Municipal Code and has been reviewed and approved by the City Engineer.

FISCAL IMPACT:

The recommended action will have no impact on the City's General Fund. All public infrastructure improvements will be required during the conventional map submittal and approval process. All improvements will be constructed by the developer at its sole cost at that time.

Respectfully submitted,



Steven Latino
Engineering Director/
City Engineer



1
2
3 **CITY OF HEMET**
4 **Hemet, California**
5 **RESOLUTION BILL NO. 16-087**

6 **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF**
7 **HEMET, APPROVING TRACT MAP 36759 FOR FINANCE**
8 **PURPOSES ONLY WITHIN THE TRES CERRITOS EAST**
9 **SPECIFIC PLAN AREA LOCATED NORTH OF**
10 **DEVONSHIRE AVENUE AND WEST OF CAWSTON**
11 **AVENUE**

12 **WHEREAS,** Tentative Tract Map No. 36759 For Finance Purposes Only,
13 submitted for approval by the developer Signal Family Hemet, LLC, a California Limited
14 Liability Company was approved by the Planning Commission of the City of Hemet on
15 October 21, 2014; and

16 **WHEREAS,** Tentative Tract Map No. 36759 For Finance Purposes Only,
17 consisting of fourteen numbered lots and 23 lettered lots, being a subdivision of numbered
18 lots 8 through 23 inclusive, lettered lots J, M through Z inclusive, AA through ZZ inclusive,
19 AAA through DDD inclusive, and GGG through JJJ inclusive, of Tract No. 29550, in the
20 City of Hemet, County of Riverside, State of California, as shown by map on file in book
21 299 pages 78 through 99 inclusive of maps, in the office of the County Recorder of said
22 County, together with a portion of Government lot 4 in the northwest quarter of the
23 northeast quarter of section 7, township 5 south range 1 west, according to official plat
24 thereof, together with a portion of Tract XX as shown by the partition map of Rancho San
25 Jacinto Viejo on file in the Office of the Clerk of the Superior Court of the State of
26 California, County of San Diego.

27 **WHEREAS,** staff has reviewed the proposed final map and finds it to be technically
28 correct and in conformance with the Subdivision Map Act

1 **WHEREAS**, The proposed final maps do not make any additions or changes not
2 previously analyzed under the Environmental Impact Report and the CEQA guidelines as
3 approved by the Planning Commission October 21, 2104;
4

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

- 7 1. The location and configuration of the lots to be created by the Final Tract Maps
8 substantially comply with the previously approved Tentative Tract Maps.
- 9 2. That, pursuant to Government Code section 66458, Final Tract Map No. 36759
10 For Finance Purposes Only is approved and that the Mayor is authorized to
11 execute the Certificate and the City Clerk attest there on behalf of said City.
- 12 3. CEQA. The City adopted an EIR by Resolution No.4491 on February 28,
13 2012 for the Tres Cerritos East Specific Plan and a Notice of Determination was
14 filed in accordance with CEQA requirements on April 11, 2012 There has been no
15 legal challenge brought against the project or the environmental determination.
16 The City Council has reviewed the EIR and Mitigation Monitoring Program and
17 Initial Study previously approved for the project in light of applicant's submittal of
18 the final maps described above. The City Council finds that the final map described
19 above will not result in an increase in the density or intensity of the project and will
20 not result in project changes that were not previously analyzed under the approved
21 EIR and Mitigation Monitoring Program. As such, the final map described above
22 and any effects they may have on the environment, fall within the scope of, and
23 were analyzed under the previously approved EIR and Mitigation Monitoring
24 Program for the project. Furthermore, based on City staff's knowledge of the
25 project and surrounding developments, the City Council concludes that there has
26 been no change in circumstances under which the project is being undertaken that
27 would require additional analysis under CEQA. Finally, the City Council has not
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been presented with any information contrary to this conclusion nor any information from which it could be fairly argued that final maps as described above involves new significant effects on the environment or substantially increases the severity of a previously identified effect.

The City Clerk of the City of Hemet shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 25th day of October, 2016

Bonnie Wright, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

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

I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing Resolution is the actual Resolution adopted by the City Council of the City of Hemet and was passed at a regular meeting of the City Council on the ___ day of _____, 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: October 25, 2016

RE: Authorizing the Establishment of an Other Post-Employment Benefits (OPEB) Trust and Establishing a Funding Policy

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt Resolution Bill No. 16-085 authorizing the establishment of an OPEB trust (Trust) to be administered by Public Agency Retirement Services (PARS) and U.S. Bank, and establishing a funding policy for the trust,
2. Appoint the City Manager as the City's Plan Administrator,
3. Authorize the City Manager to execute the documents necessary to implement the OPEB trust, and
4. Select the investment strategy for contributions to the OPEB trust.

BACKGROUND:

In 1998, the City of Hemet made the decision to discontinue offering an employer-paid retiree medical program to new employees. This change followed the 1990 decision to reduce retiree medical benefits from their previous levels, in an effort to reduce the increasing cost of other post-employment benefits (OPEB). Additionally, in 2015, the City Council passed Resolution No. 4642 terminating the highest costing medical plans. While these significant decisions did much to reduce the future cost of OPEB for the City, the actual cost of benefits has steadily increased.

On June 26, 2016, a work-study was presented to discuss the establishment of an OPEB trust for the purpose of setting aside funds for the future payment of retiree medical obligations. The discussion included the current status of the City of Hemet's retiree medical program, the "pay-as-you-go" funding practice, and the unfunded liability amount through the sunset of the program.

An OPEB trust is an irrevocable account established for the purpose of saving and paying for OPEB liabilities. A separate account is created through an administrator in which the funds are invested according to a menu of strategies, achieving higher earnings than seen with the City's operating accounts. This use of a separate OPEB trust fund allows for investment flexibility pursuant to California Government Code Section 53620-53622, compared to the investment restrictions for the City's general pooled cash.

The benefit of an OPEB trust is that, through regular funding and investment earnings, it is possible to pay the full future cost of OPEB directly from the trust, greatly reducing the ongoing impact to the City's operating funds. As the City of Hemet's retiree medical program no longer allows participation by new employees, it is anticipated the plan will reach its end-of-life in the next 40 to 50 years.

Additionally, beginning with fiscal year 2016-17, GASB Statements 74/75 will require the unfunded liability for OPEB, currently valued at \$87 million, to be included in the Statement of Net Position within the City's annual financial statements. With a pay-as-you-go system a much higher actuarial liability is assumed and, when added to the unfunded liability for employee pensions, creates a negative net position of over \$100 million as presented on the City's financial statements.

As a part of the work-study presentation was the recommendation that the City Council consider an ongoing funding policy with the establishment of an OPEB trust. A funding strategy ensures that an OPEB trust receives at least minimal deposits each fiscal year in an effort to build toward full-funding of the remaining liability through the life of the program. Full funding of the OPEB liability in the future will eliminate the need to use ongoing operating resources to pay annual retiree medical costs.

This information was again presented to the City Council on September 13, 2016. At that time staff was directed to bring back additional information, including:

- Historical returns for each of the trust administrators and funding strategies
- Administrative fee comparisons
- Options for funding a trust

On October 11, 2016, staff returned to the City Council to provide an opportunity for further review of OPEB trust options. Present at this meeting were representatives from PARS and CalPERS – CERBT. At the conclusion of discussions, the City Council provided direction to staff to return with the necessary documents to establish an OPEB trust with PARS, information regarding investment strategies, and recommendations for initial and ongoing contributions to the trust.

Requirements for establishing an OPEB trust with PARS include:

- Adoption of a resolution authorizing participation in the PARS Public Agencies Post-Employment Benefits Trust
- Selection of an investment strategy for contributions to the Trust
- Appointment of a City representative as the City's Plan Administrator
- Authorization of a City representative to execute documents to implement the Trust

Additionally, it is recommended that the City Council adopt a policy for initial and ongoing contributions to the fund. An initial contribution of \$750,000 from the fund balance in OPEB Fund (Fund No. 689) and annual contributions of \$250,000 are included in Resolution Bill No. 16-085 as staff recommendations for the ongoing funding of the OPEB trust. These initial and annual contribution amounts would total \$12 million in City contributions over 45 years.

FISCAL IMPACT:

Savings from the establishment and regular funding of an OPEB trust are anticipated to be millions of dollars. Required semi-annual actuarial valuation reports will provide a benchmark for progress toward eliminating the unfunded liability for the City of Hemet's retiree medical program.

Respectfully submitted,



Jessica A. Hurst
Deputy City Manager/Administrative Services

- Attachments:
1. Resolution Bill No. 16-085
 2. Highmark Capital Management – PARS invest strategies
 3. Sample Agreement for Administrative Services with PARS
 4. Sample Investment Strategy Selection and Disclosure Form
 5. Sample U.S. Bank Discretionary Trustee Fee Schedule



CITY OF HEMET
Hemet, California
RESOLUTION BILL NO. 16-085

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET APPROVING THE ADOPTION OF THE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS) AND ESTABLISHING A FUNDING POLICY FOR CONTRIBUTIONS TO THE TRUST.

WHEREAS, PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (Trust) for the purpose of pre-funding other post-employment benefit (OPEB) obligations; and

WHEREAS, the City of Hemet (City) is eligible to participate in the Trust, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the regulations issued thereunder, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the City's adoption and operation of the Trust has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Trust; and

WHEREAS, the City's funding of the Trust does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, regular contributions to the Trust is a best practice to reduce the City's OPEB unfunded liability; and

WHEREAS, the City reserves the right to make and determine the amount of contributions, if any, to the Trust.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hemet that:

1. The City Council hereby adopts the PARS Public Agencies Post-Employment Benefits Trust, effective October 25, 2016; and

1 2. The City Council hereby appoints the City Manager, or his/her successor or
2 his/her designee as the City's Plan Administrator for the Trust; and
3

4 3. Except as expressly provided below, the City's Plan Administrator is hereby
5 authorized to execute the PARS legal and administrative documents on behalf of the
6 City and to take whatever additional actions are necessary to maintain the City's
7 participation in the Trust and to maintain compliance of any relevant regulation issued or
8 as may be issued; therefore authorizing him/her to take whatever additional actions are
9 required to administer the City's Trust; and
10

11 4. The City Council hereby elects to contribute \$750,000 as an initial contribution to
12 the Trust; and
13

14 5. The City Council hereby elects to contribute \$250,000 annually to the Trust,
15 however, the City Council reserves unto itself the right to modify, adjust, increase,
16 decrease, or defer contributions to the Trust; and
17

18 6. The City's Plan Administrator shall report regularly to the City Council, but not
19 less than biannually, on the performance of the Trust, recommended contribution levels,
20 and other material events related to the Trust and any actions the City Plan
21 Administrator is requested to or is required to take to maintain the City's participation in
22 the Trust.
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27 **PASSED, APPROVED, AND ADOPTED this 25th day of October, 2016.**
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32 _____
Bonnie Wright, Mayor

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35 ATTEST:

APPROVED AS TO FORM:

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39 _____
40 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 25th day of October, 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk

**PARS DIVERSIFIED PORTFOLIOS
CONSERVATIVE**

Q2 2016

**WHY THE PARS DIVERSIFIED
CONSERVATIVE PORTFOLIO?**

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

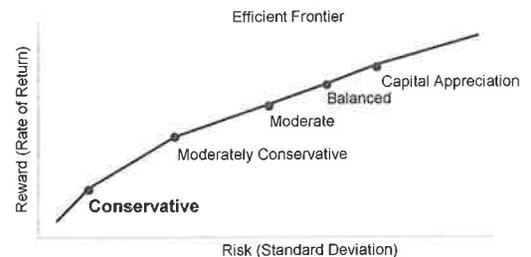
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide a consistent level of inflation-protected income over the long-term. The major portion of the assets will be fixed income related. Equity securities are utilized to provide inflation protection.



ASSET ALLOCATION — CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	5 – 20%	15%	15%
Fixed Income	60 – 95%	80%	79%
Cash	0 – 20%	5%	6%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus (Active)		Index Plus (Passive)	
Current Quarter*	2.13%	Current Quarter*	1.99%
Blended Benchmark**	1.78%	Blended Benchmark**	1.78%
Year To Date*	4.16%	Year To Date*	4.30%
Blended Benchmark*	3.89%	Blended Benchmark*	3.89%
1 Year	3.40%	1 Year	3.93%
Blended Benchmark	3.59%	Blended Benchmark	3.59%
3 Year	3.95%	3 Year	3.96%
Blended Benchmark	3.92%	Blended Benchmark	3.92%
5 Year	3.94%	5 Year	3.87%
Blended Benchmark	3.69%	Blended Benchmark	3.69%
10 Year	4.81%	10 Year	4.44%
Blended Benchmark	4.40%	Blended Benchmark	4.40%

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM FREE, 2% MSCI EAFE, 52.25% BC US Agg, 25.75% ML 1-3 Yr US Corp/Gov't, 2% US High Yield Master II, 0.5% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 12% S&P 500; 1% Russell 2000, 2% MSCI EAFE, 40% ML 1-3 Year Corp./Gov't, 40% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 15% S&P 500, 40% ML 1-3Yr Corp/Gov, 40% BC Agg, and 5% Citi 1 Mth T-Bill.

ANNUAL RETURNS

HighMark Plus (Active)		Index Plus (Passive)	
2008	-9.04%	2008	-6.70%
2009	15.59%	2009	10.49%
2010	8.68%	2010	7.67%
2011	2.19%	2011	3.70%
2012	8.45%	2012	6.22%
2013	3.69%	2013	3.40%
2014	3.88%	2014	4.32%
2015	0.29%	2015	0.06%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	07/2004	Inception Data	07/2004
No of Funds in Portfolio	19	No of Funds in Portfolio	13

A newly funded account enters a composite after three full months of management and is removed from a composite at the end of the last full month that the account is consistent with the criteria of the composite. Terminated accounts are included in the historical results of a composite through the last full month prior to closing. Composites may include accounts invested in domestic (U.S.) or international (non-U.S.) individual securities, funds, or a combination thereof. Account exclusions based on equity security concentrations are applied quarterly. Employing a construction methodology different from the above could lead to different results.

SAMPLE HOLDINGS

HighMark Plus (Active)

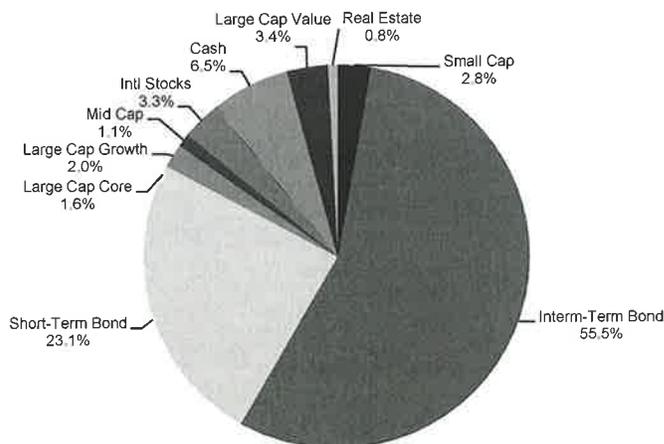
Columbia Contrarian Core Z
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 Dodge & Cox International Stock
 MFS International Growth I
 First American Prime Obligation Z
 Prudential Total Return
 iShares Russell Mid-Cap ETF
 iShares Russell Mid-Cap Value
 Harbor Capital Appreciation
 Schroder Emerging Market Equity
 Dodge & Cox Stock
 Nuveen Real Estate Securities I

Index Plus (Passive)

iShares S&P 500
 iShares S&P 500/Value
 iShares S&P 500/Growth
 iShares Russell 2000 Value
 iShares Russell 2000 Growth
 iShares MSCI EAFE
 iShares Russell Mid-Cap ETF
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Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Conservative active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of June 30, 2016, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to \$12.54 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Free index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of below investment grade segment of the U.S. equity universe. The US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

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HIGHMARK CAPITAL MANAGEMENT

350 California Street
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ABOUT THE ADVISER

HighMark[®] Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than \$14.9 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA[®]

Senior Portfolio Manager
 Investment Experience: since 1994
 HighMark Tenure: since 1997
 Education: MBA, University of Southern California; BA, University of Southern California

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Salvatore "Tory" Milazzo III, CFA[®]

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J. Keith Stribling, CFA[®]

Senior Portfolio Manager
 Investment Experience: since 1985
 HighMark Tenure: since 1995
 Education: BA, Stetson University

Christiane Tsuda

Senior Portfolio Manager
 Investment Experience: since 1987
 HighMark Tenure: since 2010
 Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA[®]

Senior Portfolio Manager
 Investment Experience: since 1987
 HighMark Tenure: since 2007
 Education: BA, University of California, Santa Barbara

Asset Allocation Committee

Number of Members: 16
 Average Years of Experience: 25
 Average Tenure (Years): 12

Manager Review Group

Number of Members: 8
 Average Years of Experience: 18
 Average Tenure (Years): 6

PARS DIVERSIFIED PORTFOLIOS
MODERATELY CONSERVATIVE

Q2 2016

WHY THE PARS DIVERSIFIED MODERATELY CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution
HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

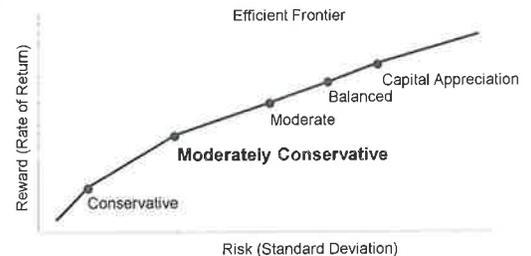
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.



ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	30%
Fixed Income	50 - 80%	65%	66%
Cash	0 - 20%	5%	4%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus (Active)		Index Plus (Passive)	
Current Quarter*	2.10%	Current Quarter*	2.23%
Blended Benchmark**	1.95%	Blended Benchmark**	1.95%
Year To Date*	3.41%	Year To Date*	4.46%
Blended Benchmark*	4.02%	Blended Benchmark*	4.02%
1 Year	2.28%	1 Year	3.53%
Blended Benchmark	3.27%	Blended Benchmark	3.27%
3 Year	4.60%	3 Year	4.93%
Blended Benchmark	5.02%	Blended Benchmark	5.02%
5 Year	4.79%	5 Year	4.91%
Blended Benchmark	5.00%	Blended Benchmark	5.00%
10 Year	5.18%	10 Year	4.85%
Blended Benchmark	5.01%	Blended Benchmark	5.01%

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: 15.5% S&P500, 3% Russell Mid Cap, 4.5% Russell 2000, 2% MSCI EM FREE, 4% MSCI EAFE, 49.25% BC US Agg, 14% ML 1-3 Yr US Corp/Gov't, 1.75% US High Yield Master II, 1% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 25% S&P 500; 1.5% Russell 2000, 3.5% MSCI EAFE, 25% ML 1-3 Year Corp./Govt, 40% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 30% S&P 500, 25% ML 1-3Yr Corp/Gov, 40% BC Agg, and 5% Citi 1 Mth T-Bill.

ANNUAL RETURNS

HighMark Plus (Active)		Index Plus (Passive)	
2008	-15.37%	2008	-12.40%
2009	18.71%	2009	11.92%
2010	10.46%	2010	9.72%
2011	1.75%	2011	3.24%
2012	10.88%	2012	8.24%
2013	7.30%	2013	6.78%
2014	4.41%	2014	5.40%
2015	0.32%	2015	-0.18%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	08/2004	Inception Data	05/2005
No of Funds in Portfolio	19	No of Funds in Portfolio	13

A newly funded account enters a composite after three full months of management and is removed from a composite at the end of the last full month that the account is consistent with the criteria of the composite. Terminated accounts are included in the historical results of a composite through the last full month prior to closing. Composites may include accounts invested in domestic (U.S.) or international (non-U.S.) individual securities, funds, or a combination thereof. Account exclusions based on equity security concentrations are applied quarterly. Employing a construction methodology different from the above could lead to different results.

SAMPLE HOLDINGS

HighMark Plus (Active)

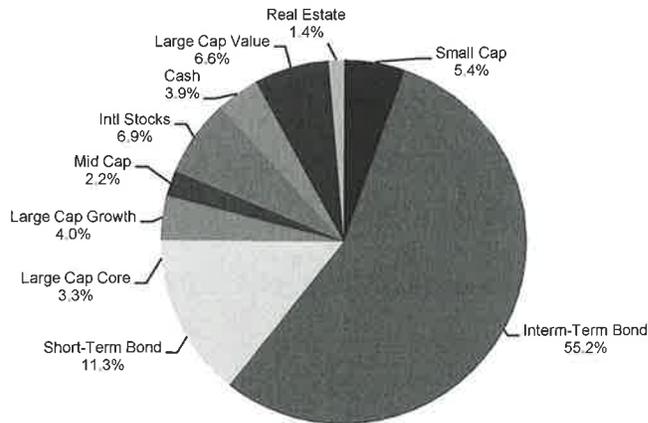
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 iShares S&P 500/Value
 iShares S&P 500/Growth
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STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Moderately Conservative active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

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 Average Years of Experience: 25
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WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

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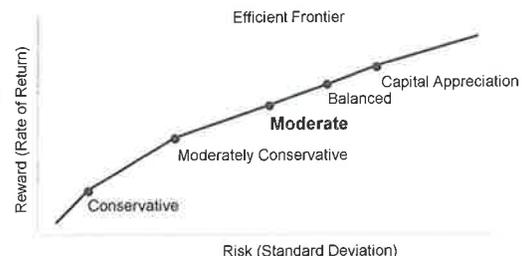
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Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	49%
Fixed Income	40 - 60%	45%	47%
Cash	0 - 20%	5%	4%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus (Active)		Index Plus (Passive)	
Current Quarter*	2.01%	Current Quarter*	2.30%
Blended Benchmark**	2.04%	Blended Benchmark**	2.04%
Year To Date*	2.69%	Year To Date*	3.97%
Blended Benchmark*	3.81%	Blended Benchmark*	3.81%
1 Year	0.71%	1 Year	2.11%
Blended Benchmark	2.36%	Blended Benchmark	2.36%
3 Year	5.36%	3 Year	5.72%
Blended Benchmark	6.20%	Blended Benchmark	6.20%
5 Year	5.76%	5 Year	6.08%
Blended Benchmark	6.50%	Blended Benchmark	6.50%
10 Year	5.16%	10 Year	5.45%
Blended Benchmark	5.29%	Blended Benchmark	5.29%

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM FREE, 6% MSCI EAFE, 33.50% BC US Agg, 10% ML 1-3 Yr US Corp/Gov't, 1.50% US High Yield Master II, 1.75% Waltham REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 43% S&P 500, 2% Russell 2000, 5% MSCI EAFE, 15% ML 1-3 Year Corp./Gov't, 30% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 50% S&P 500, 15% ML 1-3Yr Corp/Gov, 30% BC Agg, and 5% Citi 1 Mth T-Bill.

ANNUAL RETURNS

HighMark Plus (Active)		Index Plus (Passive)	
2008	-22.88%	2008	-18.14%
2009	21.47%	2009	16.05%
2010	12.42%	2010	11.77%
2011	0.55%	2011	2.29%
2012	12.25%	2012	10.91%
2013	13.06%	2013	12.79%
2014	4.84%	2014	5.72%
2015	0.14%	2015	-0.52%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Date	10/2004	Inception Date	05/2006
No of Funds in Portfolio	19	No of Funds in Portfolio	13

A newly funded account enters a composite after three full months of management and is removed from a composite at the end of the last full month that the account is consistent with the criteria of the composite. Terminated accounts are included in the historical results of a composite through the last full month prior to closing. Composites may include accounts invested in domestic (U.S.) or international (non-U.S.) individual securities, funds, or a combination thereof. Account exclusions based on equity security concentrations are applied quarterly. Employing a construction methodology different from the above could lead to different results.

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HighMark Plus (Active)

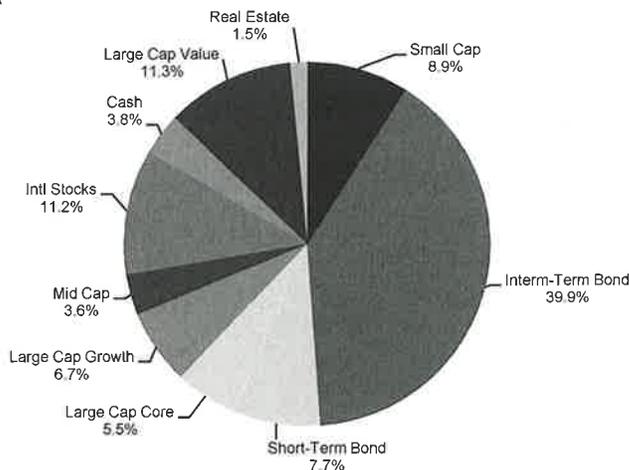
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Number of Members: 16
 Average Years of Experience: 25
 Average Tenure (Years): 12

Manager Review Group

Number of Members: 8
 Average Years of Experience: 18
 Average Tenure (Years): 6

WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

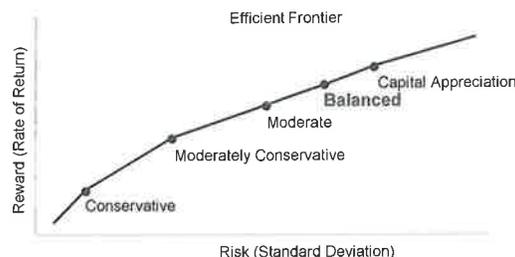
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return.



ASSET ALLOCATION — BALANCED PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	50 – 70%	60%	58%
Fixed Income	30 – 50%	35%	38%
Cash	0 – 20%	5%	4%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus (Active)		Index Plus (Passive)	
Current Quarter*	1.93%	Current Quarter*	2.36%
Blended Benchmark**	2.08%	Blended Benchmark**	2.08%
Year To Date*	2.11%	Year To Date*	3.84%
Blended Benchmark*	3.71%	Blended Benchmark*	3.71%
1 Year	-0.41%	1 Year	1.49%
Blended Benchmark	1.87%	Blended Benchmark	1.87%
3 Year	5.66%	3 Year	6.18%
Blended Benchmark	6.79%	Blended Benchmark	6.79%
5 Year	6.14%	5 Year	6.56%
Blended Benchmark	7.30%	Blended Benchmark	7.30%
Inception to Date (117 Mos.)	4.73%	Inception to Date (105-Mos.)	4.25%
Blended Benchmark	5.47%	Blended Benchmark	4.78%

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: 32% S&P500, 6% Russell Mid Cap, 9% Russell 2000, 4% MSCI EM FREE, 7% MSCI EAFE, 27% BC US Agg, 6.75% ML 1-3 Yr US Corp/Govt, 1.25% US High Yield Master II, 2% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 51% S&P 500, 3% Russell 2000, 6% MSCI EAFE, 5% ML 1-3 Year Corp./Govt, 30% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 60% S&P 500, 5% ML 1-3Yr Corp/Gov, 30% BC Agg, and 5% Citi 1 Mth T-Bill.

ANNUAL RETURNS

HighMark Plus (Active)		Index Plus (Passive)	
2008	-25.72%	2008	-23.22%
2009	21.36%	2009	17.62%
2010	14.11%	2010	12.76%
2011	-0.46%	2011	1.60%
2012	13.25%	2012	11.93%
2013	16.61%	2013	15.63%
2014	4.70%	2014	6.08%
2015	0.04%	2015	-0.81%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	10/2006	Inception Data	10/2007
No of Funds in Portfolio	19	No of Funds in Portfolio	13

A newly funded account enters a composite after three full months of management and is removed from a composite at the end of the last full month that the account is consistent with the criteria of the composite. Terminated accounts are included in the historical results of a composite through the last full month prior to closing. Composites may include accounts invested in domestic (U.S.) or international (non-U.S.) individual securities, funds, or a combination thereof. Account exclusions based on equity security concentrations are applied quarterly. Employing a construction methodology different from the above could lead to different results.

SAMPLE HOLDINGS

HighMark Plus (Active)

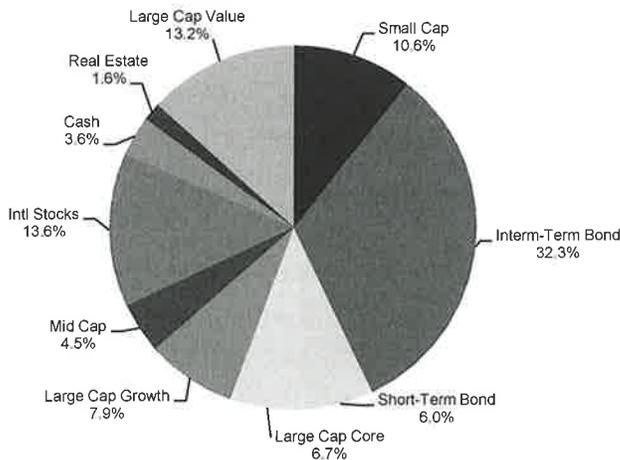
Columbia Contrarian Core Z
 T. Rowe Price Growth Stock
 Columbia Small Cap Value II Z
 T. Rowe Price New Horizons
 Nationwide Baird International Equities
 Nationwide HighMark Bond
 Vanguard Short-Term Invest-Grade Adm
 Loomis Sayles Value Y
 PIMCO Total Return
 Dodge & Cox International Stock
 MFS International Growth I
 First American Prime Obligation Z
 Prudential Total Return
 iShares Russell Mid-Cap ETF
 iShares Russell Mid-Cap Value
 Harbor Capital Appreciation
 Schroder Emerging Market Equity
 Dodge & Cox Stock
 Nuveen Real Estate Securities I

Index Plus (Passive)

iShares S&P 500
 iShares S&P 500/Value
 iShares S&P 500/Growth
 iShares Russell 2000 Value
 iShares Russell 2000 Growth
 iShares MSCI EAFE
 iShares Russell Mid-Cap ETF
 iShares Russell Mid-Cap Value
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Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Balanced active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

The composite name has been changed from PARS Balanced/Moderately Aggressive to PARS Balanced on 5/1/2013. The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of June 30, 2016, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to \$12.54 million after fees (Net-of-Fees) and \$12.75 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

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PARS DIVERSIFIED PORTFOLIOS CAPITAL APPRECIATION

Q2 2016

WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

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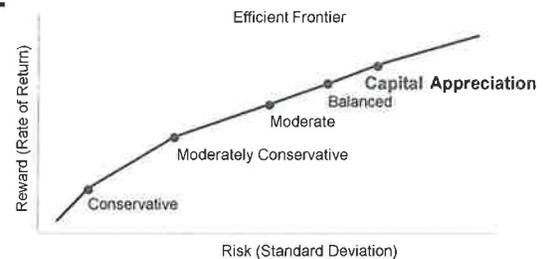
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The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

The primary goal of the Capital Appreciation objective is growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.



ASSET ALLOCATION — CAPITAL APPRECIATION PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	65 - 85%	75%	72%
Fixed Income	10 - 30%	20%	24%
Cash	0 - 20%	5%	4%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Current Quarter*	2.11%
Blended Benchmark**	2.05%
Year To Date*	2.66%
Blended Benchmark*	3.35%
1 Year	-0.39%
Blended Benchmark	0.80%
3 Year	7.11%
Blended Benchmark	7.45%
5 Year	6.94%
Blended Benchmark	7.57%
Inception to Date (90-Mos.)	10.06%
Blended Benchmark	10.95%

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: 39.5% S&P500, 7.5% Russell Mid Cap, 10.5% Russell 2000, 5.25% MSCI EM FREE, 10.25% MSCI EAFE, 16% BC US Agg, 3% ML 1-3 Yr US Corp/Gov't, 1% US High Yield Master II, 2% Wilshire REIT, and 5% Citi 1 Mth T-Bill.

ANNUAL RETURNS

2008	N/A%
2009	23.77%
2010	12.95%
2011	-1.35%
2012	13.87%
2013	20.33%
2014	6.05%
2015	-0.27%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	01/2009	Inception Data	N/A
No of Funds in Portfolio	19	No of Funds in Portfolio	13

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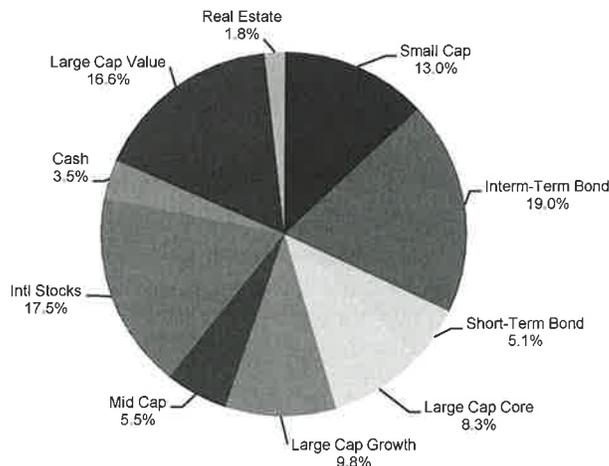
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Columbia Small Cap Value II Z
T. Rowe Price New Horizons
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Nationwide HighMark Bond
Vanguard Short-Term Invest-Grade Adm
Loomis Sayles Value Y
PIMCO Total Return
Dodge & Cox International Stock
MFS International Growth I
First American Prime Obligation Z
Prudential Total Return
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iShares Russell Mid-Cap Value
Harbor Capital Appreciation
Schroder Emerging Market Equity
Dodge & Cox Stock
Nuveen Real Estate Securities I

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AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement ("Agreement") is made this ____ day of _____, 2016, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services and PARS (hereinafter "PARS") and the [Agency Name] ("Agency").

WHEREAS, the Agency has adopted the PARS Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or OPEB obligations ("Plan"), and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services.

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1A" ("Services") in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 1B".
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS' standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency's providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the

Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for non performance of Services to the extent such non performance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
7. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.
8. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.
9. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, employees, agents and attorneys, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, PARS' or Agency's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder.
10. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
12. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by such cause, including but not limited to: any incidence of fire, flood, acts of God, acts of terrorism or war, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.
13. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to, and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
14. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
15. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
 - (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President
 - (B) To Agency: [Agency]; [Address]; [City, State, Zip]; Attention: [Plan Administrator]Notices shall be deemed given on the date received by the addressee.
16. **Term of Agreement.** This Agreement shall remain in effect for the period beginning _____, 2016 and ending _____, 2019 ("Term"). This Agreement may be terminated at any time by giving thirty (30) days written notice to the other party of the intent to terminate. Absent a thirty (30) day written notice to the other party of the intent to terminate, this Agreement will continue unchanged for successive twelve month periods following the Term.
17. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.
18. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or

provision of this Agreement, the remaining terms, conditions and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.

19. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.
20. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.
21. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
22. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

AGENCY:

BY: _____

TITLE: _____

DATE: _____

PARS:

BY: _____
Tod Hammeras

TITLE: Chief Financial Officer _____

DATE: _____

EXHIBIT 1A

SERVICES

PARS will provide the following services for the [Agency Name] Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:
 - (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;
 - (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
 - (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.
2. Plan Administration Services:
 - (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Public Agencies Post-Employment Benefits Trust ("Trustee"), based upon information received from the Agency and the Trustee;
 - (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the Agency and/or Trustee;
 - (C) Coordinating the processing of distribution payments pursuant to authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
 - (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope this Agreement;
 - (E) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
 - (F) Preparing and submitting an annual report of Plan activity to the Agency;
 - (G) Facilitating actuarial valuation updates and funding modifications for compliance with GASB 45/75, if prefunding OPEB obligations;
 - (H) Coordinating periodic audits of the Trust;
 - (I) Monitoring Plan and Trust compliance with federal and state laws.
3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

EXHIBIT 1B
FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

- (A) An annual asset fee paid by the Agency or paid from Plan Assets based on the following schedule:

<u>For Plan Assets from:</u>			<u>Annual Rate:</u>
\$0	to	\$10,000,000	0.25%
\$10,000,001	to	\$15,000,000	0.20%
\$15,000,001	to	\$50,000,000	0.15%
\$50,000,001	and	above	0.10%

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual Rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.

- (B) The annual asset fee referenced above shall be paid as follows:

Annual Asset Fee Payment Option (Please select one option below):

- Annual Asset Fee shall be paid from Plan Assets.
 Annual Asset Fee shall be invoiced to and paid by the Agency.

EXHIBIT 1C
DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information:

1. Executed Legal Documents:
 - (A) Certified Resolution
 - (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
 - (C) Trustee Investment Forms

2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Contribution amount
 - (C) Contribution date
 - (D) Contribution method (Check, ACH, Wire)

3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Payment reimbursement/distribution amount
 - (C) Applicable statement date
 - (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
 - (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)

4. Other information pertinent to the Services as reasonably requested by PARS and Actuarial Provider.

Investment Strategy Selection and Disclosure Form

PARS Pension / OPEB Trust Program

■ This document is entered into by client and U.S. Bank National Association ("U.S. Bank"), as trustee.

■ Employer: _____

■ Plan/Trust Name: Public Agencies Post-Employment Benefits Trust

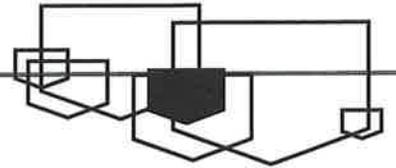
■ To: HighMark Capital Management, Inc. and U.S. Bank:

U.S. Bank has been or is hereby appointed Investment Manager of the above-referenced Plan/Trust. Please invest the assets of the above-referenced Plan/Trust for which you have been appointed Investment Manager in the **(select one of the strategies listed below for each Plan funded by the Trust)**:

DIVERSIFIED PORTFOLIO	<input type="checkbox"/>	OPEB Account	<input type="checkbox"/>	Pension Account	Primary Goal	Strategic Range
	<input type="checkbox"/>	Liquidity Management (US Treasury)	<input type="checkbox"/>	Liquidity Management (US Treasury)	Provide current income with liquidity and stability of principal through investments in short-term U.S. Treasury obligations.	Money Market Fund
	<input type="checkbox"/>	Liquidity Management (Prime Obligation)	<input type="checkbox"/>	Liquidity Management (Prime Obligation)	Generate current income with liquidity and stability of principal.	Money Market Fund
	<input type="checkbox"/>	Conservative HighMark PLUS	<input type="checkbox"/>	Conservative HighMark PLUS	Provide a consistent level of inflation-protected income over the long-term.	Equity: 5-20%
	<input type="checkbox"/>	Conservative Index PLUS	<input type="checkbox"/>	Conservative Index PLUS		Fixed Income: 60-95%
	<input type="checkbox"/>	Moderately Conservative HighMark PLUS	<input type="checkbox"/>	Moderately Conservative HighMark PLUS	Provide current income with capital appreciation as a secondary objective.	Equity: 20-40%
	<input type="checkbox"/>	Moderately Conservative Index PLUS	<input type="checkbox"/>	Moderately Conservative Index PLUS		Fixed Income: 50-80%
	<input type="checkbox"/>	Moderate HighMark PLUS	<input type="checkbox"/>	Moderate HighMark PLUS	Provide current income and moderate capital appreciation.	Equity: 40-60%
	<input type="checkbox"/>	Moderate Index PLUS	<input type="checkbox"/>	Moderate Index PLUS		Fixed Income: 40-60%
	<input type="checkbox"/>	Balanced HighMark PLUS	<input type="checkbox"/>	Balanced HighMark PLUS	Provide growth of principal and income.	Equity: 50-70%
<input type="checkbox"/>	Balanced Index PLUS	<input type="checkbox"/>	Balanced Index PLUS	Fixed Income: 30-50%		
<input type="checkbox"/>	Capital Appreciation HighMark PLUS	<input type="checkbox"/>	Capital Appreciation HighMark PLUS	Primary goal is growth of principal.	Equity: 65-85%	
<input type="checkbox"/>	Capital Appreciation Index PLUS	<input type="checkbox"/>	Capital Appreciation Index PLUS		Fixed Income: 10-30%	
<input type="checkbox"/>	Custom	<input type="checkbox"/>	Custom	Specify:	Cash: 0-20%	

Note: HighMark PLUS portfolios are diversified portfolios of actively managed mutual funds. Index PLUS portfolios are diversified portfolios of Index-based mutual funds or exchange-traded funds.

Acknowledged and Approved	
_____	_____
Authorized Signer	Title
_____	_____
Print Name	Date



**DISCRETIONARY TRUSTEE
FEE SCHEDULE**

**PARS SECTION 115 POST-EMPLOYMENT
BENEFITS TRUST PROGRAM**

This document is entered into by client and U.S. Bank National Association ("U.S. Bank"), as trustee.

ANNUAL FEES

TRUST/CUSTODY FEES

- All Plan assets - waived

INVESTMENT MANAGEMENT FEES

Investment Management Fees are based on the Investment Strategy you select. Following is a list of the Investment Management Fees applicable to each Investment Strategy:

- **Liquidity — First American U.S. Treasury Money Market** – Fund level fees only (see prospectus)
- **Liquidity — First American Prime Obligation Fund Class Z** – Fund level fees only (see prospectus)
- **Diversified Portfolios (Conservative, Moderately Conservative, Moderate, Balanced, Capital Appreciation)**

Per Annum Charges*

.35% on the first	\$ 5,000,000
.25% on the next	\$ 5,000,000
.20% on the next	\$ 5,000,000
.15% on the next	\$35,000,000
.10% on all over	\$50,000,000

*waived for plan assets invested in First American and Nationwide/HighMark funds where HighMark Capital Management is the sub-adviser of the fund.

OTHER FEES

- First American Mutual Funds – See Prospectus

PAYMENT OF FEES

Market values used for fee calculations on fee invoices may differ slightly from market values on client statements due to posting of accruals, late pricing of securities and/or other timing issues.

Fees are calculated and charged to the account monthly. If account cannot be charged after 30 days, fees not paid will be subject to a late charge of 1% per month on the unpaid balance. Changes to this Fee Schedule may be made at any time by U.S. Bank upon reasonable notice.

ACKNOWLEDGED AND APPROVED

Name of Trust		Name of Plan	
Name of Authorized Signer		Title	
Signature of Authorized Signer		Date	



Staff Report

TO: Honorable Mayor and Members of the City Council

FROM: Alex Meyerhoff, City Manager *A*
 Deanna Elliano, Director of Community Development *DE*
 Scott Brown, Fire Chief *SB*

DATE: October 25, 2016

RE: **Municipal Code Amendment (MCA 16-001) to Chapter 14 (Buildings and Building Regulations)**: An ordinance to adopt by reference the 2016 California Building Standards Code (California Code of Regulations, Title 14), re-adoption of various other uniform Building and Fire Codes, and local amendments thereto pursuant to Ordinance Bill No. 16-086

RECOMMENDATION:

That the City Council:

1. Introduce by title only, and waive further reading of Ordinance Bill No. 16-086. approving amendments to Chapter 14 of the Hemet Municipal Code, incorporating by reference the 2016 California Building Standards Code and various other uniform Building and Fire Codes, and local amendments thereto; and
2. Direct staff to set the proposed ordinance for second reading at a noticed public hearing pursuant to Government Code Section 6066, for the November 15, 2016 City Council Meeting

BACKGROUND:

California Health and Safety Code section 17922 requires the City to adopt by reference the California Building Standards Code (Title 24 of the California Code of Regulations) (hereinafter "CBSC"). The CBSC is the established minimum regulations for the design and construction of buildings and structures in California. The California Building Standards Commission updates the CBSC every three years. The Commission recently completed the revision cycle and published the 2016 CBSC this past July. The 2016 CBSC will take effect statewide on January 1, 2017. The proposed ordinance adopts the new statewide 2016 California Building Standards Code, and re-adopts other

existing standard codes that are currently part of Chapter 14 of the Hemet Municipal Code regarding buildings and construction.

In addition to requiring the City to adopt the CBSC, state law also authorizes local agencies to make amendments to the Code that apply within their jurisdiction. Health and Safety Code sections 17958.5 and 18945 provide that the City may make local amendments to the "building standards" contained in the Code if the City makes express findings that the amendments are reasonably necessary due to local climatic, geological or topographical conditions. Health and Safety Code section 18909(a) defines "building standard" as any regulation that "specifically regulates, requires, or forbids the method of use, properties, performance, or types of materials used in the construction, alteration, improvement, repair, or rehabilitation of a building, structure, factory-built housing, or other improvement to real property, including fixtures therein and as determined by the Commission." Subsection (c) of Section 18909 clarifies that regulations relating to the implementation and enforcement of building standards that are "procedural ordinances by a City or the public agency relating to civil, administrative, or criminal procedures and remedies available for enforcing code violations" are not building standards, and thus do not require that the City make express findings for these administrative amendments.

ORDINANCE DESCRIPTION:

The 2016 California Building Standards Code made only minor modifications and additions to the previously adopted 2013 Code.

The proposed ordinance adopts by reference the 2016 CBSC and makes local amendments to the CBSC. Detailed below are new local revisions and changes made to the previously adopted code in addition to the State of California adopted code. Several of the local amendments are administrative in nature, and do not result in any new or additional construction requirements.

1) Local Building Code Amendments:

- Section 505 Working Hours: The City of Hemet previously had construction hours in the noise ordinance. During a previous change to that ordinance, the construction hours were deleted. Therefore, they have relocated into the administrative portion of the code. The working hours are comprised of 6:00 a.m – 6:00 p.m. during the months of June through September and between the hours of 7:00 a.m. – 6:00 p.m. during the months of October through May and on Saturdays. Sunday construction hours are prohibited. Exceptions can be made by the Building Official or City Council.

2) Local Fire Code Amendments:

- Fire Sprinkler Requirements: In previous code amendments the square footage limits were lowered to 3,500 sq. ft. for when the requirement for fire sprinklers to be installed in new building was triggered. It is our

proposal to return to the State adopted square footage, which brings the City of Hemet in line with most other California cities. These square footage requirements average around 12,000 sq. ft. for most occupancies. For high-hazard occupancies, the square footages were unchanged in the previous code cycle.

- Building Addressing: Lack of proper addressing of properties in the City of Hemet is an issue. Having legible addressing that can be seen by public safety personnel can increase the response time when minutes count. As an added benefit, properly addressed buildings assist our citizens and visitors in being able to locate the address they are seeking. The proposal requires the following:
 - Minimum 6" high numbers for commercial and industrial properties,, residential would remain at 4".
 - Commercial and industrial properties shall be 1/10 taller than the setback distance measured in feet, expressed in inches plus 2". For example if the setback was 60 feet, 1/10 of 60 feet is 6 feet, converted to inches, plus 2" would be 8" high numbers.
 - Multi-Family would require 12" building numbers with 6" walkway address, if applicable and 4" apartment addressing.
 - Location of the address shall be on the upper ¼ portion of the building.
 - The address must be illuminated during evening hours.
 - The address shall contrast with the background on which it is affixed.
 - Material used shall be a weather-resistant material.

Section 505 of the California Fire Code regulations, only require 4" high numbers which are not legible from many of the City of Hemet roadways because the buildings are set-back from the main street. These regulations have already been put into practice for many of our new buildings during the permit approval process. These requirements are consistent with most other local agencies in the region.

COORDINATION AND PUBLIC REVIEW:

The proposed ordinance and the incorporation of the 2016 California Building Standards Code, uniform codes, appendices, and amendments was reviewed and recommended by the City of Hemet Building Official, Fire Chief, Community Development Director, and City Attorney's office. Any amendments or exceptions to the uniform codes were determined to be in the public health and safety for the citizens of Hemet, and the protection of public and private property. Pursuant to California Government Code Section 6066, the City is required to set a noticed public hearing for the ordinance after the first reading, and make the ordinance available for public review for a minimum of two weeks prior to adoption of the ordinance at second reading. If introduced for first reading on October 25, 2016, the public hearing is intended to be advertised for the November 15, 2016 meeting of the City Council, and will provide an approximate three-week period for public review and comment. The draft ordinance is available for public

review on the City's website, at the City Clerk's office, and at the Building Division public counter.

CONSISTENCY WITH ADOPTED GOALS, PLANS AND PROGRAMS:

The proposed ordinance and code updates are consistent with the City's 2030 General Plan Implementation Programs PS-P-6 and PS-P-15, regarding the adoption and enforcement of Uniform Building Code updates and fire protection codes and standards.

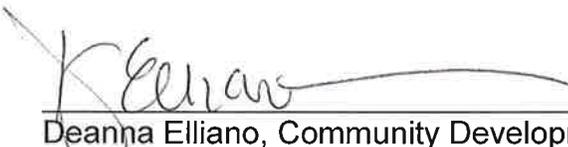
CEQA REVIEW AND COMPLIANCE:

The City has analyzed this proposed project and has determined that it is exempt from the California Environmental Quality Act ("CEQA") under section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The ordinance does not relate to any physical project and will not result in any physical change to the environment, and in fact the ordinance seeks to enhance public safety and protect property from the potential effects of earthquakes, subsidence, high winds, and fire. Therefore, it can be seen with certainty that there is no possibility that this Ordinance may have a significant adverse effect on the environment and, therefore, the adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b) (3) of the CEQA Guidelines.

FISCAL IMPACT:

The adoption of the ordinance has no fiscal impact.

Respectfully submitted,



Deanna Elliano, Community Development Director



Sara Retmier, Building Official

Attachment:

1. Proposed Ordinance Bill No 16-086, Amendments to Chapter 14 of the Hemet Municipal Code.



CITY OF HEMET
Hemet, California
ORDINANCE BILL NO. 16-086

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA, AMENDING CHAPTER 14, BUILDINGS AND BUILDING REGULATIONS, OF THE HEMET MUNICIPAL CODE AND ADOPTING BY REFERENCE PARTS 1 THROUGH 12 OF TITLE 24 OF THE CALIFORNIA CODE OF REGULATIONS, AND THE 1997 UNIFORM HOUSING CODE, 1997 UNIFORM CODE FOR THE ABATEMENT OF DANGEROUS BUILDINGS, 1997 UNIFORM SIGN CODE, 2009 UNIFORM SOLAR ENERGY CODE, 2009 UNIFORM SWIMMING POOL, SPA AND HOT TUB CODE, AND 2012 INTERNATIONAL FIRE CODE, AS AMENDED BY THE CITY COUNCIL, BASED ON THE COUNCIL'S FINDING THAT LOCAL CLIMATIC, GEOLOGICAL OR TOPOGRAPHICAL CONDITIONS RENDER THE LOCAL AMENDMENT REASONABLY NECESSARY.

WHEREAS, California Health and Safety Code sections 17922 and 17958, and Government Code section 50022.1 *et seq.* authorize and require the City to adopt by reference the California Building Standards Code as set forth in Title 24 of the California Code of Regulations; and,

WHEREAS, California Health and Safety Code section 17958.5 authorizes the City to adopt amendments to the building standards contained in the California Building Standards Code if the City makes express findings that the amendments are reasonably necessary because of local climatic, geological, or topographical conditions; and,

WHEREAS, California Health and Safety Code section 18909(c) provide that amendments relating to civil, administrative, or criminal procedures and remedies available for enforcing violations of the 2016 California Building Standards Code are not amendments to "building standards," and the City may adopt such amendments without making express findings; and,

1 **WHEREAS**, the California Building Standards Commission has published the
2 2016 California Building Standards Code, which shall take effect on January 1, 2017.

3 **WHEREAS**, the City has previously adopted by reference and made local
4 amendments to previous versions of the California Building Standards Code, codified in
5 Article II of Chapter 14 of the Hemet Municipal Code; and,

6 **WHEREAS**, the City desires to amend Article II of Chapter 14 of the Hemet
7 Municipal Code to adopt by reference and make certain local amendments to the 2016
8 California Building Standards Code; and,

9 **WHEREAS**, Health and Safety Code section 17958.7 provides that the local
10 amendments set forth in this ordinance shall not become effective until a copy of the
11 express findings justifying each of the local amendments has been filed with the
12 California Building Standards Commission; and,

13 **WHEREAS**, at least one full, true, and correct copy, as certified by the City Clerk,
14 of the 2016 California Building Standards Code has been filed in the office of the City
15 Clerk in accordance with the provisions of Government Code Section 50022.6; and

16 **WHEREAS**, pursuant to Government Code section 50022.3, the City Council has
17 conducted a duly noticed public hearing regarding this ordinance; and,

18 **NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF HEMET DOES**
19 **ORDAIN AS FOLLOWS:**

20 **SECTION 1: FINDINGS OF FACT.** Based on the whole record before it, the City
21 Council finds that the local amendments to the building standards contained in Title 24
22 set forth in Section 3 of this ordinance are reasonably necessary because of the
23 following determinations due to local climatic, geological, or topographical conditions:

- 24 1. The amendments to 2016 California Building Code sections 406.3.4, [F]903.2
25 through [F]903.2.10, and 1505.6, and the amendment to 2016 California
26 Residential Building Code section R105.2 and Table R301.2(1), the amendments
27 to 2016 California Fire Code Appendix B are all justified by the following local
28 geological, topographical and climatic conditions:

1 The City of Hemet receives relatively low amounts of precipitation, low humidity
2 and high temperatures. Normal prevailing winds in the afternoon often reach 15 to 20
3 miles per hour. Strong winds commonly referred to as Santa Ana Winds have reached
4 speeds up to 60 miles per hour in the San Jacinto Valley during various months of past
5 years. Damage that can occur during such winds includes: downed trees, utility poles,
6 utility circuits and lines. These conditions create increased fire hazards, and cause
7 small fires to grow rapidly. These amendments will create increased on-site fire
8 protection, and protect against accidental wildfires caused by fireworks. The
9 amendment to 2016 California Residential Building Code section R105.2 will enhance
10 the Fire Department's ability to respond to fires by increasing access to enclosed areas.

11 1.The amendments to 2016 California Building Code Appendix J, section J110.1
12 and J110.8 are justified by the following local geological, topographical and climatic
13 conditions:

14 The City of Hemet receives relatively low amounts of precipitation, low humidity
15 and high temperatures. Normal prevailing winds in the afternoon often reach 15 to 20
16 miles per hour. Strong winds commonly referred to as Santa Ana Winds have reached
17 speeds up to 60 miles per hour in the San Jacinto Valley during various months of past
18 years. Damage that can occur during such winds includes: downed trees, utility poles,
19 utility circuits and lines. These amendments respond to these issues by increasing the
20 requirements for landscaping to be water-efficient, and to control the erosion and
21 sediment that results from these conditions.

22 2.The amendments to 2016 California Existing Building Code section A115.1
23 through A115.2 and 2016 California Residential Building Code Table R301.2(1) are
24 justified by the following local geological, topographical and climatic conditions:

25 Within the Hemet City limits there is an active earthquake fault called the San
26 Jacinto Fault. This fault has produced earthquakes in the past, which severely damaged
27 the City. There are also other faults in the adjacent areas, including the San Andreas
28 Fault. In the event of a severe earthquake, these faults present the potential for

1 catastrophic damage. These amendments aim at reducing the potential for damage by
2 ensuring that the existing buildings that present the greatest threat of damage in the
3 event of an earthquake are identified, analyzed, and made safer.

4 3. The remainder of the amendments made by this ordinance are to
5 administrative in nature and findings are not required to make these amendments.

6 **SECTION 2: 2016 CALIFORNIA BUILDING STANDARDS CODE ADOPTED.** The
7 City Council of the City of Hemet hereby adopts by reference the 2016 California
8 Building Standards Code, contained in Parts 1 through 12 of Title 24 of the California
9 Code of Regulations, in its entirety except as amended by Section 3 of this ordinance.

10 **SECTION 3: AMENDMENT OF ARTICLE II OF CHAPTER 14 OF THE HEMET**
11 **MUNICIPAL CODE.** Article II of Chapter 14 of the Hemet Municipal Code is hereby
12 amended and shall read in its entirety as shown in Exhibit A.

13 **SECTION 4: NOTIFICATION OF BUILDING STANDARDS COMMISSION.** The City
14 Council of the City of Hemet hereby authorizes and directs the City Clerk to file a copy
15 of this ordinance with the California Building Standards Commission.

16 **SECTION 5: SEVERABILITY.**

17 If any section, subsection, subdivision, sentence, clause, phrase, or portion of
18 this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of
19 any court of competent jurisdiction, such decision shall not affect the validity of the
20 remaining portions of this Ordinance. The City Council hereby declares that it would
21 have adopted this Ordinance, and each section, subsection, subdivision, sentence,
22 clause, phrase, or portion thereof, irrespective of the fact that any one or more sections,
23 subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared
24 invalid or unconstitutional.

25 **SECTION 6: EFFECTIVE DATE.**

26 This Ordinance shall take effect January 1, 2017.
27
28

1 **SECTION 7:PUBLICATION.**

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

7
8 **INTRODUCED** at the regular meeting of Hemet City Council on _____ 2016.

9 **APPROVED AND ADOPTED** this ___ day of _____ 2016.

10
11 _____
12 **Bonnie Wright, Mayor**

13
14 **ATTEST:**

13 **APPROVED AS TO FORM:**

15 _____
16 **Sarah McComas, City Clerk**

15 _____
16 **Eric S. Vail, City Attorney**

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

4 I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing
5 Ordinance was introduced and first read on the ___ day of _____ 2016, and had
6 its second reading at the regular meeting of the Hemet City Council on the ___ day of
7 _____, 2016, and was passed by the following vote:

8 **AYES:**

9 **NOES:**

10 **ABSTAIN:**

11 **ABSENT:**

12

13 Sarah McComas, City Clerk

14

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EXHIBIT A

CHAPTER 14

BUILDINGS AND BUILDING REGULATIONS

ARTICLE II. UNIFORM CODES

Division 1. Generally

Sec. 14-31. Codes Adoption.

The 2016 California Building Standards Code, as set forth in Parts I through 12 of Title 24 of the California Code of Regulations, and as such Code may be amended from time to time; the "Uniform Housing Code", 1997 Edition; the "Uniform Code for the Abatement of Dangerous Buildings," 1997 Edition; the "Uniform Sign Code," 1997 Edition; the "Uniform Solar Energy Code," 2009 Edition; the "Uniform Swimming Pool, Spa and Hot Tub Code," 2009 Edition; and the "International Fire Code," 2012 Edition are hereby adopted together with certain amendments, deletions, additions, and exceptions, including fees and penalties.

Secs. 14-32 – 14-34. Reserved.

Division 2. California Administrative Code

Sec. 14-35. Adoption.

The 2016 California Administrative Code, as set forth in Part 1 of Title 24 of the California Code of Regulations, as such code may be amended from time to time, except as hereinafter amended by this Division, is adopted by reference as the administrative code of the City.

Secs. 14-36 – 14-39. Reserved.

Division 3. California Building Code

Sec. 14-40. Adoption.

The 2016 California Building Code, codified in Part 2 of Title 24 of the California Code of Regulations, including Appendix Chapters C, G, I, and J, as such code may be amended from time to time, except as hereinafter amended by this division, is adopted by reference as the building code of the city.

Sec. 14-41. Amendments

Building heading in Subsection 105.2 of Section 105 of Chapter 1, Division II of the California Building Code, 2016 Edition, is amended to read as follows:

Building:

1. One-story detached accessory structures used as tool and storage sheds, playhouses and similar uses, provided the floor area does not exceed 120 square feet (11.15m²) and all setbacks per the Hemet municipal code are adhered to.
2. Oil derricks.

3. Retaining walls, concrete and masonry fences that are not over 2 feet in height measured from the top of the footing to the top of the wall, unless supporting a surcharge or impounding Class I, II or IIIA liquids.
4. Water tanks supported directly upon grade if the capacity does not exceed 5,000 gallons (18 925 L) and the ratio of height to diameter or width does not exceed 2:1.
5. Sidewalks and walks not more than 30 inches (762 mm) above adjacent grade, and not over any basement or story below and are not part of an accessible route.
6. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.
7. Temporary motion picture, television and theater stage sets and scenery.
8. Prefabricated swimming pools accessory to a Group R-3 occupancy that are less than 24 inches (610 mm) deep, are not greater than 5,000 gallons (18 925 L) and are installed entirely above ground.
9. Shade cloth structures constructed for nursery or agriculture purposes, not including service systems.
10. Swings and other playground equipment accessory to detached one- and two-family dwellings.
11. Window awnings in Group R-3 and U occupancies, supported by an exterior wall that do not project more than 54 inches (1372 mm) from the exterior wall and do not require additional support.
12. Non fixed and movable fixtures, cases, racks, counters and partitions not over 5 feet 9 inches (1753 mm) in height.

Subsection 105.5, of Section 105 of Chapter 1, Division II of the California Building Code, 2016 Edition, is amended to read as follows:

Expiration. Every permit issued by the building official shall expire by limitation and become null unless work for which the permit was issued has not commenced within 180 days from the date of such permit, or if the building or work authorized by such permit is suspended or abandoned at any time after the work is commenced and no inspection of significant progress (as determined by the building official) is obtained for a period of 180 days. Before such work can be recommenced, a new permit shall be first obtained to do so, and the fee therefore shall be one half the amount required for a new permit for such work, provided no changes have been made or will be made in the original plans and specifications for such work; and provided further that such suspension or abandonment has not exceeded one year. In order to renew action on a permit after one year, the permittee shall pay a new full permit fee.

Exceptions:

1. Demolition and moving permits shall be valid for a period not to exceed 60 days.
2. A permittee holding an unexpired permit may apply for an extension of the time when the permittee is unable to commence work within the time required by this section for good and satisfactory reasons. The building official may extend the time for action by the permittee for a period not exceeding 180 days upon written request by the permittee showing that circumstances beyond the control of the permittee have prevented action from being taken. Permits shall not be extended more than once.
3. Permits issued for work started prior to obtaining a building permit as required under section 105.1 shall be valid for a period not to exceed 30 days. If an inspection(s) are performed that can verify compliance with all code requirements at the current stage of construction, therein after the permit will be automatically extended per section 105.5

Subsection 105.6 of Section 105 of Chapter 1, Division II of the California Building Code, 2016 Edition, is amended by adding a new subsection 105.6.1 to read as follows:

105.6.1. Unfinished buildings and structures. Whenever the building official determines by inspection that work in or on any building or structure for which a permit has been issued and the work started thereon has been suspended for a period 180 days or more, the owner of the property upon which such building or structure is located or other person or agent of control of said property, upon receipt of notice in writing from the building official to do so, shall, within 60 days from the date of such written notice, obtain a new permit to complete the required work and diligently pursue the work to completion or shall remove or demolish the building or structure within 90 days from the date of written notice.

Subsection 109.2 of Section 109 of Chapter 1, Division II of the California Building Code, 2016 Edition, is amended to read as follows:

109.2 Schedule of permit fees. On buildings, structures, electrical, gas, mechanical and plumbing systems or alterations requiring a permit, a fee for each permit shall be paid as required, in accordance with the City of Hemet, Building Division Schedule of Fees and Charges.

Subsection 109.4 of Section 109 of Chapter 1, Division II of the California Building Code, 2016 Edition, is amended to read as follows:

109.4. Work commencing before permit issuance. Any person who commences any work on a building, structure, electrical, gas, mechanical or plumbing system before obtaining the necessary permits shall be subject to a special investigation fee. The special investigation fee shall be double the permit fee. This fee shall be in addition to the required permit fees. The special investigation fee shall be made before a permit may be issued for such work.

Subsection 109.6 of Section 109 of Chapter 1, Division II of the California Building Code, 2016 Edition, is amended to read as follows:

109.6 Refunds. The building official may authorize refunding of any fee paid hereunder in the following situations.

1. Wherein a fee was erroneously paid or collected.
2. The building official may authorize refunding of not more than 75 percent of the permit application fee when an application for a permit is withdrawn or canceled before any plan review is done.
3. The building official may authorize refunding of not more than 75 percent of the permit fee when an application for permit is withdrawn or canceled before any inspections are performed.

The building official shall not authorize refunding of any fee paid except on written application filed by the original applicant not later than 180 days after the date of fee payment. Except for the refunding of fees paid in error, no refund of permit or plan review fees shall be made where the permit or plan review fee paid is \$100.00 or less.

Section 109 of Chapter 1, Division II of the California Building Code, 2016 Edition, is amended by adding a new subsection 109.7 to read as follows:

109.7 Plan Review Fees. On buildings, structures, electrical, gas, mechanical and plumbing systems or alterations requiring a plan review, a fee for each plan review shall

be paid as required in accordance with the City of Hemet, Building Division Schedule of Fees and Charges. Upon submittal construction documents, this fee shall be due and payable before the construction documents will be reviewed.

The plan review fees specified in this subsection are separate fees from the permit fees specified in Section 109.2 and are in addition to the permit fees.

When plans require three (3) or more reviews, are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in the City of Hemet, Building Division Schedule of Fees and Charges.

Section 109 of Chapter 1, Division II of the California Building Code, 2016 Edition, is amended by adding a new subsection 109.8 to read as follows:

109.8 Special Investigation Fees: Whenever any work for which a permit is required by this code has been commenced without first obtaining said permit, a special investigation shall be made before a permit may be issued for such work. An investigation fee, in addition to the permit fee, shall be collected whether or not a permit is then or subsequently issued. The investigation fee shall be twice the amount of all permit fees, required by this code. The minimum investigation fee shall be the same as the minimum fee set forth in the current City of Hemet, Building Division Schedule of Fees and Charges. The payment of such investigation fee shall not exempt any person from compliance with all other provisions of this code nor from any penalty prescribed by law.

Section 111 of Chapter 1, Division II of the California Building Code, 2016 Edition is amended by adding subsection 111.5 to read as follows:

111.5 Expiration. Every application for Certificate of Occupancy shall become invalid unless an inspection of the business is performed within 60 days after the application date. The building official is authorized to grant, in writing, one or more extensions of time, for periods not more than 60 days each. The extension shall be requested in writing and justifiable cause demonstrated. This provision shall not be perceived as to allow a business to conduct business without first being issued a Certificate of Occupancy.

Section 111 of Chapter 1, Division II of the California Building Code, 2016 Edition is amended by adding subsection 111.6 to read as follows:

111.6 Certificate of Occupancy Fee. On buildings, structures, and areas requiring a certificate of occupancy under Section 111.1 a fee for each application shall be paid as required in accordance with the City of Hemet, Building Division Schedule of Fees and Charges. Upon all required submittal documents, this fee shall be due and payable at time of application submittal.

Subsection 113.1 of Section 113 of Chapter 1, Division II of the California Building Code, 2016 Edition is amended to read as follows:

113.1 General. In order to hear and decide appeals of orders, decisions or determinations made by the building official relative to the application and interpretations of this Code, there shall be and is hereby created a Board of Appeals consisting of five members who are qualified by experience and training to pass upon matters pertaining to building construction and who are not employees of the jurisdiction. The Building Official shall be an ex officio member and shall act as secretary to said Board, but shall have no vote upon any matter before the Board. The Board of Appeals shall be appointed by the City Council and shall hold office at its pleasure. The Board shall adopt

rules of procedure for conducting its business and shall render all decisions and findings in writing to the appellant with a duplicate copy to the building official.

Subsection 113.2 of Section 113 of Chapter 1, Division II of the California Building Code, 2016 Edition is amended to read as follows:

113.2 Limitations of Authority. The Board of Appeals shall have no authority relative to interpretation of administrative provisions of this Code, nor shall the Board be empowered to waive requirements of this Code.

Subsection 113.3 of Section 113 of Chapter 1, Division II of the California Building Code, 2016 Edition is amended to read as follows:

113.3 Appeal hearing fee. A fee, as provided in the current City of Hemet, Building Division Schedule of Fees and Charges, shall accompany an application for a hearing before the Board of Appeals.

Section 113.4 of Chapter 1, Division II of the California Building Code, 2016 Edition, is amended by adding a new subsection 113.4 to read as follows:

113.4 Special purposes members. For the purpose of appeals to the standards of Title 24 of the California Code of Regulations affecting accommodations for persons with disabilities, two (2) members shall be added who shall have a disability as defined by Section 202 of the California Building Code, 2016 Edition.

Section 113.5 of Chapter 1, Division II of the California Building Code, 2016 Edition, is amended by adding a new subsection 113.5 to read as follows:

113.5 Notice of appeal. Within the limitations provided for below, a person aggrieved by any order, act or determination of the building official or his subordinates, may appeal therefrom to the board of appeals. The appeal shall be taken by filing a written notice of appeal within 15 days, exclusive of holidays, after the date of making the order or determination or performing the act and by paying the appeal hearing fee. The notice of appeal must be in writing on a form provided by the city, and the notice must be filed and the fee paid at the office of the building official. The notice of appeal shall be sufficient if it identifies the act, order or determination appealed from and stated wherein it is erroneous or invalid. The operation of the act, order, or determination appealed from is suspended by the filing of the notice of appeal and upon the determination of the appeal or termination of proceedings thereunder.

Section 113.6 of Chapter 1, Division II of the California Building Code, 2016 Edition, is amended by adding a new subsection 113.6 to read as follows:

113.6. The chairman of said board shall fix the time and place of hearing the appeal. The date of hearing shall not be less than five days nor more than 15 days after the date of filing the notice of appeal, and the hearing must not be postponed for more than ten days without good and sufficient cause. The board shall give written notice of the time and place of such hearing to the appellant and the officer or head of the department or division whose act, order, or determination is appealed from. Witnesses may be sworn and examined and evidence produced by interested parties, who may appear in person or by attorney. The board shall keep a record of each appeal and proceedings thereunder. At the conclusion of the hearing, the board shall prepare and file its written findings and decision. The affirmative vote of two-thirds of the board is necessary to modify or reverse the order, act or determination appealed from. The failure of the board

to file its findings and decisions within five days after termination of the hearing shall result in the automatic confirmation of the order, act or determination appealed from.

Section 113.7 of Chapter1, Division II of the California Building Code, 2016 Edition, is amended by adding a new subsection 113.7 to read as follows:

113.7 Any person aggrieved or affected by a decision of the board may appeal to the city council from such decision at any time within ten days after the date upon which the board announces its decision or loses jurisdiction. An appeal to the city council shall be taken by filing a letter of appeal with the building division and by concurrently paying to such division an appeal hearing fee in the amount established by Table A. Such letter shall set forth the grounds upon which the appeal is based. Within 15 days after the receipt of the letter of appeal and the filing fee, the building division shall transmit to the city council the letter of appeal and the record of appeal at the board and the board's findings and decision. The city council may affirm, reverse, or modify the decision of the board.

Section 113.8 of Chapter1, Division II of the California Building Code, 2016 Edition, is amended by adding a new subsection 113.8 to read as follows:

113.8 In the event the board as established in Section 113.1 herein above should for any reason not be appointed by the city council or cease to exist after such appointment, the city council may serve as the board of appeals.

Section 114.5 of Chapter 1, Division II of the California Building Code, 2016 Edition is amended by adding a new subsection 114.5 to read as follows:

114.5 Violation penalties. Any person, firm or corporation violating any of the provisions, regulations, requirements, additions, amendments and/or deletions of this code is guilty of a misdemeanor and the penalty for such a misdemeanor shall be as set forth in Chapter 1-8 of the Hemet Municipal Code.

Subsection 114.5.1 of Section 114 of Chapter 1, Division II of the California Building Code, 2016 Edition is amended by adding a new subsection 114.5.1 to read as follows:

114.5.1 In addition thereto, violation of this code is declared to be a public nuisance, and the city attorney may institute necessary legal procedures for the abatement, removal or the enjoinder thereof in the manner provided by law, or may take such other steps as he or she deems necessary to accommodate these ends.

Subsection 116.6.1 of Section 116 of Chapter1, Division II of the California Building Code, 2016 Edition, is amended by adding a new subsection 116.6.1 to read as follows:

116.6.1 Intent. This section establishes standard placards to be used to indicate the condition of a structure for continued occupancy. The section further authorizes the building official and his or her authorized representatives to post the appropriate placard at each entry point to a building or structure upon completion of a safety assessment.

Subsection 116.6.2 of Section 116 of Chapter1, Division II of the California Building Code, 2016 Edition, is amended by adding a new subsection 116.6.2 to read as follows:

116.6.2. Application of provisions. The provisions of this section are applicable to all buildings and structures and all occupancies regulated by the city. The council may extend the provisions as necessary.

Subsection 116.6.3 of Section 116 of Chapter1, Division II of the California Building Code, 2016 Edition, is amended by adding a new subsection 116.6.3 to read as follows:

116.6.3. Definitions. "Safety assessment" means a visual, nondestructive examination of a building or structure for the purpose of determining the condition of the building or structure for continued occupancy.

Subsection 116.6.4 of Section 116 of Chapter1, Division II of the California Building Code, 2016 Edition, is amended by adding a new subsection 116.6.4 to read as follows:

116.6.4. Placards.

1. The following are verbal descriptions of the official jurisdiction placards to be used to designate the condition for continued occupancy of buildings or structures. Copies of actual placards are attached to the ordinance codified in this chapter and adopted by reference.

a. "INSPECTED - Lawful Occupancy Permitted" (Green Placard) is to be posted on any building or structure wherein no apparent structural hazard has been found. This placard is not intended to mean that there is no damage to the building or structure.

b. "RESTRICTED USE" (Yellow Placard) is to be posted on each building or structure that has been damaged wherein the damage has resulted in some form of restriction to the continued occupancy. The individual who posts this placard will note in general terms the type of damage encountered and will clearly and concisely note the restrictions on continued occupancy.

c. "UNSAFE - Do Not Enter or Occupy" is to be posted on each building or structure that has been damaged such that continued occupancy poses a threat to life safety. Buildings or structures posted with this placard shall not be entered under any circumstance except as authorized in writing by the building official, or his or her authorized representative. Safety assessment teams shall be authorized to enter these buildings at any time. This placard is not to be used or considered as a demolition order. The individual who posts this placard will note in general terms the type of damage encountered.

2. The number of the ordinance codified in this section, the name of the jurisdiction, its address and phone number shall be permanently affixed to each placard.

3. Once it has been attached to a building or structure, a placard is not to be removed, altered or covered until done so by an authorized representative of the building official. It is unlawful for any person, firm or corporation to alter, remove, cover or deface a placard unless authorized pursuant to this section.

Subsection 116 of Section 116 of Chapter1, Division II of the California Building Code, 2016 Edition, shall be deleted:

Chapter 1 of the California Building Code, 2016 Edition is amended by adding Section 117 to read as follows:

Section 117 Rubbish and Debris

117.1 Rubbish and Debris. Every person who constructs, alters, adds to, rehabilitates, places or repairs any building structure or building service equipment is subject to the following provision relating to rubbish and debris:

1. Collection and Disposal. During the process of constructing a building or structure, the construction site and the general area around the site shall be kept clear of rubbish and debris that result from the construction activities. Rubbish and debris shall not be allowed to accumulate on or be blown from the site and shall be placed in appropriate containers or removed from the construction site to an authorized disposal area. All containers shall be emptied periodically at an authorized disposal area so they will remain usable for the collection of rubbish and debris. When the building or structure is completed, a final cleanup of the site shall be conducted by the permittee.
2. Inspections. A permit holder shall not be entitled to, and no building inspector shall make an inspection of any phase of completed construction work, including the final inspection, if the construction site or general area thereof contains an accumulation of construction rubbish and debris. If a building inspector is unable to conduct a requested inspection because of an accumulation of rubbish and debris, a re-inspection fee may be assessed and required to be paid prior to a request for re-inspection is made. Failure to maintain a construction site clear of waste and other trash or debris, and in such a manner that is determined to constitute a health and safety hazard or constitutes a public nuisance, shall result in the issuance of a Stop Work order.
3. Rubbish and debris for the purpose of this section, includes, but is not limited to, stub ends of cut lumber, broken lumber and other scrap wood, scrap cement and plaster, scrap metal, paper cartons, wrappings, and similar materials that result from the process of constructing a building or structure.”

Chapter 1 of the California Building Code, 2016 Edition is amended by adding Section 118 to read as follows:

118 Working Hours. Construction activities shall be permitted between the hours of 6:00 a.m. and 6:00 p.m. during the months of June through September and between the hours of 7:00 a.m. and 6:00 p.m. during the months of October through May. Saturday construction shall be permitted between the hours of 7:00 a.m. and 6:00 p.m. Sunday construction shall be prohibited. Exceptions to these standards may be granted only by the City building official and/or the city council. This subsection is not intended to prohibit infrequent homeowner or small construction on the site of an existing home.

Item 1 of Subsection 406.3.4 of Section 406 of the California Building Code, 2016 Edition is amended to read as follows:

1. The private garage shall be separated from the dwelling unit and its attic area by means of gypsum board, not less than 5/8-inch (15.9mm) Type X gypsum board applied to the garage side. Garages beneath habitable rooms shall be separated from all habitable rooms above by not less than a 5/8-inch (15.9mm) Type X gypsum board or equivalent and 5/8-inch (15.99mm) Type X gypsum board applied to structures supporting the separation from habitable rooms above the garage. Door openings between a private garage and the dwelling unit shall be equipped with either solid wood doors or solid or honeycomb core steel doors not less than 1 3/8 inches (34.9mm) in thickness, or doors in compliance with Section 716.5.3 with a fire protection rating of not

less than 20 minutes. Openings from a private garage directly into a room used for sleeping purposes shall not be permitted. Doors shall be self-closing and self-latching.

Subsection 1505.6 of Section 1505 of the California Building Code, 2016 Edition is amended to read as follows:

1505.6 Wood shingles and shakes. It shall be unlawful to install or cause to be installed, wood-shake or wood-shingle roofs on a building.

Exception: Any building which presently has wooden shakes or shingles may be re-roofed with a listed and approved Class A assembly with a rated wood shake or shingle. Approved fire-retardant-treated wood shakes and shingles are those complying with UBC Standard 15-3 or 15-4 which are impregnated by the full-cell vacuum-pressure process with fire-retardant chemicals, which have been qualified by UBC Standard 15-2 for use on Class A roofs.

Roof coverings on buildings located in a designated fire hazard area shall be rated as Class A. All wood-shingles and wood-shakes are prohibited in high fire hazard areas.

Subsection J110.1 of Section J110 of Appendix J of the California Building Code, 2016 Edition, is amended to read as follows:

J110.1 General. The faces of cut and fill slopes shall be prepared and maintained to control erosion and to provide stability.

Exception: Erosion control measures need not be provided on cut slopes not subject to erosion due to erosion-resistant character of materials.

Unless otherwise recommended in the approved soil engineering or engineering geology report, cut and fill slopes shall be planted in accordance with this section. The protection for the slopes shall be installed as soon as practicable and prior to calling for final permit approval.

Subsection J110.2 of Section J110 of Appendix J of the California Building Code, 2016 Edition, is amended to read as follows:

J110.2. Planting.

1. All slopes equal to or greater than three feet in vertical height shall be planted with drought-tolerant grass or ground cover in order to protect the slope from erosion and instability. Other slopes as deemed necessary by the building official shall also be planted.

2. Slopes exceeding 15 feet in vertical height shall be planted with drought-tolerant shrubs, spaced at no more than ten feet on center; or trees, spaced not to exceed 20 feet on center; or a combination of such shrubs and trees at equivalent spacing, in addition to a drought-tolerant grass or ground cover. Fifty percent of the total number of trees provided shall be of a drought-tolerant nature and a minimum five-gallon size. The plants selected and planting methods used shall be suitable for the soil and climatic conditions found on the site. The landscape design shall consider and locate plants in zones, according to their water needs. Plant materials and planting patterns may be varied upon the recommendations of a landscape architect or a slope control specialist with approval of the building official.

If a species other than those from the recommended plants list provided by the street and park supervisor is selected, a written statement shall be submitted by a landscape architect or slope control specialist certifying that the plant is drought-tolerant and suitable for erosion control and slope stabilization purposes. This statement must accompany the grading plan at the time of submittal. Plant material shall be allowed that is specifically identified as being drought-tolerant and suitable for erosion control and slope stabilization on an erosion control landscape plan signed by a registered landscape architect.

Section J110 of Appendix Chapter J, of the California Building Code, 2016 Edition, is amended by adding a new subsection J110.3 to read as follows:

J110.3 Plans.

1.Erosion-control landscape plan requirements. Landscape plans shall be submitted for all slopes required to be planted. The landscape plan may be incorporated as part of the grading plan unless, in the opinion of the building official, the plan becomes too obscured to be effective. A landscape plan shall include:

a. A slope planting schedule that provides common and scientific names and specifications of all plants, including the names of all species, number and size of each tree and shrub and the spacing of each tree.

b. The location of the planting.

2.Erosion-control landscape plans involving more than four structures shall be prepared and signed by a registered landscape architect. This plan shall include the details necessary to complete the project including scope of work, materials to be used (seed mixtures, plant species listed by size, quantity, fertilizer used and rate of application), construction methods, maintenance and timetable for project completion.

3.Irrigation plan requirements. Except where approved by the building official, slopes required to be planted shall be provided with an approved system of irrigation designed to cover all portions of the slope and shall be of sufficient clarity to indicate the extent of work proposed. The irrigation system shall have zones which take into account the water requirements of the different types of plant species located in the zone and shall be adjusted to vary the water within the zone in accordance with the needs of the plant material. Care shall be taken to minimize runoff. Turf areas shall be irrigated separately from slope areas. The irrigation system provided shall make use of automatic timers, moisture sensors and low precipitation heads or emitters. The use of a drip type irrigation system is highly recommended wherever possible. Seasonal irrigation requirements of the plant species proposed shall be determined and recommendations provided as to the duration and frequency of irrigation. Specifications for proposed devices, size and type of pipe, flow and precipitation rates are to be included on the erosion-control landscape plan.

An approved backflow prevention device shall be installed in each irrigation system, which conforms to Chapter 6 of the Uniform Plumbing Code. Projects with access to or of sufficient size to economically justify the use of reclaimed water through use of a dual distribution system are encouraged to do so. Prior to building official approval, reclaimed water irrigation systems are subject to the approval of the state water quality control board.

If the planting requirements specified in Section 4 are waived by the building official, the requirements specified in this subsection may be waived.

4.Sediment control plan. A sediment control plan shall be incorporated as part of the grading plan by a registered civil engineer or erosion control specialist. The plan shall minimize the deposition of sediment from rough graded lots and streets to adjacent properties.

- a. Temporary sediment control measures may consist of the placement of straw or hay bales, gravel or earth-filled sandbags, gravel or earthen berms, filter fabric type fences and desilting basins with energy dissipaters.
- b. The placement and design of sediment control measures shall be based on a hydrologic study of the site.
- c. The sediment control plan shall specify the placement of the sediment control measures including spacing, alignment and typical detail.
- d. In addition, all notes and related information shall be included on the sediment control plan.
- e. The sediment control plan shall be submitted and approved prior to the issuance of a grading permit.

Section J110 of Appendix Chapter J, of the California Building Code, 2016 Edition, is amended by adding a new subsection J110.4 to read as follows:

J110.4 Planting method. Planting shall commence as soon as slopes are completed on any portion of the site and shall provide for rapid short-term coverage of the slope as well as long-term permanent coverage. Minimum requirements shall include:

1. Planting holes. Planting holes shall be excavated twice as wide as the diameter and two inches less than the depth of the root ball of the plant. The planting holes shall be backfilled with a mixture of native soil, slowly decomposing organic matter and an appropriate fertilizer. The construction of a watering basin at the base of all trees and shrubs at a distance encompassing the drip line is recommended in order to encourage deep percolation of irrigation. The application of mulch to the surface area of the watering basin will help minimize the amount of irrigation lost to evaporation. Commercially prepared mulch, wood chips, grass clippings or a combination of vegetal matter may be used in this regard.
2. Staking. Each tree shall be staked in order to anchor the root system and to support the trunk in an upright position. Stake material shall be of adequate dimension and length to support the tree. Ties used for tying the tree to the stake shall have a broad surface to minimize rubbing or girdling and have some elasticity. In lieu of stakes, a three-wire, tie-down system may be used.
3. Ground cover spacing. Ground covers are to be spaced in such a manner that 100 percent coverage of the planted slope will be achieved in as short a time as possible.

4. The finish grading and drainage, provided on the adjacent all-planted slopes, shall promote healthy plant growth and minimize erosion and runoff.

Exceptions: Waiver of planting requirements. Waiver of planting and irrigation requirements may be approved by the building official if found to be unreasonable or unnecessary for one of the following reasons:

1. The erosion resistant character of material composing the slopes makes planting unnecessary.
2. The unavailability of water making irrigation either impossible or impractical.
3. Slope heights are less than those requiring planting by subsection (a) of this section.

Section J110 of Appendix Chapter J, of the California Building Code, 2016 Edition, is amended by adding a new subsection J110.5 to read as follows:

J110.5 Planting maintenance. All vegetation planted for erosion control shall be maintained in a healthy, vigorous condition. Maintenance of slopes shall include watering, weeding and restoration of any plant material that may die. Slopes that are affected by the future installation of walls, fences, swimming pools or any other building must be properly replanted upon the completion of subsequent projects.

Section J110 of Appendix Chapter J, of the California Building Code, 2016 Edition, is amended by adding a new subsection J110.6 to read as follows:

J110.6 Bonding. A performance bond for all projects involving more than four structures and such other projects, as may be determined by the building official, shall be required for erosion control remedies, at the time the landscaping plan is approved. The bond shall be released upon approval of the final planting inspection but may be earlier released in the discretion of the building official.

Section J110.7 of Appendix Chapter J, of the California Building Code, 2016 Edition, is amended by adding a new subsection J110.7 to read as follows:

J110 Final planting inspection. A final planting inspection shall be required for all building sites requiring planting. For building sites not requiring a performance bond, the final planting inspection shall be approved prior to the building permit final inspection. Any required irrigation system and all planting shall be installed at the time of the final planting inspection. A function a test of the irrigation system maybe required. For building sites requiring a performance bond, slope certification required by the next subsection shall be approved prior to the building permit final inspection. The final planting inspection shall be performed at the end of the one-year bond period.

Section J110 of Appendix Chapter J, of the California Building Code, 2016 Edition, is amended by adding a new subsection J110.8 to read as follows:

J110.8 Slope verification. A site inspection shall be performed by the responsible landscape architect to assure compliance with the approved plans and to perform a functional test of the sprinkler system. Said landscape architect shall verify in writing to the building official that the soils, additives, amendments, weed control, planting of the slopes and the installation of the irrigation system comply to the approved plans and to all the provisions of this section. Verification to contain a statement as to grow stock vitality.

Secs. 14-42 – 14-44. Reserved.

Division 4. California Residential Building Code

Sec. 14-45. Adoption.

The 2016 California Building Code, codified in Part 2.5 of Title 24 of the California Code of Regulations, as such code may be amended from time to time, except as hereinafter amended by this division, is adopted by reference as the building code of the city.

Sec.14-46. Amendments

Building section in Subsection R105.2 of Section R105 of Chapter 1, Division II of the California Residential Code, 2016 Edition, are amended to read as follows:

Building:

1. One-story detached accessory structures used as tool and storage sheds, playhouses and similar uses, provided the floor area does not exceed 120 square feet (11.15m²) and all setbacks per the Hemet municipal code are adhered to.
2. Retaining walls, concrete and masonry fences that are not over 2 feet in height measured from the top of the footing to the top of the wall, unless supporting a surcharge or impounding Class I, II or IIIA liquids.
3. Water tanks supported directly upon grade if the capacity does not exceed 5,000 gallons (18 927 L) and the ratio of height to diameter or width does not exceed 2 to 1.
4. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.
5. Prefabricated swimming pools that are less than 24 inches (610 mm) deep.
6. Swings and other playground equipment.
7. Window awnings supported by an exterior wall which do not project more than 54 inches (1372 mm) from the exterior wall and do not require additional support.
8. Decks not exceeding 200 square feet (18.58 m²) in area, that are not more than 30 inches (762 mm) above grade at any point, are not attached to a dwelling and do not serve the exit door required by Section R311.4

Subsection R105.5, of Section R105 of Chapter 1, Division II of the California Residential Code, 2016 Edition, is amended to read as follows:

Expiration. Every permit issued by the building official shall expire by limitation and become null unless work for which the permit was issued has not commenced within 180 days from the date of such permit, or if the building or work authorized by such permit is suspended or abandoned at any time after the work is commenced and no inspection of significant progress (as determined by the building official) is obtained for a period of 180 days. Before such work can be recommenced, a new permit shall be first obtained to do so, and the fee therefore shall be one half the amount required for a new permit for such work, provided no changes have been made or will be made in the original plans and specifications for such work; and provided further that such suspension or abandonment has not exceeded one year. In order to renew action on a permit after one year, the permittee shall pay a new full permit fee.

Exception:

1. Demolition and moving permits shall be valid for a period not to exceed 60 days.
2. A permittee holding an unexpired permit may apply for an extension of the time when the permittee is unable to commence work within the time required by this section for good and satisfactory reasons. The building official may extend the time for action by the permittee for a period not exceeding 180 days upon written request by the permittee showing that circumstances beyond the control of the permittee have prevented action from being taken. Permits shall not be extended more than once.
3. Permits issued for work started prior to obtaining a building permit as required under section R105.1 shall be valid for a period not to exceed 30 days. If an inspection(s) are performed that can verify compliance with all code requirements at the current stage of construction, therein after the permit will be automatically extended per section R105.5

Subsection R105.6 of Section R105 of Chapter 1, Division II of the California Residential Code, 2016 Edition, is amended by adding a new subsection 105.6.1 to read as follows:

105.6.1. Unfinished buildings and structures. Whenever the building official determines by inspection that work in or on any building or structure for which a permit has been issued and the work started thereon has been suspended for a period 180 days or more, the owner of the property upon which such building or structure is located or other person or agent of control of said property, upon receipt of notice in writing from the building official to do so, shall, within 60 days from the date of such written notice, obtain a new permit to complete the required work and diligently pursue the work to completion or shall remove or demolish the building or structure within 90 days from the date of written notice.

Subsection R108.2 of Section R108 of Chapter 1, Division II of the California Residential Building Code, 2016 Edition, is amended to read as follows:

R108.2 Schedule of permit fees. On buildings, structures, electrical, gas, mechanical and plumbing systems or alterations requiring a permit, a fee for each permit shall be paid as required, in accordance with the City of Hemet, Building Division Schedule of Fees and Charges.

Subsection R108.5 of Section R108 of Chapter 1, Division II of the California Residential Building Code, 2016 Edition, is amended to read as follows:

R108.5 Refunds. The building official may authorize refunding of any fee paid hereunder in the following situations.

1. Wherein a fee was erroneously paid or collected.
2. The building official may authorize refunding of not more than 75 percent of the permit application fee when an application for a permit is withdrawn or canceled before any plan review is done.
3. The building official may authorize refunding of not more than 75 percent of the permit fee when an application for permit is withdrawn or canceled before any inspections are performed.

The building official shall not authorize refunding of any fee paid except on written application filed by the original applicant not later than 180 days after the date of fee

payment. Except for the refunding of fees paid in error, no refund of permit or plan review fees shall be made where the permit or plan review fee paid is \$100.00 or less.

Subsection R108.6 of Section R108 of Chapter 1, Division II of the California Residential Building Code, 2016 Edition, is amended to read as follows:

R108.6. Work commencing before permit issuance. Any person who commences any work on a building, structure, electrical, gas, mechanical or plumbing system before obtaining the necessary permits shall be subject to a special investigation fee. The special investigation fee shall be double the permit fee. This fee shall be in addition to the required permit fees. The special investigation fee shall be made before a permit may be issued for such work.

Section R108 of Chapter 1, Division II of the California Residential Building Code, 2016 Edition, is amended by adding a new subsection R108.7 to read as follows:

R108.7 Plan Review Fees. On buildings, structures, electrical, gas, mechanical and plumbing systems or alterations requiring a plan review, a fee for each plan review shall be paid as required in accordance with the City of Hemet, Building Division Schedule of Fees and Charges. Upon submittal construction documents, this fee shall be due and payable before the construction documents will be reviewed.

The plan review fees specified in this subsection are separate fees from the permit fees specified in Section R108.2 and are in addition to the permit fees.

When plans are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in the City of Hemet, Building Division Schedule of Fees and Charges.

Section R108 of Chapter 1, Division II of the California Residential Building Code, 2016 Edition, is amended by adding a new subsection R109.8 to read as follows:

R108.8 Special Investigation Fees: Whenever any work for which a permit is required by this code has been commenced without first obtaining said permit, a special investigation shall be made before a permit may be issued for such work. An investigation fee, in addition to the permit fee, shall be collected whether or not a permit is then or subsequently issued. The investigation fee shall be twice the amount of all permit fees, required by this code. The minimum investigation fee shall be the same as the minimum fee set forth in the current City of Hemet, Building Division Schedule of Fees and Charges. The payment of such investigation fee shall not exempt any person from compliance with all other provisions of this code nor from any penalty prescribed by law.

Subsection R112.1 of Section R112 of Chapter 1, Division II of the California Residential Building Code, 2016 Edition is amended to read as follows:

R112.1 General. In order to hear and decide appeals of orders, decisions or determinations made by the building official relative to the application and interpretations of this Code, there shall be and is hereby created a Board of Appeals consisting of five members who are qualified by experience and training to pass upon matters pertaining to building construction and who are not employees of the jurisdiction. The Building Official shall be an ex officio member and shall act as secretary to said Board, but shall have no vote upon any matter before the Board. The Board of Appeals shall be appointed by the City Council and shall hold office at its pleasure. The Board shall adopt

rules of procedure for conducting its business and shall render all decisions and findings in writing to the appellant with a duplicate copy to the building official.

Subsection R112.2 of Section R112 of Chapter 1, Division II of the California Residential Building Code, 2016 Edition is amended to read as follows:

R112.2 Limitations of Authority. The Board of Appeals shall have no authority relative to interpretation of administrative provisions of this Code, nor shall the Board be empowered to waive requirements of this Code.

Subsection R112.3 of Section R112 of Chapter 1, Division II of the California Residential Building Code, 2016 Edition is amended to read as follows:

R112.3 Appeal hearing fee. A fee, as provided in the current City of Hemet, Building Division Schedule of Fees and Charges, shall accompany an application for a hearing before the Board of Appeals.

Subsection R112.4 of Section R112 of Chapter1, Division II of the California Residential Building Code, 2016 Edition, is amended to read as follows:

R112.4 Special purposes members. For the purpose of appeals to the standards of Title 24 of the California Code of Regulations affecting accommodations for persons with disabilities, two (2) members shall be added who shall have a disability as defined by Section 202 of the California Building Code, 2016 Edition.

Section R112 of Chapter1, Division II of the California Residential Building Code, 2016 Edition, is amended by adding a new subsection R112.5 to read as follows:

R112.5 Notice of appeal. Within the limitations provided for below, a person aggrieved by any order, act or determination of the building official or his subordinates, may appeal therefrom to the board of appeals. The appeal shall be taken by filing a written notice of appeal within 15 days, exclusive of holidays, after the date of making the order or determination or performing the act and by paying the appeal hearing fee. The notice of appeal must be in writing on a form provided by the city, and the notice must be filed and the fee paid at the office of the building official. The notice of appeal shall be sufficient if it identifies the act, order or determination appealed from and stated wherein it is erroneous or invalid. The operation of the act, order, or determination appealed from is suspended by the filing of the notice of appeal and upon the determination of the appeal or termination of proceedings thereunder.

Section R112 of Chapter1, Division II of the California Residential Building Code, 2016 Edition, is amended by adding a new subsection R112.6 to read as follows:

R112.6. The chairman of said board shall fix the time and place of hearing the appeal. The date of hearing shall not be less than five days nor more than 15 days after the date of filing the notice of appeal, and the hearing must not be postponed for more than ten days without good and sufficient cause. The board shall give written notice of the time and place of such hearing to the appellant and the officer or head of the department or division whose act, order, or determination is appealed from. Witnesses may be sworn and examined and evidence produced by interested parties, who may appear in person or by attorney. The board shall keep a record of each appeal and proceedings thereunder. At the conclusion of the hearing, the board shall prepare and file its written findings and decision. The affirmative vote of two-thirds of the board is necessary to modify or reverse the order, act or determination appealed from. The failure of the board

to file its findings and decisions within five days after termination of the hearing shall result in the automatic confirmation of the order, act or determination appealed from.

Section R112 of Chapter1, Division II of the California Residential Building Code, 2016 Edition, is amended by adding a new subsection R112.7 to read as follows:

R112.7 Any person aggrieved or affected by a decision of the board may appeal to the city council from such decision at any time within ten days after the date upon which the board announces its decision or loses jurisdiction. An appeal to the city council shall be taken by filing a letter of appeal with the building division and by concurrently paying to such division an appeal hearing fee in the amount established by Table A. Such letter shall set forth the grounds upon which the appeal is based. Within 15 days after the receipt of the letter of appeal and the filing fee, the building division shall transmit to the city council the letter of appeal and the record of appeal at the board and the board's findings and decision. The city council may affirm, reverse, or modify the decision of the board.

Section R112 of Chapter 1, Division II of the California Residential Building Code, 2016 Edition, is amended by adding a new subsection R112.8 to read as follows:

R112.8 In the event the board as established in Section R112.1 herein above should for any reason not be appointed by the city council or cease to exist after such appointment, the city council may serve as the board of appeals.

Section R113 of Chapter 1, Division II of the California Residential Building Code, 2016 Edition is amended by adding a new subsection R113.4 to read as follows:

R113.4 Violation penalties. Any person, firm or corporation violating any of the provisions, regulations, requirements, additions, amendments and/or deletions of this code is guilty of a misdemeanor and the penalty for such a misdemeanor shall be as set forth in Chapter 1-8 of the Hemet Municipal Code.

Section R113 of Chapter 1, Division II of the California Residential Building Code, 2016 Edition is amended by adding a new subsection R113.5 to read as follows:

R113.5 In addition thereto, violation of this code is declared to be a public nuisance, and the city attorney may institute necessary legal procedures for the abatement, removal or the enjoinder thereof in the manner provided by law, or may take such other steps as he or she deems necessary to accommodate these ends.

Table R301.2 (1) of Chapter 3 of the California Residential Building Code, 2016 Editions, is amended to read as follows:

CLIMATIC AND GEOGRAPHICAL DESIGN CRITERIA

GROUND SNOW LOAD	WIND DESIGN		SEISMIC DESIGN CATEGORY ^f	SUBJECT TO DAMAMGE FROM			WINTER DESIGN TEMP ^e	ICE BARRIER UNDERLAYMENT REQUIRED ^h	FLOOD HAZARDS ^g	AIR FREEZING INDEX ⁱ	MEAN ANNUAL TEMP ^j
	Speed ^d (MPH)	Topographic effects ^k		Weathering ^a	Frost line depth ^b	Termite ^c					

0	85	YES	D	NEGLIGIBL E	12			NONE	--		
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Sec. 14-47 – 14-49. Reserved

Division 5. California Electrical Code

Sec. 14-50. Adoption.

The 2016 California Electrical Code, codified in Part 3 of Title 24 of the California Code of Regulations, including Annex Chapters A, B, C, D, E, F and G, and as such code may be amended from time to time, except as hereinafter amended by this Division, is adopted by reference as the electrical code of the City.

Sec. 14-51. Amendments.

Subsection 89.108.4.2 of Section 89.108.4 of Article 89 of the California Electrical Code, 2016 Edition is amended by adding subsection 89.108.4.2.1 to read as follows:

89.108.4.2.1 Permit Fee. On buildings, structures, electrical systems or alterations requiring a permit, a fee for each permit shall be paid as required in accordance with the City of Hemet, Building Division Schedule of Fees and Charges.

Subsection 89.108.4.2 of Section 89.108.4 of Article 89 of the California Electrical Code, 2016 Edition is amended by adding subsection 89.108.4.2.2 to read as follows:

89.108.4.2.2 Plan Review Fees. When plans or other data are required to be submitted by Section 89.108.4.3, a plan review fee shall be paid at the time of submitting plans and specifications for review. The plan review fees for mechanical work shall be as set forth in the City of Hemet, Building Division Schedule of Fees and Charges. Upon submittal construction documents, this fee shall be due and payable before the construction documents will be reviewed.

The plan review fees specified in this subsection are separate fees from the permit fees specified in subsection 89.108.4.2.1 and are in addition to the permit fees.

When plans are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in the City of Hemet, Building Division Schedule of Fees and Charges.

Subsection 89.108.4.2 of Section 89.108.4 of Article 89 of the California Electrical Code, 2016 Edition is amended by adding subsection 89.108.4.2.3 to read as follows:

89.108.4.2.3 Investigation. Whenever any work for which a permit is required by this code has been commenced without first obtaining said permit shall be subject to a special investigation fee. This fee shall be in addition to the required permit fees. The special investigation fee shall be made before a permit may be issued for such work.

Subsection 89.108.4.2 of Section 89.108.4 of Article 89 of the California Electrical Code, 2016 Edition is amended by adding subsection 89.108.4.2.4 to read as follows:

89.108.4.2.4 Special Investigation Fee. Whenever any work for which a permit is required by this code has been commenced without first obtaining said permit, a special investigation shall be made before a permit may be issued for such work. An

investigation fee, in addition to the permit fee, shall be collected whether or not a permit is then or subsequently issued. The investigation fee shall be twice the amount of all permit fees, required by this code. The minimum investigation fee shall be the same as the minimum fee set forth in the current City of Hemet, Building Division Schedule of Fees and Charges. The payment of such investigation fee shall not exempt any person from compliance with all other provisions of this code nor from any penalty prescribed by law.

Subsection 89.108.4.2 of Section 89.108.4 of Article 89 of the California Electrical Code, 2016 Edition is amended by adding subsection 89.108.4.2.5 to read as follows:

89.108.4.2.5 Fee Refunds. The Building Official may authorize refunding of any fee paid hereunder in the following situations.

1. Wherein a fee was erroneously paid or collected.
2. The building official may authorize refunding of not more than 75 percent of the permit application fee when an application for a permit is withdrawn or canceled before any plan review is done.
3. The building official may authorize refunding of not more than 75 percent of the permit fee when an application for permit is withdrawn or canceled before any inspections are performed.

The building official shall not authorize refunding of any fee paid except on written application filed by the original applicant not later than 180 days after the date of fee payment. Except for the refunding of fees paid in error no refund of permit or plan review fees shall be made where the permit or plan review fee paid is \$100.00 or less.

Section 89.108.4 of Article 89 of the California Electrical Code, 2016 Edition is amended by adding a new subsection 89.108.4.5

89.108.4.5 Unfinished buildings and structures. Whenever the building official determines by inspection that work in or on any building or structure for which a permit has been issued and the work started thereon has been suspended for a period of 180 days or more, the owner of the property upon which such building or structure is located or other person or agent of control of said property, upon receipt of notice in writing from the building official to do so, shall, within 60 days from the date of such written notice, obtain a new permit to complete the required work and diligently pursue the work to completion or shall remove or demolish the unpermitted work within 90 days from the date of written notice.

Section 89.108.4 of Article 89 of the California Electrical Code, 2016 Edition is amended by adding a new subsection 89.108.4.6

89.108.4.6 Qualified Persons. For all commercial projects, a California Licensed Electrical Contractor shall be responsible for obtaining permits for electrical work performed within or on the commercial building.

Section 89.108.8 of Article 89 of the California Electrical Code, 2016 Edition is amended in its entirety as follows:

89.108.8.1 General. In order to hear and decide appeals of orders, decisions or determinations made by the building official relative to the application and interpretations of this Code, there shall be and is hereby created a Board of Appeals consisting of five members who are qualified by experience and training to pass upon matters pertaining

to building construction and who are not employees of the jurisdiction. The Building Official shall be an ex officio member and shall act as secretary to said Board, but shall have no vote upon any matter before the Board. The Board of Appeals shall be appointed by the City Council and shall hold office at its pleasure. The Board shall adopt rules of procedure for conducting its business and shall render all decisions and findings in writing to the appellant with a duplicate copy to the building official.

89.108.2 Limitations of Authority. The Board of Appeals shall have no authority relative to interpretation of administrative provisions of this Code, nor shall the Board be empowered to waive requirements of this Code.

89.108.8.3 Appeal hearing fee. A fee, as provided in the current City of Hemet, Building Division Schedule of Fees and Charges, shall accompany an application for a hearing before the Board of Appeals.

89.108.8.4 Special purposes members. For the purpose of appeals to the standards of Title 24 of the California Code of Regulations affecting accommodations for persons with disabilities, two (2) members shall be added who shall have a disability as defined by Section 202 of the California Building Code, 2016 Edition.

89.108.8.5 Notice of appeal. Within the limitations provided for below, a person aggrieved by any order, act or determination of the building official or his subordinates, may appeal therefrom to the board of appeals. The appeal shall be taken by filing a written notice of appeal within 15 days, exclusive of holidays, after the date of making the order or determination or performing the act and by paying the appeal hearing fee. The notice of appeal must be in writing on a form provided by the city, and the notice must be filed and the fee paid at the office of the building official. The notice of appeal shall be sufficient if it identifies the act, order or determination appealed from and stated wherein it is erroneous or invalid. The operation of the act, order, or determination appealed from is suspended by the filing of the notice of appeal and upon the determination of the appeal or termination of proceedings thereunder.

89.108.8.6 The chairman of said board shall fix the time and place of hearing the appeal. The date of hearing shall not be less than five days nor more than 15 days after the date of filing the notice of appeal, and the hearing must not be postponed for more than ten days without good and sufficient cause. The board shall give written notice of the time and place of such hearing to the appellant and the officer or head of the department or division whose act, order, or determination is appealed from. Witnesses may be sworn and examined and evidence produced by interested parties, who may appear in person or by attorney. The board shall keep a record of each appeal and proceedings thereunder. At the conclusion of the hearing, the board shall prepare and file its written findings and decision. The affirmative vote of two-thirds of the board is necessary to modify or reverse the order, act or determination appealed from. The failure of the board to file its findings and decisions within five days after termination of the hearing shall result in the automatic confirmation of the order, act or determination appealed from.

89.108.8.7 Any person aggrieved or affected by a decision of the board may appeal to the city council from such decision at any time within ten days after the date upon which the board announces its decision or loses jurisdiction. An appeal to the city council shall be taken by filing a letter of appeal with the building division and by concurrently paying to such division an appeal hearing fee in the amount established by Table A. Such letter shall set forth the grounds upon which the appeal is based. Within 15 days after the receipt of the letter of appeal and the filing fee, the building division shall transmit to the city council the letter of appeal and the record of appeal at the board and the board's

findings and decision. The city council may affirm, reverse, or modify the decision of the board.

89.108.8.8 In the event the board as established in Section 110.1 herein above should for any reason not be appointed by the city council or cease to exist after such appointment, the city council may serve as the board of appeals.

Section 89.108 of Article 89 of the California Electrical Code, 2016 Edition is amended by adding a new Subsection 89.108.11 titled "Violations".

89.108.11.1 Unlawful acts. It shall be unlawful for any person, firm or corporation to erect, construct, alter, enlarge, alter, repair, move, improve, remove, convert or demolish, equip, use, or maintain mechanical systems or equipment or cause or permit the same to be done in violation of this code.

Subsection 89.108.11 of Section 89.108 of Article 89 of the California Electrical Code, 2016 Edition is amended by adding a subsection 89.108.11.2 to read as follows:

89.108.11.2 Notice of Violation. The building official is authorized to serve a notice of violation or order on the person responsible for the erection, construction, alteration, enlargement, alteration, repair, moving, improving, removing, converting or demolishing, equipping, using, or maintaining mechanical systems or equipment in violation of this code, or in violation of a permit under the provisions of this code. Such order shall direct the discontinuance of the illegal action or condition and the abatement of the violation.

Subsection 89.108.11 of Section 89.108 of Article 89 of the California Electrical Code, 2016 Edition is amended by adding a subsection 89.108.11.3 to read as follows:

89.108.11.3 Prosecution of violation. If the notice of violation is not complied with promptly, the building official is authorized to request the legal counsel of the jurisdiction to institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the removal or termination of the unlawful occupancy of the building or structure in violation of the provisions of this code or of the order or direction made pursuant thereto.

Subsection 89.108.11 of Section 89.108 of Article 89 of the California Electrical Code, 2016 Edition is amended by adding a subsection 89.108.11.4 to read as follows:

89.108.11.4 Violation penalties. Any person, firm or corporation violating any of the provisions, regulations, requirements, additions, amendments and/or deletions of this code is guilty of a misdemeanor and the penalty for such a misdemeanor shall be as set forth in Chapter 1-8 of the Hemet Municipal Code.

Subsection 89.108.11 of Section 89.108 of Article 89 of the California Electrical Code, 2016 Edition is amended by adding a subsection 89.108.11.5 to read as follows:

89.108.11.5 In addition thereto, violation of this code is declared to be a public nuisance, and the city attorney may institute necessary legal procedures for the abatement, removal or the enjoinder thereof in the manner provided by law, or may take such other steps as he or she deems necessary to accommodate these ends.

Secs. 14-52 – 14-54. Reserved.

Division 6. California Mechanical Code

Sec. 14- 55. Adoption.

The 2016 California Mechanical Code, codified in Part 4 of Title 24 of the California Code of Regulations, including Appendix Chapters A, B, C and D, as such code may be amended from time to time, except as hereinafter amended by this Division, is adopted by reference as the mechanical code of the City.

Sec. 14-56. Amendments.

Subsection 104.4.3 of Section 104.4 of Chapter 1, Division II of the California Mechanical Code, 2016 Edition, is amended to read as follows:

Expiration. Every permit issued by the building official shall expire by limitation and become null unless work for which the permit was issued has not commenced within 180 days from the date of such permit, or if the building or work authorized by such permit is suspended or abandoned at any time after the work is commenced and no inspection of significant progress (as determined by the building official) is obtained for a period of 180 days. Before such work can be recommenced, a new permit shall be first obtained to do so, and the fee therefore shall be one half the amount required for a new permit for such work, provided no changes have been made or will be made in the original plans and specifications for such work; and provided further that such suspension or abandonment has not exceeded one year. In order to renew action on a permit after one year, the permittee shall pay a new full permit fee.

Exceptions:

1. Demolition permits shall be valid for a period not to exceed 60 days.
2. A permittee holding an unexpired permit may apply for an extension of the time when the permittee is unable to commence work within the time required by this section for good and satisfactory reasons. The building official may extend the time for action by the permittee for a period not exceeding 180 days upon written request by the permittee showing that circumstances beyond the control of the permittee have prevented action from being taken. Permits shall not be extended more than once.
3. Permits issued for work started prior to obtaining a building permit as required under section 104 shall be valid for a period not to exceed 30 days. If an inspection(s) are performed that can verify compliance with all code requirements at the current stage of construction, therein after the permit will be automatically extended per section 104.

Section 104.0 of Chapter 1, Division II of the California Mechanical Code, 2016 Edition is amended by adding a new subsection 104.4.7 to read as follows:

104.4.7 Unfinished buildings and structures. Whenever the building official determines by inspection that work in or on any building or structure for which a permit has been issued and the work started thereon has been suspended for a period of 180 days or more, the owner of the property upon which such building or structure is located or other person or agent of control of said property, upon receipt of notice in writing from the building official to do so, shall, within 60 days from the date of such written notice, obtain a new permit to complete the required work and diligently pursue the work to completion or shall remove or demolish the unpermitted work within 90 days from the date of written notice.

Subsection 104.5 of Section 104 of Chapter 1, Division II of the California Mechanical Code, 2016 Edition is amended to read as follows:

104.5 General. Fees shall be assessed in accordance with the provisions of this section and as set forth in the City of Hemet, Building Division Schedule of Fees and Charges.

Subsection 104.3.2 of Section 104 of Chapter 1, Division II of the California Mechanical Code, 2016 Edition is amended to read as follows:

104.3.2 Plan Review Fees. When plans or other data are required to be submitted, a plan review fee shall be paid at the time of submitting plans and specifications for review. The plan review fees for mechanical work shall be as set forth in the City of Hemet, Building Division Schedule of Fees and Charges. Upon submittal construction documents, this fee shall be due and payable before the construction documents will be reviewed.

The plan review fees specified in this subsection are separate fees from the permit fees specified in Section 104.5 and are in addition to the permit fees.

When plans are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in the City of Hemet, Building Division Schedule of Fees and Charges.

Subsection 104.5.1 of Section 114, of Chapter 1, Division II of the California Mechanical Code, 2016 Edition is amended by adding a new subsection 104.5.1 to read as follows:

104.5.1 Investigation. Whenever any work for which a permit is required by this code has been commenced without first obtaining said permit shall be subject to a special investigation fee. This fee shall be in addition to the required permit fees. The special investigation fee shall be made before a permit may be issued for such work.

Subsection 104.5.2 of Section 114 of Chapter 1, Division II of the California Mechanical Code, 2016 Edition is amended to read as follows:

104.5.2 Fee. Whenever any work for which a permit is required by this code has been commenced without first obtaining said permit, a special investigation shall be made before a permit may be issued for such work. An investigation fee, in addition to the permit fee, shall be collected whether or not a permit is then or subsequently issued. The investigation fee shall be twice the amount of all permit fees, required by this code. The minimum investigation fee shall be the same as the minimum fee set forth in the current City of Hemet, Building Division Schedule of Fees and Charges. The payment of such investigation fee shall not exempt any person from compliance with all other provisions of this code nor from any penalty prescribed by law.

Subsection 104.5.3 of Section 104, of Chapter 1, Division II of the California Mechanical Code, 2016 Edition is amended to read as follows:

104.5. Fee Refunds. The Building Official may authorize refunding of any fee paid hereunder in the following situations.

1. Wherein a fee was erroneously paid or collected.
2. The building official may authorize refunding of not more than 75 percent of the permit application fee when an application for a permit is withdrawn or canceled before any plan review is done.

3. The building official may authorize refunding of not more than 75 percent of the permit fee when an application for permit is withdrawn or canceled before any inspections are performed.

The building official shall not authorize refunding of any fee paid except on written application filed by the original applicant not later than 180 days after the date of fee payment. Except for the refunding of fees paid in error no refund of permit or plan review fees shall be made where the permit or plan review fee paid is \$100.00 or less.

Subsection 106.1 of Section 106.0 of Chapter 1, Division II of the California Mechanical Code, 2016 Edition, is amended to read as follows:

106.1 Unlawful acts. It shall be unlawful for any person, firm or corporation to erect, construct, alter, enlarge, alter, repair, move, improve, remove, convert or demolish, equip, use, or maintain mechanical systems or equipment or cause or permit the same to be done in violation of this code.

Subsection 106.2 of Section 106.0 of Chapter 1, Division II of the California Mechanical Code, 2016 Edition, is amended to read as follows:

106.2 Notice of Violation. The building official is authorized to serve a notice of violation or order on the person responsible for the erection, construction, alteration, enlargement, alteration, repair, moving, improving, removing, converting or demolishing, equipping, using, or maintaining mechanical systems or equipment in violation of this code, or in violation of a permit under the provisions of this code. Such order shall direct the discontinuance of the illegal action or condition and the abatement of the violation.

Subsection 106.2 of Section 106.0 of Chapter 1, Division II of the California Mechanical Code, 2016 Edition, is amended by adding subsection 106.2.1 to read as follows:

106.2.1 Prosecution of violation. If the notice of violation is not complied with promptly, the building official is authorized to request the legal counsel of the jurisdiction to institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the removal or termination of the unlawful occupancy of the building or structure in violation of the provisions of this code or of the order or direction made pursuant thereto.

Subsection 106.2 of Section 106.0 of Chapter 1, Division II of the California Mechanical Code, 2016 Edition, is amended to read as follows:

106.2 Violation penalties. Any person, firm or corporation violating any of the provisions, regulations, requirements, additions, amendments and/or deletions of this code is guilty of a misdemeanor and the penalty for such a misdemeanor shall be as set forth in Chapter 1-8 of the Hemet Municipal Code.

In addition thereto, violation of this code is declared to be a public nuisance, and the city attorney may institute necessary legal procedures for the abatement, removal or the enjoinder thereof in the manner provided by law, or may take such other steps as he or she deems necessary to accommodate these ends.

Section 107 and subsection 107.1 are deleted in their entirety of Chapter 1, Division II of the California Mechanical Code, 2016 Edition is amended to read as follows:

107.0 Board of Appeals

107.1 General. In order to hear and decide appeals of orders, decisions or determinations made by the building official relative to the application and interpretations of this Code, there shall be and is hereby created a Board of Appeals consisting of five members who are qualified by experience and training to pass upon matters pertaining to building construction and who are not employees of the jurisdiction. The Building Official shall be an ex officio member and shall act as secretary to said Board, but shall have no vote upon any matter before the Board. The Board of Appeals shall be appointed by the City Council and shall hold office at its pleasure. The Board shall adopt rules of procedure for conducting its business and shall render all decisions and findings in writing to the appellant with a duplicate copy to the building official.

107.2 Limitations of Authority. The Board of Appeals shall have no authority relative to interpretation of administrative provisions of this Code, nor shall the Board be empowered to waive requirements of this Code.

107.3 Appeal hearing fee. A fee, as provided in the current City of Hemet, Building Division Schedule of Fees and Charges, shall accompany an application for a hearing before the Board of Appeals.

107.4 Special purposes members. For the purpose of appeals to the standards of Title 24 of the California Code of Regulations affecting accommodations for persons with disabilities, two (2) members shall be added who shall have a disability as defined by Section 202 of the California Building Code, 2016 Edition.

107.5 Notice of appeal. Within the limitations provided for below, a person aggrieved by any order, act or determination of the building official or his subordinates, may appeal therefrom to the board of appeals. The appeal shall be taken by filing a written notice of appeal within 15 days, exclusive of holidays, after the date of making the order or determination or performing the act and by paying the appeal hearing fee. The notice of appeal must be in writing on a form provided by the city, and the notice must be filed and the fee paid at the office of the building official. The notice of appeal shall be sufficient if it identifies the act, order or determination appealed from and stated wherein it is erroneous or invalid. The operation of the act, order, or determination appealed from is suspended by the filing of the notice of appeal and upon the determination of the appeal or termination of proceedings thereunder.

107.6. The chairman of said board shall fix the time and place of hearing the appeal. The date of hearing shall not be less than five days nor more than 15 days after the date of filing the notice of appeal, and the hearing must not be postponed for more than ten days without good and sufficient cause. The board shall give written notice of the time and place of such hearing to the appellant and the officer or head of the department or division whose act, order, or determination is appealed from. Witnesses may be sworn and examined and evidence produced by interested parties, who may appear in person or by attorney. The board shall keep a record of each appeal and proceedings thereunder. At the conclusion of the hearing, the board shall prepare and file its written findings and decision. The affirmative vote of two-thirds of the board is necessary to modify or reverse the order, act or determination appealed from. The failure of the board to file its findings and decisions within five days after termination of the hearing shall result in the automatic confirmation of the order, act or determination appealed from.

107.7 Any person aggrieved or affected by a decision of the board may appeal to the city council from such decision at any time within ten days after the date upon which the board announces its decision or loses jurisdiction. An appeal to the city council shall be taken by filing a letter of appeal with the building division and by concurrently paying to

such division an appeal hearing fee in the amount established by Table A. Such letter shall set forth the grounds upon which the appeal is based. Within 15 days after the receipt of the letter of appeal and the filing fee, the building division shall transmit to the city council the letter of appeal and the record of appeal at the board and the board's findings and decision. The city council may affirm, reverse, or modify the decision of the board.

107.8 In the event the board as established in Section 110.1 herein above should for any reason not be appointed by the city council or cease to exist after such appointment, the city council may serve as the board of appeals.

Secs. 14-57 – 14-59. Reserved.

Division 7. California Plumbing Code

Sec. 14-60. Adoption.

The 2016 California Plumbing Code, codified in Part 5 of Title 24 of the California Code of Regulations, including Appendix Chapters A, B, D, G, I and K, and as such code may be amended from time to time, except as hereinafter amended by this Division, is adopted by reference as the plumbing code of the City.

Sec. 14-61. Amendments.

Section 104.0 of Chapter 1, Division II of the California Plumbing Code, 2016 Edition, is amended by adding subsection 104.4.7 to read as follows:

104.4.7 Unfinished buildings and structures. Whenever the building official determines by inspection that work in or on any building or structure for which a permit has been issued and the work started thereon has been suspended for a period of 180 days or more, the owner of the property upon which such building or structure is located or other person or agent of control of said property, upon receipt of notice in writing from the building official to do so, shall, within 60 days from the date of such written notice, obtain a new permit to complete the required work and diligently pursue the work to completion or shall remove or demolish the unpermitted work within 90 days from the date of written notice.

Subsection 104.4.3 of Section 104.4 of Chapter 1, Division II of the California Plumbing Code, 2016 Edition, is amended to read as follows:

Expiration. Every permit issued by the building official shall expire by limitation and become null unless work for which the permit was issued has not commenced within 180 days from the date of such permit, or if the building or work authorized by such permit is suspended or abandoned at any time after the work is commenced and no inspection of significant progress (as determined by the building official) is obtained for a period of 180 days. Before such work can be recommenced, a new permit shall be first obtained to do so, and the fee therefore shall be one half the amount required for a new permit for such work, provided no changes have been made or will be made in the original plans and specifications for such work; and provided further that such suspension or abandonment has not exceeded one year. In order to renew action on a permit after one year, the permittee shall pay a new full permit fee.

Exceptions:

1. Demolition permits shall be valid for a period not to exceed 60 days.
2. A permittee holding an unexpired permit may apply for an extension of the time when the permittee is unable to commence work within the time required by this section for good and satisfactory reasons. The building official may extend the time for action by the permittee for a period not exceeding 180 days upon written request by the permittee showing that circumstances beyond the control of the permittee have prevented action from being taken. Permits shall not be extended more than once.
3. Permits issued for work started prior to obtaining a building permit as required under section 104 shall be valid for a period not to exceed 30 days. If an inspection(s) are performed that can verify compliance with all code requirements at the current stage of construction, therein after the permit will be automatically extended per section 104.

Subsection 104.5 of Section 104 of Chapter 1, Division II of the California Plumbing Code, 2016 Edition is amended to read as follows:

104.5 Permit Fees. On buildings, structures, plumbing systems or alterations requiring a permit, a fee for each permit shall be paid as required in accordance with the City of Hemet, Building Division Schedule of Fees and Charges.

Subsection 104.3.2 of Section 104.3 of Chapter 1, Division II of the California Plumbing Code, 2016 Edition is amended to read as follows:

104.3.2 Plan Review Fees. When plans or other data are required to be submitted, a plan review fee shall be paid at the time of submitting plans and specifications for review. The plan review fees for mechanical work shall be as set forth in the City of Hemet, Building Division Schedule of Fees and Charges. Upon submittal construction documents, this fee shall be due and payable before the construction documents will be reviewed.

The plan review fees specified in this subsection are separate fees from the permit fees specified in Section 10.5 and are in addition to the permit fees.

When plans are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in the City of Hemet, Building Division Schedule of Fees and Charges.

Subsection 104.5.2 of Section 104.5, of Chapter 1, Division II of the California Plumbing Code, 2016 Edition is amended to read as follows:

104.5.2 Investigation. Whenever any work for which a permit is required by this code has been commenced without first obtaining said permit shall be subject to a special investigation fee. This fee shall be in addition to the required permit fees. The special investigation fee shall be made before a permit may be issued for such work.

Subsection 104.5.1 of Section 104.5 of Chapter 1, Division II of the California Plumbing Code, 2016 Edition is amended to read as follows:

104.5.1 Fee. Whenever any work for which a permit is required by this code has been commenced without first obtaining said permit, a special investigation shall be made before a permit may be issued for such work. An investigation fee, in addition to the permit fee, shall be collected whether or not a permit is then or subsequently issued. The investigation fee shall be twice the amount of all permit fees, required by this code.

The minimum investigation fee shall be the same as the minimum fee set forth in the current City of Hemet, Building Division Schedule of Fees and Charges. The payment of such investigation fee shall not exempt any person from compliance with all other provisions of this code nor from any penalty prescribed by law.

Subsection 104.5.3 of Section 104.5 of Chapter 1, Division II of the California Plumbing Code, 2016 Edition is amended to read as follows:

104.5.3 Fee Refunds. The Building Official may authorize refunding of any fee paid hereunder in the following situations.

1. Wherein a fee was erroneously paid or collected.
2. The building official may authorize refunding of not more than 75 percent of the permit application fee when an application for a permit is withdrawn or canceled before any plan review is done.
3. The building official may authorize refunding of not more than 75 percent of the permit fee when an application for permit is withdrawn or canceled before any inspections are performed.

The building official shall not authorize refunding of any fee paid except on written application filed by the original applicant not later than 180 days after the date of fee payment. Except for the refunding of fees paid in error no refund of permit or plan review fees shall be made where the permit or plan review fee paid is \$100.00 or less.

Subsection 106.3 of Section 106 of Chapter 1, Division II of the California Plumbing Code, 2016 Edition is amended to read as follows:

106.3 Penalties. Any person, firm or corporation violating any of the provisions, regulations, requirements, additions, amendments and/or deletions of this code is guilty of a misdemeanor and the penalty for such a misdemeanor shall be as set forth in Chapter 1-8 of the Hemet Municipal Code.

Subsection 106.3 of Section 106 Chapter 1, Division II of the California Plumbing Code, 2016 Edition is amended by adding subsection 106.3.1 to read as follows:

106.3.1 In addition thereto, violation of this code is declared to be a public nuisance, and the city attorney may institute necessary legal procedures for the abatement, removal or the enjoinder thereof in the manner provided by law, or may take such other steps as he or she deems necessary to accommodate these ends.

Subsection 106.3 of Section 106 Chapter 1, Division II of the California Plumbing Code, 2016 Edition is amended by adding subsection 106.3.2 to read as follows:

106.3.2 Notice of Violation. The building official is authorized to serve a notice of violation or order on the person responsible for the erection, construction, alteration, enlargement, alteration, repair, moving, improving, removing, converting or demolishing, equipping, using, or maintaining mechanical systems or equipment in violation of this code, or in violation of a permit under the provisions of this code. Such order shall direct the discontinuance of the illegal action or condition and the abatement of the violation.

Subsection 106.3 of Section 106 Chapter 1, Division II of the California Plumbing Code, 2016 Edition is amended by adding subsection 106.3.3 to read as follows:

106.8 Prosecution of violation. If the notice of violation is not complied with promptly, the building official is authorized to request the legal counsel of the jurisdiction to institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the removal or termination of the unlawful occupancy of the building or structure in violation of the provisions of this code or of the order or direction made pursuant thereto.

Section 107 and subsection 107.1 are deleted in their entirety of Chapter 1, Division II of the California Mechanical Code, 2016 Edition is amended to read as follows:

107.0 Board of Appeals

107.1 General. In order to hear and decide appeals of orders, decisions or determinations made by the building official relative to the application and interpretations of this Code, there shall be and is hereby created a Board of Appeals consisting of five members who are qualified by experience and training to pass upon matters pertaining to building construction and who are not employees of the jurisdiction. The Building Official shall be an ex officio member and shall act as secretary to said Board, but shall have no vote upon any matter before the Board. The Board of Appeals shall be appointed by the City Council and shall hold office at its pleasure. The Board shall adopt rules of procedure for conducting its business and shall render all decisions and findings in writing to the appellant with a duplicate copy to the building official.

107.2 Limitations of Authority. The Board of Appeals shall have no authority relative to interpretation of administrative provisions of this Code, nor shall the Board be empowered to waive requirements of this Code.

107.3 Appeal hearing fee. A fee, as provided in the current City of Hemet, Building Division Schedule of Fees and Charges, shall accompany an application for a hearing before the Board of Appeals.

107.4 Special purposes members. For the purpose of appeals to the standards of Title 24 of the California Code of Regulations affecting accommodations for persons with disabilities, two (2) members shall be added who shall have a disability as defined by Section 202 of the California Building Code, 2016 Edition.

107.5 Notice of appeal. Within the limitations provided for below, a person aggrieved by any order, act or determination of the building official or his subordinates, may appeal therefrom to the board of appeals. The appeal shall be taken by filing a written notice of appeal within 15 days, exclusive of holidays, after the date of making the order or determination or performing the act and by paying the appeal hearing fee. The notice of appeal must be in writing on a form provided by the city, and the notice must be filed and the fee paid at the office of the building official. The notice of appeal shall be sufficient if it identifies the act, order or determination appealed from and stated wherein it is erroneous or invalid. The operation of the act, order, or determination appealed from is suspended by the filing of the notice of appeal and upon the determination of the appeal or termination of proceedings thereunder.

107.6. The chairman of said board shall fix the time and place of hearing the appeal. The date of hearing shall not be less than five days nor more than 15 days after the date of filing the notice of appeal, and the hearing must not be postponed for more than ten days without good and sufficient cause. The board shall give written notice of the time and place of such hearing to the appellant and the officer or head of the department or division whose act, order, or determination is appealed from. Witnesses may be sworn and examined and evidence produced by interested parties, who may appear in person

or by attorney. The board shall keep a record of each appeal and proceedings thereunder. At the conclusion of the hearing, the board shall prepare and file its written findings and decision. The affirmative vote of two-thirds of the board is necessary to modify or reverse the order, act or determination appealed from. The failure of the board to file its findings and decisions within five days after termination of the hearing shall result in the automatic confirmation of the order, act or determination appealed from.

107.7 Any person aggrieved or affected by a decision of the board may appeal to the city council from such decision at any time within ten days after the date upon which the board announces its decision or loses jurisdiction. An appeal to the city council shall be taken by filing a letter of appeal with the building division and by concurrently paying to such division an appeal hearing fee in the amount established by Table A. Such letter shall set forth the grounds upon which the appeal is based. Within 15 days after the receipt of the letter of appeal and the filing fee, the building division shall transmit to the city council the letter of appeal and the record of appeal at the board and the board's findings and decision. The city council may affirm, reverse, or modify the decision of the board.

107.8 In the event the board as established in Section 110.1 herein above should for any reason not be appointed by the city council or cease to exist after such appointment, the city council may serve as the board of appeals.

Sec. 14-62 – 14-64. Reserved.

Division 8. California Energy Code

Sec. 14-65. Adoption.

The 2016 California Energy Code, codified in Part 6 of Title 24 of the California Code of Regulations, as such code may be amended from time to time, except as hereinafter amended by this Division, is adopted by reference as the energy code of the City.

Secs. 14-66 – 14-69. Reserved.

Division 9. California Historical Building Code

Sec. 14-70. Adoption.

The 2016 California Historical Building Code, codified in Part 8 of Title 24 of the California Code of Regulations and as such code may be amended from time to time, except as hereinafter amended by this division, is adopted by reference as the historical code of the city.

Secs. 14-71 – 14-74. Reserved.

Division 10. California Fire Code

Sec. 14-75. Adoption.

The 2016 California Fire Code, codified in Part 9 of Title 24 of the California Code of Regulations, including appendices B, BB, C, CC, D, E, F, I, and H as such code and appendices may be amended from time to time, except as hereinafter amended by this Division, is adopted by reference as the fire code of the City.

Sec. 14-76. Amendments.

Table B105.2 in Appendix B of the 2016 California Fire Code, should be amended to read as follows:

Table B105.2

Required Fire-Flow for Buildings Other Than One- and Two-Family Dwellings, Group R-3 and R-4 Buildings and Townhouses

AUTOMATIC SPRINKLER SYSTEM (Design Standard)	MINIMUM FIREFLOW (gallons per minute)	FLOW DURATION (hours)
No automatic sprinkler system	Value in Table B105.1(2)	Duration in Table B105.1(2)
Section 903.3.1.2 of the California Fire Code	50% of the value in Table B105.1(2)a	Duration in Table B105.1(2) at the reduced flow rate
Section 903.3.1.2 of the California Fire Code	50% of the value in Table B105.1(2)a	Duration in Table B105.1(2) at the reduced flow rate

For S1: 1 gallon per minute = 3.785 L/m.

a. The reduced fire-flow shall be not less than 1,500 gallons per minute.

Section 505 of Chapter 5, of the California Fire Code, 2016 Edition is deleted in its entirety and amended to read as follows:

505.1 Address identification. New and existing buildings shall be provided with approved address identification. The address identification shall be legible and placed in a position that is visible from the street or road fronting the property. The address identification shall be displayed in such a manner as to be continuously displayed, non-moving, and readily visible and legible to emergency vehicles approaching from either direction along the public street on which the address is assigned at all time. Non-continuous display signs, such as changing electronic or video displays are not permitted to be used as required address signs. Moving or non-fixed signs, such as flags are not permitted to be used as required address signs. In situations where there is a public entrance to a property, building, or complex in addition to the entrance from the public street the address is assigned, additional address number signs may be required to be displayed at those additional entrances. Buildings located on the property so that the required address displayed on the building is not visible from the public street fronting the property, additional address number signs will be required at the public street entrance to the property, driveway or private road, and at any intersecting points along the driveway or private road leading to the building. Address identification characters shall contrast with their background.

505.2 Address Number Assignment. Only address numbers or letters assigned and approved by the Building Division may be displayed on buildings; property and/or building owners are not allowed to display address numbers or letters which have not been approved by the Building Department.

505.3 Location. Address numbers or letters shall be displayed above the eave line of the building on the upper ¼ portion of the building or in a location on the building approved by the Fire Department. Required address signs on building shall be placed at a height and location of the building so as to be readily visible from the public street fronting the building at all times. Required address signs shall not be placed at a height or location on the building where the address sign is visually obstructed, confused or camouflaged by other structures or buildings, building structural or decorative features, windows, glazing, or by expected locations of parked or stopped vehicles, other signs, trees or other existing or potential obstruction. Obstruction which are installed or occur after a required address sign is approved and installed, the Fire Department may require the relocation of the required address sign, or the removal of the obstruction.

505.4 Illumination. All addresses required to be displayed on a building or other permanent structure shall be illuminated during all hours of darkness. The source of illumination shall be controlled by a photoelectric device which causes the address to be illuminated automatically during all hours of darkness. Timer based control devices are not allowed to be used for the purposes of controlling address illumination. The address may be illuminated by a light source placed behind, within, or near the address. Examples of acceptable light sources include self-contained illuminated signs, landscape lighting decorative exterior building lighting and advertising lighting.

The power source for illumination of the address identification must be under the control of the building or property owner. Illumination from other ambient or nearby sources, such as street lights, advertising signs on nearby buildings, or other sources not controlled by the building or property owner are not considered sufficient for the purpose of required address illumination. Exception: Addressing used to identify individual tenant spaces or suites at the interior entrance within, or rear exterior non-public access to commercial building need not be illuminated. Special temporary address signs at construction sites and undeveloped properties need not be illuminated.

505.5 Color. All required address signs shall be of a color combination where the numbers contrast with the background at all times. Address numbers placed on windows or other glazing may appear to have an acceptable contrasting background during daylight hours, but may have an unacceptable non-contrasting background during hours of darkness. Reflective signs are acceptable, provided that when illuminated by a light source the reflected light from the sign produces contrasting colors which distinguish the address identification from any other reflective material.

505.6 Size. All required address signs shall be of the minimum size required by this section or larger if required by the Fire Department.

506.5.1 Residential. 4-inch high building numbers with a ½-inch minimum stroke.

506.5.2 Commercial. Height of any numeral or letter must be 1/10 taller than the setback distance measured in feet, expressed in inches, but in no case smaller than 6 inches in height plus 2". Width or stroke of any portion of a number or letter must be 1/10 of its height but no less than .5-inch stroke. The width of any figure must be ½ its height. Suite numbers shall be a minimum 6-inch suite numbers, with a minimum .5 inch stroke, shall be located on the front and back doors.

506.5.3 Multi-Family. 12-inch building numbers with a 2-inch minimum stroke. 6-inch directional numbers shall be visible from the walkway. Individual unit characters shall be a

minimum of 4-inch characters in height and a ½ inch stroke. Each individual unit shall have the unit identification, numbers or letters located at or near the primary entrance to the unit.

506.6 Format. All required address identification shall displayed in a horizontal format. When numbers are used as part of the address, the number shall be displayed by using numerical characters and not by using letters to spell the number(s). The style or font of the character used shall be of a style or font which provides characters which are clear and easily recognizable.

506.7 Complex Directory. For all properties where more than two (2) buildings exist, or otherwise required by the Fire Department, a map of the complex or facility shall be displayed at or near each entrance from the public street or roadway to serve as a directory to assist in rapid and safe response of emergency vehicles to locations within the complex or facility. The complex or facility map shall clearly show and identify all buildings on the property, including the primary services or functions within each building, all roadways, all access points to the facility from the public streets or roadways, all emergency vehicle access points, fire hydrants(s), fire department connection(s), fire alarm panel location(s), significant life safety hazards, pre-designated helicopter landing areas, and all other specific details as may be required by the Fire Department.

Exception: Properties which are primarily used for residential single family, duplex or triplex dwellings.

506.8 Notice to place numbers.

506.8.1 It shall be the duty of any owner/occupant of any premises, upon notice from the Fire Department or his or her designated representative, to cause the official number to be placed on any building so owned or occupied.

506.8.2 Such address identification shall be accomplished in the manner required within 20 days after service of such notice.

506.9 Renumbering. When a property address is reassigned, the new address identification shall be posted in compliance with this section within 20 days after notice is given.

506.10 Temporary Signs. At all new construction sites, a temporary sign shall be erected on the property indicating the assigned address of the structure(s).

506.11 Shopping Centers with monument signs or other identification markers. Shall contain the address range of the shopping center. The Anchor stores and towers of the shopping center shall have address identification as required by this section.

506.12 Materials. Materials used to display the address shall be made of a weather-resistant material such as wood or plastic.

Secs. 14-77 – 14-79. Reserved.

Division 11. California Existing Building Code

Sec. 14-80. Adoption.

The 2016 California Existing Building Code, codified in Part 10 of Title 24 of the California Code of Regulations, as such code may be amended from time to time, except as hereinafter amended by this Division, is adopted by reference as the existing building code of the City.

Sec. 14-81. Amendments.

Section A115.1. Compliance requirements is added to read as follows:

Section A115.1. Compliance requirements.

A115.1.1. The owner of each building within the scope of this chapter shall, upon service of an order and within the time limit set forth in this chapter, cause a structural analysis to be made of the building by an engineer or architect licensed by the state to practice as such and, if the building does not comply with earthquake standards specified in this chapter, the owner shall cause it to be structurally altered to conform to such standards or shall cause the building to be demolished.

A115.1.2. The owner of a building within the scope of this chapter shall comply with the requirements set forth above by submitting to the building official for review one of the following within the stated time limits:

1. Within one year after service of the order, a structural analysis, which is subject to approval by the building official which certifies the building meets the minimum requirements of this chapter; or
2. Within one year after service of the order, the structural analysis and plans for structural alteration of the building to comply with this chapter; or
3. Within one year after service of the order submit plans for the demolition of the building and obtain demolition permits. Demolition is required to be completed within 180 days from permit issuance.

A115.1.3. After plans are submitted and approved by the building official, the owner shall obtain a building permit and then commence and complete the required construction or demolition within the time limits set forth in Table No. A-1-H. These time limits shall begin to run from the date the order is served in accordance with Section A115.1.2, except that the time limit to commence structural alteration or demolition shall begin to run from the date the building permit is issued.

Section A115.2 Historical buildings is added to read as follows:

Section A115.2 Historical buildings.

Alterations or repairs to qualified historical buildings, as defined by Section 18955 of the Health and Safety Code of the State of California and as regulated by Sections 18950 to 18961 of that Code, as designated on official national, state, or local historical-registers of inventories shall comply with the State Historical Building Code (California Code of Regulations Title 24, Building Standards, Part 8), in addition to this chapter.

Section A115.3. Administration is added to read as follows:

Section A115.3. Administration.

A115.3.1. Order -- service.

1. The building official shall issue an order as provided in this section to the owner of each building within the scope of this chapter.

2. Prior to the service of an order, a bulletin may be issued to the owner as shown upon the last equalized assessment roll or the person in apparent charge. The bulletin may contain information the building official deems appropriate. The bulletin may be issued by mail or in person.

A115.3.2. Order -- priority of service.

Priorities for the service of the order for buildings within the scope of this chapter shall normally be based upon the occupant load of the building. The owners of the buildings housing the largest occupant loads shall be served first. The Building Official may, upon receipt of a written request from the owner, order such owner to bring his building into compliance with this chapter prior to the normal service date for such building set forth in this chapter.

A115.3.3. Order -- contents.

The order shall be in writing and shall be served either personally or by certified or registered mail upon the owner as shown on the last equalized assessment roll and upon the person, if any, in apparent charge or control of the building. The order shall specify that the building has been determined by the building official to be within the scope of this chapter and, therefore, is required to meet the minimum seismic standards of this chapter.

A115.3.4. Appeal from order.

The owner of the building may appeal the building official's initial determination that the building is within the scope of this chapter to the board of appeals established by Section 204 of the Uniform Administrative Code as adopted by the city. Such appeal shall be filed with the board within 60 days from the service date of the order described in Section A115.3.3. Any such appeal shall be decided by the board no later than 90 days after writing and the grounds thereof shall be stated clearly and concisely. Appeals or requests for modification from any other determinations, orders or actions by the building official pursuant to the chapter shall be made in accordance with the procedures established in Sections 105, 106 and 107 of the Uniform Administrative Code as adopted by the city.

A115.3.5. Recordation.

At the time that the building official serves the aforementioned order, the building official shall also file with the office of the county recorder a certificate stating that the subject building is within the scope of this chapter and is a potentially earthquake hazardous building. The certificate shall also state that the owner thereof has been ordered to structurally analyze the building and to structurally alter or demolish it where compliance with this chapter has not been demonstrated.

If the building is either demolished, found not to be within the scope of this chapter or is structurally capable of resisting minimum seismic forces required by this chapter as a result of structural alterations or an analysis, the building official shall file with the office of the county recorder a form terminating the status of the subject building as being classified within the scope of this chapter.

A115.3.6. Enforcement.

If the owner in charge or control of the subject building fails to comply with any order issued by the building official pursuant to this chapter within any of the time limits set forth in Section A115.1, the building official shall verify that the record owner of this building has been properly served. If the order has been served on the record owner, then the building official shall order that the entire building be vacated and that the building remain vacated until such order has been complied with. If compliance with such order has not been accomplished within 90 days after the date the building has been ordered vacated or such additional time as may have been granted by the board of appeals, the building official may order its demolition in accordance with the provisions of Section 203 of the Uniform Administrative Code as adopted by the city.

Table No. A-1-H is amended to read as follows:

TABLE NO. A-1-H -- TIME LIMITS FOR COMPLIANCE

TABLE INSET:

Required Action by Owner	Obtain Building Permit Within	Commence Construction Within	Complete Construction Within
Structural Alterations	1 year ²	180 days ¹	3 years ¹

¹ 3 years¹ Measured from date of building permit issuance.

² Measured from date of service of order.

Secs. 14-82 – 14-84. Reserved.

Division 12. California Green Building Code

Sec. 14-85. Adoption.

The 2016 California Green Building Code, codified in Part 11 of Title 24 of the California Code of Regulations and as such code may be amended from time to time, except as hereinafter amended by this division, is adopted by reference as the green building code of the city.

Secs. 14-86 – 14-89. Reserved.

Division 13. California Referenced Standards Code

Sec. 14-90. Adoption.

The 2016 California Referenced Standards Code, codified in Part 12 of Title 24 of the California Code of Regulations and as such code may be amended from time to time, except as hereinafter amended by this division, is adopted by reference as the elevator code of the city.

Secs. 14-91 – 14-94. Reserved.

Division 14. Uniform Housing Code

Sec. 14-95. Adoption.

There is hereby adopted by the city council for the purpose of prescribing minimum standards to safeguard life or limb, health, property and public welfare by regulating and controlling the use and occupancy, location and maintenance of all residential buildings and structures within this jurisdiction; that certain code known as the Uniform Housing Code recommended by the International Conference of Building Officials being particularly the 1997 edition, as adopted by reference and amended by Title 25 of the California Code of Regulations, and the whole thereof save and except such portions as are hereinafter deleted, modified or amended by this division of which code at least one copy is now on file in the office of the clerk of the city and the same are hereby adopted and incorporated as fully as if set out at length herein, and from the date of which this division shall take effect, the provision thereof shall be controlling within the limits of the city.

Sec. 14-96. Amendments.

Section 203 of Chapter 2 of the Uniform Housing Code, 1997 Edition, is amended in its entirety to read as follows:

Section 203 General. "Housing Advisory and Appeal Board" as used herein shall mean the Board of Appeals as set forth in Section 113 of the California Building Code, 2016 Edition. Appeals to the board shall be processed in accordance with the provisions contained in Section 1201 of this code.

Section 301 of Chapter 3 of the Uniform Housing Code, 1997 Edition, is amended in its entirety to read as follows:

Section 301 General. No building or structure regulated by this code shall be erected, constructed, enlarged, altered, repaired, moved, improved, removed, converted or demolished unless a separate permit for each building or structure has first been obtained from the building official in the manner according to the applicable conditions prescribed in Chapter 1 of the California Building Code, 2016 Edition.

Section 302, of Chapter 3 of the Uniform Housing Code, 1997 Edition is amended by adding two new subsections 302.1 & 302.2 to read as follows:

Section 302.1 Permits fees. When a building permit is required by Section 301 of this code, the appropriate fees shall be paid as specified in Section 109 of the California Building Code, 2016 Edition.

Section 302.2 Code enforcement fees. The cost for enforcement of this code shall be assessed as lien against the property involved or shall become a personal obligation of the property owner.

Section 303, of Chapter 3 of the Uniform Housing Code, 1997 Edition is amended in its entirety to read as follows:

Section 303 Inspections. Buildings or structures within the scope of this code and all construction or work for which a permit is required shall be subject to inspection by the building official in accordance with and in the manner provided by this code and Sections 111 and 1701 of the California Building Code, 2016 Edition.

Secs. 14-97 – 14-99. Reserved.

Division 15. Uniform Code for the Abatement of Dangerous Buildings

Sec. 14-100. Adoption.

There is hereby adopted by the city council, for the purpose of prescribing regulations governing all dangerous buildings as defined in this division, which are now in existence or which may hereafter become dangerous, that certain code known as the Uniform Code for the Abatement of Dangerous Buildings, recommended by the International Conference of Building Officials, being particularly the 1997 edition thereof, to include all appendices thereto, save and except such portions as are deleted, modified or amended by this division, of which code at least one copy is on file in the office of the city clerk, and such code is hereby adopted and incorporated as fully as if set out at length in this division, and, from the date on which this division shall take effect, the provisions thereof shall be controlling within the limits of the city.

Sec. 14-101. Amendments.

The Uniform Code for the Abatement of Dangerous Buildings, as adopted by this division, is amended in the following respects:

Section 205, of the Uniform Code for the Abatement of Dangerous Buildings, 1997 Edition, is amended to read as follows:

205 Board of appeals. "Board of appeals" as used herein shall mean the board of appeals as set forth in Section 113 of the California Building Code, 2016 Edition as adopted by the city. Appeals to the board shall be processed in accordance with the provisions contained in section 501 of this code.

Section 206, of the Uniform Code for the Abatement of Dangerous Buildings, 1997 Edition, is added to read as follows:

206 Summary Abatement.

1. In addition to the procedures provided for abatement of dangerous buildings as set forth in chapter 4 of this code, the building official is hereby given summary power to secure from entry any structure or premises which in his discretion he determines to be immediately dangerous or immediately hazardous or in any other manner injurious to public health or safety.

Such structures may be secured by the building official by securing boards over the doors and windows of such structure; however, he shall not be limited to only this method and may use other methods at his discretion to accomplish the same purpose which may be more appropriate under the circumstances. The building official shall also post a sign stating, in effect, "DANGEROUS BUILDING, DO NOT ENTER," or some other appropriate sign, upon the structure or premises, in at least one conspicuous place. The building official shall immediately upon such action send notice to the owners of the real property upon which the structure or condition is located, as shown on the last equalized assessment rolls. Such notice shall contain the following information:

- a. That he has secured the structure or corrected the hazardous conditions.
- b. The cost incurred by the city thereby.
- c. That he has posted signs as provided by this section.
- d. The reasons why he has taken the action.

e. That an appeal may be made within ten days to the city council, as provided in this section.

f. That if his action is not annulled by the city council, the cost of securing the property shall become a lien upon the real property, unless the cost is paid to the city within 30 days of the mailing of the notice.

If any owner of property, or any person having any interest in property affected by the action of the building official in securing a structure or abating a hazardous condition as permitted by this section, is aggrieved by the action of the building official in securing the structure, such person or persons may appeal the action of the building official by filing a written notice of appeal with the city clerk within ten days after receipt of notice of action by the building official. The notice of appeal must be verified under penalty of perjury and must state the grounds upon which the action of the building official is appealed. The city council shall, upon receiving such notice of appeal, hear any evidence or other relevant matters presented by the appellant or the building official at its next regular meeting after the filing of the notice of appeal; provided, however, that, if the notice of appeal is filed less than ten days prior to the day of a regular meeting of the city council, the hearing shall not be held at the first regular meeting, but at the following regular meeting.

After hearing all evidence and other relevant matters presented at the hearing, or without hearing if no appeal is made upon the report of the building official, the city council may then confirm, amend or annul the action of the building official. If the action of the building official is annulled, the city, at its own expense, shall remove any and all instruments used to secure the structure, and shall remove any and all signs stating that the building is unsafe to enter.

If, however, the city council confirms the actions of the building official in securing the structure at the hearing on appeal, or, if no appeal is taken, at any other regular meeting or adjourned meeting, then the cost incurred by the city in securing the structure shall become a lien against the property, and a resolution of the city council confirming the action of the building official, including the imposition of a lien upon the property upon which the structure is located to pay for the cost of securing it, may be adopted upon receipt of a report from the building official. Such resolution may be filed with the county tax assessor, and the lien imposed thereby may be collected for the city by him, along with the next annual tax levy and assessment on the property.

2. The same procedure as provided in subsection 1 for abating through securing from entry any structure which is determined by the building official to be immediately dangerous or immediately hazardous may also be used by the building official in connection with the summary abatement of all other dangerous or hazardous conditions upon private property which the building official determines, at his discretion, as constituting an immediately dangerous or hazardous condition. The building official may then summarily abate such nuisance, at his discretion, in the most appropriate manner under the circumstances, which may include but shall not be limited to the following methods: fencing, draining water from swimming pools and filling with appropriate ballast, removing fire hazards, filling or covering open holes, and grading or strengthening land fills or excavations. Although the manner and method used by the building official shall be at his discretion, he shall, in making his determinations, seek the most economical method and endeavor not to place an undue economic hardship upon

the owner of the property, and only use those measures which will eliminate the dangerous and hazardous features.

Secs. 14-102 – 14-104. Reserved.

Division 16. Uniform Sign Code

Sec. 14-105. Adoption.

There is hereby adopted by the city council, for the purpose of providing minimum standards to safeguard life, health, property and public welfare by regulating and controlling the design, quality of materials, construction, location, electrification and maintenance of all signs and sign structures not located within a building, that certain code known as the Uniform Sign Code, recommended by the International Association of Plumbing and Mechanical Officials, being particularly the 1997 edition, save and except such portions as are deleted, modified or amended by this division, of which code at least one copy is on file in the office of city clerk, and such code is hereby adopted and incorporated as fully as if set out at length in this division, and, from the date on which this division shall take effect, the provisions thereof shall be controlling within the limits of the city.

Sec. 14-106. Amendments.

Section 103 of the Uniform Sign Code, Edition 1997, as adopted by this division, is amended to read as follows:

103 Board of Appeals. In order to hear and decide appeals of orders, decisions or determinations made by the building official relative to the application and interpretations of this Code, there shall be and is hereby created a Board of Appeals as specified in Section 113 of the California Building Code, 2016 Edition. All appeals shall be processed in accordance with the provisions contained in Section 103 of the California Building Code, 2016 Edition.

Secs. 14-107 – 14-109. Reserved.

Division 17. Uniform Solar Energy Code

Sec. 14-110. Adoption.

There is hereby adopted by the city council, for the purpose of prescribing regulations governing the erection, installation, alteration, addition, repair, relocation, replacement, maintenance or use of any solar system, that certain code known as the Uniform Solar Energy Code, recommended by the International Association of Plumbing and Mechanical Officials, being particularly the 2009 Edition, to include all appendices thereto, save and except such portions as are deleted, modified or amended by this division, of which code at least one copy is on file in the office of the city clerk, and such code is hereby adopted and incorporated as fully as if set out at length in this division, and, from the date on which this division shall take effect, the provisions thereof shall be controlling within the limits of the city.

Sec. 14-111. Amendments.

Subsection 102.3.2 of Section 102.3 of Chapter 1 of the Uniform Solar Energy Code, Edition 2009 is amended to read as follows:

102.3.2 Penalties. Any person, firm or corporation violating any of the provisions, regulations, requirements, additions, amendments and/or deletions of this code is guilty

of a misdemeanor and the penalty for such a misdemeanor shall be as set forth in Chapter 1-8 of the Hemet Municipal Code.

102.3.2 of Section 102.3 of Chapter 1 of the Uniform Solar Energy Code, Edition 2009 is amended by adding subsection 102.3.2.1 to read as follows:

102.3.2.1 In addition thereto, violation of this code is declared to be a public nuisance, and the city attorney may institute necessary legal procedures for the abatement, removal or the enjoinder thereof in the manner provided by law, or may take such other steps as he or she deems necessary to accommodate these ends.

Section 102.3 of Chapter 1 of the Uniform Solar Energy Code, Edition 2009, is amended by adding a new subsection 102.3.3 to read as follows:

102.3.3 Notice of Violation. The building official is authorized to serve a notice of violation or order on the person responsible for the erection, construction, alteration, enlargement, alteration, repair, moving, improving, removing, converting or demolishing, equipping, using, or maintaining mechanical systems or equipment in violation of this code, or in violation of a permit under the provisions of this code. Such order shall direct the discontinuance of the illegal action or condition and the abatement of the violation.

Section 102.3 of Chapter 1 of the Uniform Solar Energy Code, Edition 2009, is amended by adding subsection 102.3.4 to read as follows:

102.3.4 Prosecution of violation. If the notice of violation is not complied with promptly, the building official is authorized to request the legal counsel of the jurisdiction to institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the removal or termination of the unlawful occupancy of the building or structure in violation of the provisions of this code or of the order or direction made pursuant thereto.

Subsection 103.4.1 of Section 103.4 of Chapter 1 of the Uniform Solar Energy Code, Edition 2009, is amended to read as follows:

103.4.1 Permit Fees. On buildings, structures, plumbing systems or alterations requiring a permit, a fee for each permit shall be paid as required in accordance with the City of Hemet, Building Division Schedule of Fees and Charges.

Subsection 103.4.2 of Section 103.4 of Chapter 1 of the Uniform Solar Energy Code, Edition 2009, is amended to read as follows:

103.4.2 Plan Review Fees. When plans or other data are required to be submitted by Section 103.2.2, a plan review fee shall be paid at the time of submitting plans and specifications for review. The plan review fees for mechanical work shall be as set forth in the City of Hemet, Building Division Schedule of Fees and Charges. Upon submittal construction documents, this fee shall be due and payable before the construction documents will be reviewed.

The plan review fees specified in this subsection are separate fees from the permit fees specified in Section 103.4 and are in addition to the permit fees.

When plans are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in the City of Hemet, Building Division Schedule of Fees and Charges.

Subsection 103.4.4.1 of Section 103.4.4, of Chapter 1 of the Uniform Swimming Pool, Spa & Hot Tub Code, Edition 2009 is amended to read as follows:

103.4.4.1 Special Investigation. Whenever any work for which a permit is required by this code has been commenced without first obtaining said permit shall be subject to a special investigation fee. This fee shall be in addition to the required permit fees. The special investigation fee shall be made before a permit may be issued for such work.

Subsection 103.4.4.2 of Section 103.4, of Chapter 1 of the Uniform Solar Energy Code, Edition 2009, is added to read as follows:

103.4.4.2 Fees. Whenever any work for which a permit is required by this code has been commenced without first obtaining said permit, a special investigation shall be made before a permit may be issued for such work. An investigation fee, in addition to the permit fee, shall be collected whether or not a permit is then or subsequently issued. The investigation fee shall be twice the amount of all permit fees, required by this code. The minimum investigation fee shall be the same as the minimum fee set forth in the current City of Hemet, Building Division Schedule of Fees and Charges. The payment of such investigation fee shall not exempt any person from compliance with all other provisions of this code nor from any penalty prescribed by law.

Section 103.4.5, of Chapter 1 of the Uniform Solar Energy Code, Edition 2009, is amended by deleting subsection 103.4.5.1, 103.4.5.2 and 103.4.5.3 and amended to read as follows:

103.4.5 Fee Refunds. The Building Official may authorize refunding of any fee paid hereunder in the following situations.

1. Wherein a fee was erroneously paid or collected.
2. The building official may authorize refunding of not more than 75 percent of the permit application fee when an application for a permit is withdrawn or canceled before any plan review is done.
3. The building official may authorize refunding of not more than 75 percent of the permit fee when an application for permit is withdrawn or canceled before any inspections are performed.

The building official shall not authorize refunding of any fee paid except on written application filed by the original applicant not later than 180 days after the date of fee payment. Except for the refunding of fees paid in error no refund of permit or plan review fees shall be made where the permit or plan review fee paid is \$100.00 or less.

Chapter 1 of the Uniform Solar Energy Code, Edition 2009, is amended by adding section 104 Board of Appeals, to read as follows:

104.1 General. In order to hear and decide appeals of orders, decisions or determinations made by the building official relative to the application and interpretations of this Code, there shall be and is hereby created a Board of Appeals consisting of five members who are qualified by experience and training to pass upon matters pertaining to building construction and who are not employees of the jurisdiction. The Building Official shall be an ex officio member and shall act as secretary to said Board, but shall have no vote upon any matter before the Board. The Board of Appeals shall be appointed by the City Council and shall hold office at its pleasure. The Board shall adopt rules of procedure for conducting its business and shall render all decisions and findings in writing to the appellant with a duplicate copy to the building official.

104.2 Limitations of Authority. The Board of Appeals shall have no authority relative to interpretation of administrative provisions of this Code, nor shall the Board be empowered to waive requirements of this Code.

104.3 Appeal hearing fee. A fee, as provided in the current City of Hemet, Building Division Schedule of Fees and Charges, shall accompany an application for a hearing before the Board of Appeals.

104.4 Special purposes members. For the purpose of appeals to the standards of Title 24 of the California Code of Regulations affecting accommodations for persons with disabilities, two (2) members shall be added who shall have a disability as defined by Section 202 of the California Building Code, 2016 Edition.

104.5 Notice of appeal. Within the limitations provided for below, a person aggrieved by any order, act or determination of the building official or his subordinates, may appeal therefrom to the board of appeals. The appeal shall be taken by filing a written notice of appeal within 15 days, exclusive of holidays, after the date of making the order or determination or performing the act and by paying the appeal hearing fee. The notice of appeal must be in writing on a form provided by the city, and the notice must be filed and the fee paid at the office of the building official. The notice of appeal shall be sufficient if it identifies the act, order or determination appealed from and stated wherein it is erroneous or invalid. The operation of the act, order, or determination appealed from is suspended by the filing of the notice of appeal and upon the determination of the appeal or termination of proceedings thereunder.

104.6. The chairman of said board shall fix the time and place of hearing the appeal. The date of hearing shall not be less than five days nor more than 15 days after the date of filing the notice of appeal, and the hearing must not be postponed for more than ten days without good and sufficient cause. The board shall give written notice of the time and place of such hearing to the appellant and the officer or head of the department or division whose act, order, or determination is appealed from. Witnesses may be sworn and examined and evidence produced by interested parties, who may appear in person or by attorney. The board shall keep a record of each appeal and proceedings thereunder. At the conclusion of the hearing, the board shall prepare and file its written findings and decision. The affirmative vote of two-thirds of the board is necessary to modify or reverse the order, act or determination appealed from. The failure of the board to file its findings and decisions within five days after termination of the hearing shall result in the automatic confirmation of the order, act or determination appealed from.

104.7 Any person aggrieved or affected by a decision of the board may appeal to the city council from such decision at any time within ten days after the date upon which the board announces its decision or loses jurisdiction. An appeal to the city council shall be taken by filing a letter of appeal with the building division and by concurrently paying to such division an appeal hearing fee in the amount established by Table A. Such letter shall set forth the grounds upon which the appeal is based. Within 15 days after the receipt of the letter of appeal and the filing fee, the building division shall transmit to the city council the letter of appeal and the record of appeal at the board and the board's findings and decision. The city council may affirm, reverse, or modify the decision of the board.

104.8 In the event the board as established in Section 113.1 herein above should for any reason not be appointed by the city council or cease to exist after such appointment, the city council may serve as the board of appeals.

Secs. 14-112 - 14-114. Reserved.

Division 18. Uniform Swimming Pool, Spa and Hot Tub Code

Sec. 14-115. Adoption.

There is hereby adopted by the city council, for the purpose of prescribing regulations governing the erection, installation, alteration, addition, re-pair, relocation, replacement, maintenance or use of any swimming pool, spa or hot tub plumbing system, that certain code known as the Uniform Swimming Pool, Spa and Hot Tub Code, recommended by the International Association of Plumbing and Mechanical Officials, being particularly the 2009 Edition, save and except such portions as are deleted, modified or amended by this division, of which code at least one copy is on file in the office of the city clerk, and such code is hereby adopted and incorporated as fully as if set out at length in this division, and, from the date on which this division shall take effect, the provisions thereof shall be controlling within the limits of the city.

Sec. 14-116. Amendment.

Subsection 102.3.2 of Section 102.3 of Chapter 1 of the Uniform Swimming Pool, Spa, & Hot Tub Code, Edition 2009 is amended to read as follows:

102.3.2 Penalties. Any person, firm or corporation violating any of the provisions, regulations, requirements, additions, amendments and/or deletions of this code is guilty of a misdemeanor and the penalty for such a misdemeanor shall be as set forth in Chapter 1-8 of the Hemet Municipal Code.

102.3.2 of Section 102.3 of Chapter 1 of the Uniform Swimming Pool, Spa, & Hot Tub Code, Edition 2009 is amended by adding subsection 102.3.2.1 to read as follows:

102.3.2.1 In addition thereto, violation of this code is declared to be a public nuisance, and the city attorney may institute necessary legal procedures for the abatement, removal or the enjoinder thereof in the manner provided by law, or may take such other steps as he or she deems necessary to accommodate these ends.

Section 102.3 of Chapter 1 of the Uniform Swimming Pool, Spa, & Hot Tub Code, Edition 2009 is amended by adding a new subsection 102.3.3 to read as follows:

102.3.3 Notice of Violation. The building official is authorized to serve a notice of violation or order on the person responsible for the erection, construction, alteration, enlargement, alteration, repair, moving, improving, removing, converting or demolishing, equipping, using, or maintaining mechanical systems or equipment in violation of this code, or in violation of a permit under the provisions of this code. Such order shall direct the discontinuance of the illegal action or condition and the abatement of the violation.

Section 102.3 of Chapter 1 of the Uniform Swimming Pool, Spa, & Hot Tub Code, Edition 2009, is amended by adding subsection 102.3.4 to read as follows:

102.3.4 Prosecution of violation. If the notice of violation is not complied with promptly, the building official is authorized to request the legal counsel of the jurisdiction to institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the removal or termination of the unlawful occupancy of the building or structure in violation of the provisions of this code or of the order or direction made pursuant thereto.

Subsection 103.4.1 of Section 103.4 of Chapter 1 the Uniform Swimming Pool, Spa & Hot Tub Code, Edition 2009 is amended to read as follows:

103.4.1 Permit Fees. On buildings, structures, plumbing systems or alterations requiring a permit, a fee for each permit shall be paid as required in accordance with the City of Hemet, Building Division Schedule of Fees and Charges.

Subsection 103.4.2 of Section 103.4 of Chapter 1 the Uniform Swimming Pool, Spa & Hot Tub Code, Edition 2009 is amended to read as follows:

103.4.2 Plan Review Fees. When plans or other data are required to be submitted by Section 103.2.2, a plan review fee shall be paid at the time of submitting plans and specifications for review. The plan review fees for mechanical work shall be as set forth in the City of Hemet, Building Division Schedule of Fees and Charges. Upon submittal construction documents, this fee shall be due and payable before the construction documents will be reviewed.

The plan review fees specified in this subsection are separate fees from the permit fees specified in Section 103.4 and are in addition to the permit fees.

When plans are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in the City of Hemet, Building Division Schedule of Fees and Charges.

Subsection 103.4.3 of Section 103.4, of Chapter 1 of the Uniform Swimming Pool, Spa & Hot Tub Code, Edition 2009 is amended to read as follows:

103.4.3.1 Whenever any work for which a permit is required by this code has been commenced without first obtaining said permit shall be subject to a special investigation fee. This fee shall be in addition to the required permit fees. The special investigation fee shall be made before a permit may be issued for such work.

Subsection 103.4.3.2 of Section 103.4 of Chapter 1 of the Uniform Swimming Pool, Spa & Hot Tub Code, Edition 2009 is amended to read as follows:

103.4.3.2 Whenever any work for which a permit is required by this code has been commenced without first obtaining said permit, a special investigation shall be made before a permit may be issued for such work. An investigation fee, in addition to the permit fee, shall be collected whether or not a permit is then or subsequently issued. The investigation fee shall be twice the amount of all permit fees, required by this code. The minimum investigation fee shall be the same as the minimum fee set forth in the current City of Hemet, Building Division Schedule of Fees and Charges. The payment of such investigation fee shall not exempt any person from compliance with all other provisions of this code nor from any penalty prescribed by law.

Section 103.4.4, of Chapter 1 of the Uniform Swimming Pool, Spa & Hot Tub Code, Edition 2009 is amended by deleting subsection 103.4.4.1, 103.4.4.2 and 103.4.4.3 and amended to read as follows:

103.4.4 Fee Refunds. The Building Official may authorize refunding of any fee paid hereunder in the following situations.

1. Wherein a fee was erroneously paid or collected.

2. The building official may authorize refunding of not more than 75 percent of the permit application fee when an application for a permit is withdrawn or canceled before any plan review is done.

3. The building official may authorize refunding of not more than 75 percent of the permit fee when an application for permit is withdrawn or canceled before any inspections are performed.

The building official shall not authorize refunding of any fee paid except on written application filed by the original applicant not later than 180 days after the date of fee payment. Except for the refunding of fees paid in error no refund of permit or plan review fees shall be made where the permit or plan review fee paid is \$100.00 or less.

Chapter 1, of the Uniform Swimming Pool, Spa & Hot Tub Code, 2009 Edition is amended by adding section 104 Board of Appeals, to read as follows:

104.1 General. In order to hear and decide appeals of orders, decisions or determinations made by the building official relative to the application and interpretations of this Code, there shall be and is hereby created a Board of Appeals consisting of five members who are qualified by experience and training to pass upon matters pertaining to building construction and who are not employees of the jurisdiction. The Building Official shall be an ex officio member and shall act as secretary to said Board, but shall have no vote upon any matter before the Board. The Board of Appeals shall be appointed by the City Council and shall hold office at its pleasure. The Board shall adopt rules of procedure for conducting its business and shall render all decisions and findings in writing to the appellant with a duplicate copy to the building official.

104.2 Limitations of Authority. The Board of Appeals shall have no authority relative to interpretation of administrative provisions of this Code, nor shall the Board be empowered to waive requirements of this Code.

104.3 Appeal hearing fee. A fee, as provided in the current City of Hemet, Building Division Schedule of Fees and Charges, shall accompany an application for a hearing before the Board of Appeals.

104.4 Special purposes members. For the purpose of appeals to the standards of Title 24 of the California Code of Regulations affecting accommodations for persons with disabilities, two (2) members shall be added who shall have a disability as defined by Section 202 of the California Building Code, 2016 Edition.

104.5 Notice of appeal. Within the limitations provided for below, a person aggrieved by any order, act or determination of the building official or his subordinates, may appeal therefrom to the board of appeals. The appeal shall be taken by filing a written notice of appeal within 15 days, exclusive of holidays, after the date of making the order or determination or performing the act and by paying the appeal hearing fee. The notice of appeal must be in writing on a form provided by the city, and the notice must be filed and the fee paid at the office of the building official. The notice of appeal shall be sufficient if it identifies the act, order or determination appealed from and stated wherein it is erroneous or invalid. The operation of the act, order, or determination appealed from is suspended by the filing of the notice of appeal and upon the determination of the appeal or termination of proceedings thereunder.

104.6. The chairman of said board shall fix the time and place of hearing the appeal. The date of hearing shall not be less than five days nor more than 15 days after the date of filing the notice of appeal, and the hearing must not be postponed for more than ten

days without good and sufficient cause. The board shall give written notice of the time and place of such hearing to the appellant and the officer or head of the department or division whose act, order, or determination is appealed from. Witnesses may be sworn and examined and evidence produced by interested parties, who may appear in person or by attorney. The board shall keep a record of each appeal and proceedings thereunder. At the conclusion of the hearing, the board shall prepare and file its written findings and decision. The affirmative vote of two-thirds of the board is necessary to modify or reverse the order, act or determination appealed from. The failure of the board to file its findings and decisions within five days after termination of the hearing shall result in the automatic confirmation of the order, act or determination appealed from.

104.7 Any person aggrieved or affected by a decision of the board may appeal to the city council from such decision at any time within ten days after the date upon which the board announces its decision or loses jurisdiction. An appeal to the city council shall be taken by filing a letter of appeal with the building division and by concurrently paying to such division an appeal hearing fee in the amount established by Table A. Such letter shall set forth the grounds upon which the appeal is based. Within 15 days after the receipt of the letter of appeal and the filing fee, the building division shall transmit to the city council the letter of appeal and the record of appeal at the board and the board's findings and decision. The city council may affirm, reverse, or modify the decision of the board.

104.8 In the event the board as established in Section 113.1 herein above should for any reason not be appointed by the city council or cease to exist after such appointment, the city council may serve as the board of appeals.

Section 203.0 of Chapter 2, of the Uniform Swimming Pool, Spa & Hot Tub Code, 2009 Edition is amended by adding the following definition(s).

Aboveground or on-ground pool. See definition of swimming pool.

Section 211.0 of Chapter 2, of the Uniform Swimming Pool, Spa & Hot Tub Code, 2009 Edition is amended by adding the following definition(s).

In-ground pool. See definition of swimming pool.

Section 220.0 of Chapter 2, of the Uniform Swimming Pool, Spa & Hot Tub Code, 2009 Edition is amended by adding the following definition(s).

Residential. That which is situated on the premises of a detached one-or two-family dwelling or a one-family townhouse not more than three stories in height.

Section 221.0 of Chapter 2, of the Uniform Swimming Pool, Spa & Hot Tub Code, 2009 Edition is amended by adding the following definition(s).

Spa, non-portable. See definition of swimming pool.

Spa, portable. A nonpermanent structure intended for recreational bathing, in which all controls, water heating and water circulating equipment are an integral part of the product and which is cord-connected (not permanently electrically wired).

Swimming pool, indoor. A swimming pool which is totally contained within a structure and surrounded on all four sides by walls of the structure.

Swimming pool, outdoor. Any swimming pool which is not an indoor pool.

Chapter 3, of the Uniform Swimming Pool, Spa & Hot Tub Code, 2009 Edition is amended by adding Section 324 Enclosures and Location, to read as follows:

324 Enclosures and location.

324.1 Application. The provisions of this section shall control the design of barriers for swimming pools, spas and hot tubs. These design controls are intended to provide protection against potential drowning and near-drowning by restricting access to swimming pools, spas and hot tubs.

324.2 Requirements for outdoor swimming pool. An outdoor swimming pool, including an in-ground, aboveground or on-ground pool, hot tub or spa shall be provided with a barrier which shall comply with the following:

1. The top of the barrier shall be at least 60 inches above grade measured on the side of the barrier which faces away from the swimming pool. The maximum vertical clearance between grade and the bottom of the barrier shall be four inches measured on the side of the barrier which faces away from the swimming pool. Where the top of the pool structure is above grade, such as an aboveground pool, the barrier may be at ground level or mounted on top of the pool structure. Where the barrier is mounted on top of the pool structure, the maximum clearance between the top of the pool structure and the bottom of the barrier shall be four inches.
2. Openings in the barrier shall not allow passage of a four-inch diameter sphere.
3. Solid barriers which do not have openings, such as a masonry or stone wall, shall not contain indentations or protrusions except for normal construction tolerances and tooled masonry joints.
4. Where the barrier is composed of horizontal and vertical members and the distance between the tops of the horizontal members is less than 45 inches, the horizontal members shall be located on the swimming pool side of the fence. Spacing between vertical members shall not exceed 1 3/4 inches in width. Where there are decorative cutouts within vertical members, spacing within the cutouts shall not exceed 1 3/4 inches in width.
5. Where the barrier is composed of horizontal and vertical members and the distance between the tops of the horizontal members is 45 inches or more, spacing between vertical members shall not exceed four inches. Where there are decorative cutouts within vertical members, spacing within the cutouts shall not exceed 1 3/4 inches in width.
6. Maximum mesh size for chain link fences shall be a 1 3/4 inches square unless the fence is provided with slats fastened at the top or the bottom which reduce the openings to no more than 1 3/4 inches.
7. Where the barrier is composed of diagonal members, such as a lattice fence, the maximum opening formed by the diagonal members shall be no more than 1 3/4 inches.

8. Gates or door openings through such barriers shall be equipped with self-closing and self-latching devices designed to keep, and capable of keeping, such door or gate securely closed at all times when not in actual use; however, the door of any dwelling occupied by human beings which forms any part of the enclosure herein required need not be so equipped. Required latching devices shall be located not less than sixty inches above the ground. The pool enclosure shall be in place and approved by the building official before water is placed in the pool.

324.3 Location. No pool shall be located within five feet of the property line of the parcel upon which the pool is located or within three feet of any building on such property. No mechanical pool pump or filter shall be located within three feet of the property line.

Secs. 14-117 – 14-170. Reserved.



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: October 25, 2016

RE: Introduction and First Reading of Ordinance Adding Provisions Related to Licensing for Community Events on City Property to Chapter 18 of the Hemet Municipal Code and Resolution Setting Fees for Community Events on City Property

RECOMMENDED ACTION:

It is respectfully recommended that the City Council:

1. Introduce, read by title, and waive further reading of City Council Ordinance Bill No. 16-084 adding Article I "Community Events on City Property" to Chapter 18 of the Hemet Municipal Code regarding regulatory licenses for community events conducted on City property, and
2. Approve Resolution Bill No. 16-088 to adopt licensing fees for community events conducted on City property.

BACKGROUND:

The City of Hemet Municipal Code, Chapter 18, Article II refers to regulations and requirements for business licenses, including the payment requirements for a business license. The City also encourages community events such as festivals, farmers markets, street fairs, charitable carnivals and other events that build a sense of community, provide entertainment, offer an outlet for creativity and entrepreneurship, and benefit the local economy. These community events are seen to have unique characteristics that distinguish them from traditional businesses, especially when the events are held on City property.

Due to the distinguishing characteristics between community events held on City property and traditional business, the City Council desires to create a separate license process for these community events. This separate license process is in lieu of the existing business license requirements for community events held on City property.

Ordinance Bill No. 16-084 amends Chapter 18, Article I of the Hemet Municipal Code to establish the terms under which community events may be held on or operate on City property.

Additionally, Resolution Bill No. 16-088 authorizes the licensing fees, annual and single-use, for community events conducted on City property.

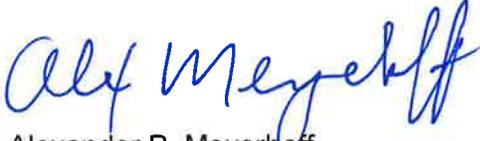
FISCAL IMPACT:

All revenues from this licensing fee will be received by the General Fund. The fiscal impact of this licensing fee is unknown at this time.

Respectfully submitted,

Approved as to form:

Fiscal Review:



Alexander P. Meyerhoff
City Manager



Eric S. Vail
City Attorney



Jessica A. Hurst
Deputy City Manager
Administrative Services

Attachment(s): Ordinance Bill No. 16-084
 Resolution Bill No. 16-088



CITY OF HEMET
Hemet, California
ORDINANCE BILL NO. 16-084

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA, ADDING ARTICLE I "COMMUNITY EVENTS ON CITY PROPERTY" TO CHAPTER 18 OF THE HEMET MUNICIPAL CODE REGARDING REGULATORY LICENSES FOR COMMUNITY EVENTS CONDUCTED ON CITY PROPERTY.

WHEREAS, community events such as festivals, farmers markets, street fairs, charitable carnivals, and similar community or charitable events open to the public ("Community Events") build a sense of community, provide entertainment, offer an outlet for creativity and entrepreneurship, and benefit the local economy; and

WHEREAS, such Community Events have unique characteristics that distinguish them from traditional businesses, especially when the Community Event is held on city property; and

WHEREAS, the City Council has adopted regulations and requirements for business licenses, which are codified at Chapter 18, Article II of the Hemet Municipal Code, including the requirement for payment of a business license; and

WHEREAS, Chapter 18, Article II of the Hemet Municipal Code does not specifically address license regulations for Community Events held on city property; and

WHEREAS, due to the distinguishing characteristics between Community Events held on city property and traditional business, the City Council desires to create a separate regulatory license process for Community Events that is separate from, and in lieu of, the City's existing business license requirements for Community Events held on city property; and

1 **WHEREAS**, the City Council now desires to amend Article I “Community Events
2 on City Property” to establish the terms under which Community Events may be held on
3 or operate on city property.

4 **NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF HEMET DOES**
5 **HEREBY ORDAIN AS FOLLOWS:**

6 **SECTION 1: AMEND ARTICLE I OF CHAPTER 18.** Article 1 is hereby amended in the
7 Hemet Municipal Code to read as shown in Exhibit “A” to this Ordinance.

8 **SECTION 2: SEVERABILITY.**

9 If any section, subsection, subdivision, sentence, clause, phrase, or portion of this
10 Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any
11 court of competent jurisdiction, such decision shall not affect the validity of the remaining
12 portions of this Ordinance. The City Council hereby declares that it would have adopted
13 this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or
14 portion thereof, irrespective of the fact that any one or more sections, subsections,
15 subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or
16 unconstitutional.

17 **SECTION 3: EFFECTIVE DATE.**

18 This Ordinance shall take effect thirty (30) days from its passage by the City
19 Council of the City of Hemet.

20 **SECTION 4: PUBLICATION.**

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

26 **INTRODUCED** at the regular meeting of Hemet City Council on October 25th, 2016.

27 **APPROVED AND ADOPTED** this 15th day of November, 2016.
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Bonnie Wright, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

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

I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing Ordinance was introduced and first read on the 25th day of October, 2016, and had its second reading at the regular meeting of the Hemet City Council on the 15th day of November, 2016, and was passed by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk

EXHIBIT "A"

Article I. Community Events on City Property

Sec. 18-1. Purpose

The purposes of this article are to:

- (a) Regulate businesses while using city-owned property for community events;
- (b) Encourage community events and their positive secondary effects on the community;
- (c) Distinguish between the revenue generating purpose of Article II and the regulation purposes of Article I.

Sec. 18-2. Definitions

- (a) *City Property*. City Property shall mean any real property owned by the City of Hemet, the Hemet Housing Authority, or any instrumentality of the foregoing, and shall include parking lots, rights-of-way, public facilities, parcels, and similar real property.
- (b) *Community Event*. Community Event shall mean a community or charitable event that is open to the public, for either free admission or admission based on a fee, and no matter whether goods or entertainment are sold at the event. The following events shall be considered "community events": any festival, farmers market, recreation or spectator events, carnivals and circuses, merry-go-rounds, amusement or advertising events, live entertainment, or similar events.
- (c) *License Collector*. License Collector shall mean the city manager or his authorized designee or representative charged with the administration of the community events on city property license program.

Sec. 18-3. License Required; Application Process

- (a) *License*. It is unlawful for any person or entity to hold or operate a Community Event on City Property without first having obtained the license and paid the fee required under this Article I and having obtained and paid the fee required for a temporary use permit or other permit as may be required under Chapter 90 of the city's Municipal Code. Licenses issued under this Article shall cover all vendors and performers under contract with the person or entity holding a license to operate the Community Event.
- (b) *Criteria*. This license is separate and distinct from a business license as otherwise defined in this chapter, and the organizer of a Community Event on City Property subject to this section shall not be required to obtain a license under Article II of this chapter. Organizers of a Community Event on City Property subject to this Article, who are also subject to the requirements of a Temporary Use Permit or other permit as may be required under Chapter 90, must obtain a license under Article I. Individual vendors offering goods and services for sale at an event on public property shall not be required to obtain a license under Article I due to their participation in the Community Event. The City retains the discretion to issue

licenses under this Article. Non-permissible uses include, but are not limited to, any event that would adversely affect the health, peace, or safety of persons in the community.

- (c) *Application Process.* An application for a license pursuant to this section shall be submitted, together with the fee required under Section 18-3, to the city manager or his/her authorized designee, on such form as the City may require. The application shall be submitted at least thirty (30) days prior to the proposed commencement of the event.
- (d) *Duration of the License.* Licenses may be issued in two durations: (i) for a calendar year, for recurring events; or (ii) for the duration of a single event. The applicant shall select the desired term on its application form, but the City shall retain the discretion to determine which term is appropriate. If the license is for the duration of the year, the license shall expire on December 31st following the issuance of the license. If the license is for a single event, the license shall expire at midnight on the last day for which the license is issued.
- (e) *Safety and Traffic Compliance.* For the protection of the public peace, health, safety and general welfare of the city, it is necessary that the organizers of a Community Event on City Property comply with all safety and traffic regulations imposed by the city for the event, including but not limited to street closures, traffic blocking, signage, and security.
- (f) *Compliance With The Law.* The organizer of a Community Event on City Property shall ensure that each vendor selling goods or services at the event is in compliance with the law in offering such goods or services for sale at the event. The organizer shall provide evidence to the city's satisfaction that each vendor has obtained all necessary permits, licenses and approvals for the sale of the goods or services being offered at the event, and the event is being conducted in compliance with all conditions on the Temporary Use Permit or other permit as may be required under Chapter 90, for the event.
- (g) *Insurance Requirements.* The organizer of a Community Event on City Property must obtain liability insurance in an amount not less than \$1,000,000 and shall name the City as an insured. The organizer shall provide a certificate of insurance to the city before the event begins.

Sec. 18-4. Fee Established.

A fee is hereby established for the issuance of each community event license. The fee shall be an amount set by the City Council from time to time by resolution.

Sec. 18-5. Revocation of License.

Violation of any term or condition of a license issued under this Article shall effect its immediate revocation, and the License Collector shall enforce the terms of this Article to the same extent as if the license had never been issued.

Sec. 18-6. Construction.

This Article shall not be construed to require any person to obtain a license prior to doing business within the city if such requirement conflicts with constitutions or statutes of the

United States or of this state. Nothing in this section shall be deemed to exempt any person from complying with other provisions of this chapter, or any other law or regulation requiring a permit or other approval from the city council or any city department, board, commission or other entity or public official, to conduct any business or activity, except as expressly stated herein.



CITY OF HEMET
Hemet, California
RESOLUTION BILL NO. 16-088

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF HEMET, CALIFORNIA, SETTING THE AMOUNT FOR
A COMMUNITY EVENTS LICENSE FEE.**

WHEREAS, on October 25, 2016, the City Council conducted the first reading of Ordinance Bill No. 16-084, establishing a Community Events on City Property license, and authorizing the City Council to set a fee for the issuance of a Community Events on City Property license by resolution; and,

WHEREAS, the Community Events on City Property license fee set by this resolution reflects the City's reasonable costs of reviewing, issuing and monitoring Community Events on City Property licenses.

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

1. The fee for a one-time Community Events on City Property license shall be \$40.00.
2. The annual fee for recurring Community Events on City Property license shall be \$1,000.00.
3. These license fees are reasonable in light of the City's actual costs of providing the service of issuing Community Events on City Property licenses. This reflects the time required to: take in the application; enter the application into the City's database; verify that the event complies with all applicable safety and traffic laws; confirm that any vendors selling goods or services at the event are in compliance with the City's regulations; validate whether the community event meets the City's insurance requirements, and; issue the license.

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4. This resolution shall take effect concurrently with Ordinance Bill No. 16-084.

PASSED, APPROVED, AND ADOPTED this 25th day of October, 2016.

Bonnie Wright, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

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

4 I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing
5 Resolution is the actual Resolution adopted by the City Council of the City of Hemet and
6 was passed at a regular meeting of the City Council on the 25th day of October, 2016 by
7 the following vote:

8 AYES:

9 NOES:

10 ABSTAIN:

11 ABSENT:

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14 Sarah McComas, City Clerk

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AGENDA # 19



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: October 25, 2016

RE: Amendment of Fiscal Year 2015-16 Budget

RECOMMENDATION:

That the City Council approve Resolution Bill No. 16-083 amending the Fiscal Year 2015-16 Budget.

BACKGROUND:

It is considered a best practice to review the annual budget on an ongoing basis to ensure the fiscal integrity of all City of Hemet operations. The Fiscal Year 2015-16 Budget was adopted on June 23, 2015, and quarterly reports presented to the City Council in an effort to enhance transparency regarding the fiscal position of the City. Through this regular review of revenues and expenditures, staff identified a need to amend appropriations and revenues to allow for changes in operations that were not foreseen at the time the budget was adopted; this mid-year budget adjustment was approved by the City Council on February 9, 2016.

Since the close of Fiscal Year 2015-16, staff have identified the need for additional appropriation adjustments due to additional operational changes that occurred after the mid-year budget adjustment.

The following budget adjustments are being proposed:

<u>Fund Name</u>	<u>Revenue</u>	<u>Expenditure</u>	<u>Total Adjustment</u>
Public Safety/Towing Fund		\$ 4,245	\$ (4,245)
HOME Program Income	\$ 2,859	\$ 5,850	\$ (2,991)
Liability Insurance		\$ 160,113	\$ (160,113)
City Attorney	\$ 160,155	\$ 588,246	\$ (428,091)
Heartland Bond		\$ 2,823	\$ (2,823)

Public Safety/Towing Fund – Additional appropriation of \$4,245 is requested from fund balance due to costs of increased services.

HOME Program Income – Additional appropriation of \$5,839 is requested in order to utilize existing grant program income. A portion of this amount is offset by \$2,859 of income revenue.

Liability Insurance Fund – Additional appropriation of \$160,113 is requested due to claim settlement costs.

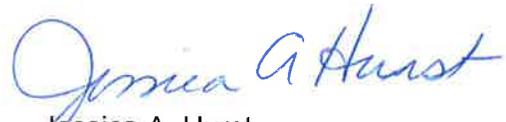
City Attorney Fund – Additional appropriation of \$588,246 is requested due to the unanticipated cost of litigation and other legal expenses. This expenditure amount is offset by \$160,155 received as insurance claim reimbursements; additional reimbursements to offset litigation costs incurred in Fiscal Year 2015-16 are expected to be received in the next fiscal year.

Heartland Bond – Additional appropriation of \$2,823 is requested from fund balance in order to pay administration costs of the bond.

The changes to the appropriations and revenues detailed above, along with a listing of the adopted and revised budgets of all City funds are included as Exhibit A to Resolution Bill No. 16-083.

Respectfully submitted,


Alexander P. Meyerhoff
City Manager


Jessica A. Hurst
Deputy City Manager
Admin Services

Attachment: Resolution Bill No. 16-083



**CITY OF HEMET
Hemet, California**

RESOLUTION BILL NO. 16-083

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HEMET, CALIFORNIA, AMENDING THE BUDGET AND
APPROVING APPROPRIATIONS FOR THE FISCAL YEAR
COMMENCING JULY 1, 2015, AND ENDING JUNE 30, 2016**

WHEREAS, the City Council of the City of Hemet adopted a budget for the fiscal year commencing July 1, 2015 and ending June 30, 2016; and

WHEREAS, the City of Hemet conducts regular reviews of its budget as it is fiscally prudent to do so; and

WHEREAS, based upon the latest review the City desires to amend the budget.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Hemet, California, the recommended adjustments to the budget as summarized in Exhibit A, attached hereto and incorporated herein by reference, and corresponding adjustments to the expenditure appropriations within the funds, are hereby approved.

PASSED, APPROVED, AND ADOPTED this 25th day of October, 2016.

Bonnie Wright, Mayor

ATTEST:

APPROVED AS TO FORM:

Sarah McComas, City Clerk

Eric S. Vail, City Attorney

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

I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing 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 25th day of October, 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sarah McComas, City Clerk

Exhibit A

CITY OF HEMET 2015-2016 YEAR END REVIEW ALL FUNDS REVENUE - RECOMMENDED ADJUSTMENTS

<u>FUND TITLE</u>	<u>ADOPTED BUDGET</u>	<u>REVISED BUDGET</u>	<u>RECOMMENDED BUDGET</u>	<u>RECOMMENDED ADJUSTMENT</u>
General Fund	\$ 35,914,300	\$ 36,209,890	\$ 36,209,890	\$ -
<u>Special Revenue Funds</u>				
130-Public Safety Towing	65,300	65,300	65,300	-
221 - Gas Tax	1,746,500	1,746,500	1,746,500	-
222 - Measure A	1,442,000	1,442,000	1,442,000	-
224 - AQMD	256,000	256,000	256,000	-
225- L&LMD	1,900,562	1,900,562	1,900,562	-
227 - Lighting Dist Post 218	293,128	293,128	293,128	-
228 - Landscape Dist Post 218	1,454,163	1,454,163	1,454,163	-
231 - Asset Seizure	-	-	-	-
232 - Public Safety Grants	140,600	576,630	576,630	-
234 - Public Safety CFD	512,000	512,000	512,000	-
236 - COPS/AB3229	-	110,205	110,205	-
237 - LLEBG	-	166,225	166,225	-
240 - CDBG	737,698	737,698	737,698	-
241 - General Plan	31,100	31,000	31,000	-
242- HOME Program Income	-	-	2,859	2,859
245- CalHome Program	-	-	-	-
246 - HOME Program	1,500	1,500	1,500	-
247 - NSP Grant	-	-	-	-
254 - Sewer/Storm Drain	3,464,000	3,464,000	3,464,000	-
788 - Heartland Bond	850,000	850,000	850,000	-
Subtotal	\$ 12,894,551	\$ 13,606,911	\$ 13,609,770	\$ 2,859
<u>Capital Projects Funds</u>				
315 - Public Meeting Facilities	2,000	2,000	2,000	-
316 - General Facilities	114,000	114,000	114,000	-
326 - Flood Control	212,000	212,000	212,000	-
329 - Bridges/Streets	330,000	330,000	330,000	-
331 - Law Enforcement	52,800	52,800	52,800	-
332 - Fire Facilities	100,000	100,000	100,000	-
361 - Park Development	140,000	140,000	140,000	-
362 - Valley Wide DVL	27,000	27,000	27,000	-
363 - Library Facilities	80,000	80,000	80,000	-
370 - Capital Projects Fund	470,000	470,000	470,000	-
375 - City Emergency/Disaster Fund	-	-	-	-
Subtotal	\$ 1,527,800	\$ 1,527,800	\$ 1,527,800	\$ -

Exhibit A

CITY OF HEMET
2015-2016 YEAR END REVIEW
ALL FUNDS REVENUE - RECOMMENDED ADJUSTMENTS

<u>FUND TITLE</u>	ADOPTED BUDGET	REVISED BUDGET	RECOMMENDED BUDGET	RECOMMENDED ADJUSTMENT
<u>Proprietary Fund</u>				
Water Fund	10,239,300	10,239,300	10,239,300	-
Subtotal	\$ 10,239,300	\$ 10,239,300	\$ 10,239,300	\$ -
<u>Internal Service Funds</u>				
680 - Admin Services	2,214,800	2,214,800	2,214,800	-
681- Workers Compensation	2,115,900	2,115,900	2,115,900	-
682- Dental/Vision	350,000	350,000	350,000	-
683- Liability Fund	915,900	915,900	915,900	-
684- Vehicle Maintenance	1,360,500	1,360,500	1,360,500	-
685- Facilities Maintenance	1,559,900	1,559,900	1,559,900	-
686 - PW Admin	1,035,900	1,057,562	1,057,562	-
689 - OPEB	4,159,700	4,159,700	4,159,700	-
690 - Unemployment Benefits	-	-	-	-
691 - City Attorney	1,200,000	1,200,000	1,360,155	160,155
Subtotal	\$ 14,912,600	\$ 14,934,262	\$ 15,094,417	\$ 160,155
Grand Total:	\$ 75,488,551	\$ 76,518,163	\$ 76,681,176	\$ 163,014

Exhibit A

CITY OF HEMET 2015-2016 YEAR END REVIEW ALL FUNDS EXPENDITURES - RECOMMENDED ADJUSTMENTS

<u>FUND TITLE</u>	<u>ADOPTED BUDGET</u>	<u>REVISED BUDGET</u>	<u>RECOMMENDED BUDGET</u>	<u>RECOMMENDED ADJUSTMENT</u>
General Fund	\$ 40,958,937	\$ 41,614,723	\$ 41,614,723	\$ -
<u>Special Revenue Funds</u>				
130-Public Safety Towing	52,100	66,362	70,607	4,245
221 - Gas Tax	2,999,200	3,166,887	3,166,887	-
222 - Measure A	3,036,589	3,709,585	3,709,585	-
224 - AQMD	124,000	173,574	173,574	-
225- L&LMD	2,005,500	2,025,936	2,025,936	-
227 - Lighting Dist Post 218	274,374	276,731	276,731	-
228 - Landscape Dist Post 218	1,521,097	1,543,144	1,543,144	-
231 - Asset Seizure	-	20,341	20,341	-
232 - Public Safety Grants	136,600	375,510	375,510	-
234 - Public Safety CFD	404,600	404,600	404,600	-
236 - COPS/AB3229	-	126,011	126,011	-
237 - LLEBG	-	139,216	139,216	-
240 - CDBG	737,698	737,698	737,698	-
241 - General Plan	40,000	40,000	40,000	-
242- HOME Program Income	-	15,150	21,000	5,850
245- CalHome Program	-	19,500	19,500	-
247 - NSP Grant	-	67,050	67,050	-
254 - Sewer/Storm Drain	3,390,000	4,358,520	4,358,520	-
260 - Indian Gaming Grant	-	281,697	281,697	-
788 - Heartland Bond	738,525	753,825	756,648	2,823
Subtotal	\$ 15,460,283	\$ 18,301,337	\$ 18,314,254	\$ 12,918
<u>Capital Projects Funds</u>				
315 - Public Meeting Facilities	-	-	-	-
316 - General Facilities	-	4,600	4,600	-
326 - Flood Control	1,060,000	1,681,577	1,681,577	-
329 - Bridges/Streets	259,538	1,161,839	1,161,839	-
331 - Law Enforcement	-	87,013	87,013	-
332 - Fire Facilities	120,000	147,382	147,382	-
361 - Park Development	150,000	150,000	150,000	-
362 - Valley Wide DVL	-	-	-	-
363 - Library Facilities	136,400	407,750	407,750	-
370 - Capital Projects Fund	190,000	889,943	889,943	-
375 - City Emergency/Disaster Fund	-	-	-	-
380- Equipment Replacement	1,680,000	2,085,000	2,085,000	-
396- Redevelopment Retirement	250,000	250,000	250,000	-
Subtotal	\$ 3,845,938	\$ 6,865,104	\$ 6,865,104	\$ -

Exhibit A

CITY OF HEMET
2015-2016 YEAR END REVIEW
ALL FUNDS EXPENDITURES - RECOMMENDED ADJUSTMENTS

<u>FUND TITLE</u>	ADOPTED BUDGET	REVISED BUDGET	RECOMMENDED BUDGET	RECOMMENDED ADJUSTMENT
<u>Proprietary Fund</u>				
Water Fund	14,404,110	18,693,204	18,693,204	-
Subtotal	\$ 14,404,110	\$ 18,693,204	\$ 18,693,204	\$ -
<u>Internal Service Funds</u>				
680 - Admin Services	2,214,500	2,246,302	2,246,302	-
681- Workers Compensation	2,115,900	2,115,900	2,115,900	-
682- Dental/Vision	300,000	350,000	350,000	-
683- Liability Fund	915,900	1,169,900	1,330,013	160,113
684- Vehicle Maintenance	1,360,500	1,372,378	1,372,378	-
685- Facilities Maintenance	2,049,900	3,289,671	3,289,671	-
686 - PW Admin	1,101,300	1,162,788	1,162,788	-
689 - OPEB	4,159,700	4,159,700	4,159,700	-
690 - Unemployment Benefits	-	50,000	50,000	-
691 - City Attorney	-	1,200,000	1,788,246	588,246
Subtotal	\$ 14,217,700	\$ 17,116,638	\$ 17,864,997	\$ 748,359
Grand Total:	\$ 88,886,968	\$ 102,591,007	\$ 103,352,283	\$ 761,276



Staff Report

TO: Honorable Mayor and Members of the Hemet City Council

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

DATE: October 25, 2016

RE: Quarterly Budget Update – As of September 30, 2016

RECOMMENDATION:

Receive and file.

BACKGROUND:

It is considered a best practice to review the annual budget on an ongoing basis to ensure the integrity of all City of Hemet operations. The fiscal year 2016-2017 budget was adopted by the City Council on June 14, 2016, and quarterly reports will be presented as part of a continual budget review practice to enhance transparency.

The attached fiscal year 2016-2017 quarterly budget activity reports reflect unaudited revenue and expenditure activity through September 30, 2016 for all funds. The adjusted budget amounts listed include any Council approved adjustments within the first quarter of fiscal year 2016-2017. The carry-over of appropriations for multi-year projects will be completed in the second quarter of the fiscal year.

Year-to-date amounts include revenue collected and funds expended through the quarter ending date. While the City is one-quarter of the way through the fiscal year, revenues and expenditures may not be at 25% for many reasons. Most noticeably the two largest funds of the City, the General Fund and Water Enterprise Fund, are tracking below this threshold in the first quarter of the fiscal year.

The General Fund has collected 12.27% of revenues budgeted through the end of the first quarter. This amount is typical as the majority of General Fund revenues collected through property taxes are received in the second half of the fiscal year and sales tax revenues are generally received two months in arrears.

General Fund expenditures are on target through the end of the first quarter at 24.71%.

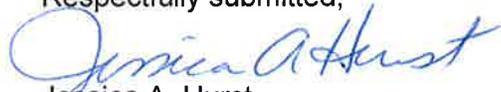
Water Fund revenues are on target with 23.07% of budget collected through September 30, 2016.

The Water Fund has expended only 20.48% of budgeted appropriations through the end of the first quarter, due primarily to lower than anticipated costs related to capital improvements.

FISCAL IMPACT:

None.

Respectfully submitted,



Jessica A. Hurst
Deputy City Manager
Administrative Services

Attachments:

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

**CITY OF HEMET
NON-GENERAL FUND - REVENUE AND EXPENDITURE REPORT (PRELIMINARY)
AS OF SEPTEMBER 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
SPECIAL REVENUE FUNDS								
130 PUBLIC SAFETY TOWING	46,140	65,700	14,200	78.39%	52,100	29,806	42.79%	30,535
221 GAS TAX	2,393,333	1,878,300	173,866	90.74%	3,123,389	574,862	81.59%	1,992,336
222 MEASURE A	4,312,727	1,803,000	151,236	91.61%	1,744,000	420,071	75.91%	4,043,893
223 ARTICLE 3 / SB 821	0	0	0	0.00%	8,101	4	99.95%	(4)
224 AQMD	723,344	99,000	28,142	71.57%	439,000	5,000	98.86%	746,486
231 ASSET FOREITURE	115,932	21,500	0	100.00%	0	3,711	0.00%	112,220
234 PUBLIC SAFETY CFD	(75,975)	545,000	0	100.00%	412,600	113,923	72.39%	(189,899)
241 GENERAL PLAN	77,952	28,500	0	100.00%	0	0	0.00%	77,952
254 STORM DRAIN/SEWER	5,849,247	3,602,900	651,551	81.92%	4,226,687	508,862	87.96%	5,991,936
788 HEARTLAND BOND	0	845,000	0	100.00%	759,300	553,604	27.09%	(553,604)
TOTAL SPECIAL REVENUES		8,888,900	1,018,996		10,765,177	2,209,843		
DEVELOPMENT IMPACT FEE FUNDS:								
315 PUBLIC MEETINGS FACILITIES	551,614	0	0	0.00%	0	0	0.00%	551,614
316 GENERAL FACILITIES	1,781,387	86,000	1,821	97.88%	1,100,000	0	100.00%	1,783,207
326 FLOOD CONTROL	2,884,604	210,000	8,990	95.72%	2,149,184	1,930	99.91%	2,891,664
329 BRIDGES/STREETS	4,314,795	310,000	32,538	89.50%	2,269,171	21,787	99.04%	4,325,546
331 LAW ENFORCEMENT	42,671	50,000	3,500	93.00%	0	0	0.00%	46,170
332 FIRE FACILITIES	403,983	70,000	3,767	94.62%	73	197	-169.53%	407,552
361 PARK DEVELOPMENT	1,505,821	140,000	0	100.00%	150,000	0	100.00%	1,505,821
362 VALLEY WIDE DVL	128,274	26,200	0	100.00%	0	0	0.00%	128,274
363 LIBRARY FACILITIES	1,149,503	80,000	0	100.00%	762,425	24,166	96.83%	1,125,338
370 CAPITAL PROJECTS FUND	2,799,612	0	0	0.00%	9,032	0	100.00%	2,799,612
TOTAL IMPACT FEE FUNDS		972,200	50,615		6,439,885	48,081		
ENTERPRISE FUND:								
571 WATER	10,248,602	11,133,300	2,568,963	76.93%	10,248,332	2,098,517	79.52%	10,719,048
TOTAL ENTERPRISE FUND		11,133,300	2,568,963		10,248,332	2,098,517		
ASSESSMENT DISTRICT FUNDS:								
225 L&LMD	1,534,096	1,900,562	919	99.95%	1,651,250	329,631	80.04%	1,205,384
227 LIGHTING DIST POST 218	700,134	317,273	0	100.00%	304,290	37,196	87.78%	662,939
228 LANDSCAPE DIST POST 218	1,002,745	1,657,853	0	100.00%	1,371,800	277,419	79.78%	725,325
TOTAL ASSESSMENT DISTRICT		3,875,688	919		3,327,340	644,246		
INTERNAL SERVICE FUNDS:								
380 EQUIPMENT REPLACEMENT	3,470,000	697,700	183,690	73.67%	662,369	58,566	91.16%	3,595,124
680 ADMINISTRATIVE SERVICES	769,951	1,869,900	467,451	75.00%	1,929,700	432,506	77.59%	804,896
681 WORKERS COMP	839,938	2,065,100	516,276	75.00%	2,265,100	1,960,391	13.45%	(604,177)
682 MEDICAL/DENTAL	19,474	355,000	0	100.00%	355,000	55,880	84.26%	(36,406)
683 LIABILITY FUND	1,017,846	1,384,800	362,638	73.81%	1,384,800	506,110	63.45%	874,374
684 VEHICLE MAINTENANCE	348,300	1,340,300	340,888	74.58%	1,541,713	294,259	80.91%	394,729
685 FACILITIES MAINTENANCE	1,298,315	1,651,800	412,902	75.00%	1,857,115	373,682	79.88%	1,337,536
686 PW ADMINISTRATION	365,806	817,700	292,426	64.24%	1,077,766	218,926	79.69%	439,306
689 OPEB	1,291,092	3,414,700	857,007	74.90%	3,414,700	1,015,597	70.26%	1,132,502
690 UNEMPLOYMENT BENEFITS	24,686	35,000	8,751	75.00%	35,000	9,842	71.88%	23,595
691 CITY ATTORNEY ALLOCATION	(1,233,197)	1,280,000	377,725	70.49%	1,280,000	230,313	82.01%	(1,085,785)
692 EMERGENCY SERVICES	0	69,600	17,400	75.00%	69,600	5,757	91.73%	11,643
TOTAL INTERNAL SERVICE		14,981,600	3,836,954		15,872,864	5,161,828		
GRANT FUNDS								
232 PUBLIC SAFETY GRANTS	207,144	0	(78,267)	0.00%	20,580	34,341	-66.86%	94,535
236 COPS /AB 3229	197,898	150,000	45,236	69.84%	11,636	8,230	29.27%	234,904
237 LLEBG	(62,551)	0	78,267	0.00%	0	0	0.00%	15,716
240 CDBG	0	752,245	478,840	36.35%	759,166	47,661	93.72%	431,180
242 HOME - Program Income	452,126	0	0	0.00%	0	0	0.00%	452,126
245 CALHOME	375,903	0	15,000	0.00%	50,596	240	99.53%	390,663
246 HOME	602,608	0	0	0.00%	0	0	0.00%	602,608
247 NSP GRANT	(68,616)	0	1,000	0.00%	0	0	0.00%	(67,616)
260 INDIAN GAMING GRANTS	6,162	0	0	0.00%	0	0	0.00%	6,162
TOTAL GRANT FUNDS		902,245	540,076		841,979	90,472		

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

	Beginning Fund Balance	Adjusted Budget	Year to Date Actual	% of Budget Rcvd / Used	% of Budget Remaining	Ending Fund Balance
<u>REVENUE SUMMARY</u>	\$ 13,380,824					
GENERAL ADMIN		949,600	782,649	82.42%	17.58%	
PROPERTY TAXES (includes VLF)		12,218,466	251,246	2.06%	97.94%	
SALES TAXES		12,550,000	1,144,338	9.12%	90.88%	
OTHER TAXES & FEES		6,447,934	1,395,559	21.64%	78.36%	
LICENSES & PERMITS		67,997	0	0.00%	100.00%	
FINES & FORFEITURES		140,200	10,054	7.17%	92.83%	
USE OF MONEY & PROPERTY		270,000	14,682	5.44%	94.56%	
INTERGOVERNMENTAL		677,300	68,092	10.05%	89.95%	
CHARGES FOR SERVICES		545,100	76,492	14.03%	85.97%	
OTHER FINANCING SOURCES		2,140,800	478,439	22.35%	77.65%	
COMMUNITY DEVELOPMENT		2,085,300	494,908	23.73%	76.27%	
TRANSFERS IN		354,000	0	0.00%	100.00%	
TOTAL REVENUE		<u>38,446,697</u>	<u>4,716,458</u>	<u>12.27%</u>	<u>87.73%</u>	
<u>EXPENDITURE SUMMARY</u>						
CITY COUNCIL		254,000	85,294	33.58%	66.42%	
CITY MANAGER		703,900	137,713	19.56%	80.44%	
CITY CLERK		266,700	50,012	18.75%	81.25%	
FINANCE		1,148,131	269,368	23.46%	76.54%	
CITY TREASURER		31,100	7,271	23.38%	76.62%	
HUMAN RESOURCES		539,950	131,995	24.45%	75.55%	
POLICE DEPARTMENT		19,168,014	4,789,476	24.99%	75.01%	
FIRE DEPARTMENT		10,210,436	2,531,276	24.79%	75.21%	
ANIMAL REGULATION		260,000	45,987	17.69%	82.31%	
PARKS		949,410	283,663	29.88%	70.12%	
LIBRARY / LITERACY / SIMPSON CTR		1,617,200	360,445	22.29%	77.71%	
PLANNING		1,124,531	250,445	22.27%	77.73%	
HOUSING		0	15,175	0.00%	0.00%	
BUILDING		1,114,583	214,864	19.28%	80.72%	
CODE COMPLIANCE		885,324	203,265	22.96%	77.04%	
ENGINEERING		847,360	273,513	32.28%	67.72%	
ECONOMIC DEVELOPMENT		132,042	49,469	37.46%	62.54%	
TRANSFERS OUT		0	0	0.00%	0.00%	
TOTAL EXPENDITURES		<u>39,252,681</u>	<u>9,699,232</u>	<u>24.71%</u>	<u>75.29%</u>	\$ 8,398,051