



**CITY OF DESERT HOT SPRINGS**

**REGULAR MEETING OF THE CITY COUNCIL  
AND THE CITY COUNCIL SITTING AS THE REDEVELOPMENT AGENCY BOARD**

**MINUTES**

**FEBRUARY 15, 2011**

**4:00 P.M. – CLOSED SESSION**

**CHAMBER OF COMMERCE OFFICE  
CARL MAY COMMUNITY CENTER**

**5:00 P.M. – REGULAR SESSION**

**CITY COUNCIL CHAMBERS  
CARL MAY COMMUNITY CENTER  
11711 West Drive, Desert Hot Springs, California**

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**CALL TO ORDER**

Mayor Parks called the meeting to order at 4:00 P.M.

**ROLL CALL**

Council Members / RDA Board Members:  
Mayor Pro Tem / RDA Vice Chair:  
Mayor / RDA Chair:

**Present**

Karl Baker, Scott Matas, Jan Pye  
Russell Betts  
Yvonne Parks

**APPROVAL OF THE CLOSED SESSION AGENDA**

Mayor Pro Tem Betts moved to approve the February 15, 2011 Closed Session Agenda, motion seconded by Council Member Baker, motion carried 5/0.

Passed For: 5; Against: 0; Absent: 0; Abstain: 0

**CLOSED SESSION PUBLIC COMMENTS**

There were no comments.

## **CLOSED SESSION:**

- 1. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION**  
Pursuant to subdivision (c) of Section 54956.9: (1 potential case)

## **RECESS**

Mayor Parks declared a recess.

## **REGULAR SESSION**

### **CALL TO ORDER**

Mayor Parks called the meeting to order at 5:00 P.M.

### **ROLL CALL**

Council Members / RDA Board Members:  
Mayor Pro Tem / RDA Vice Chair:  
Mayor / RDA Chair:

#### **Present**

Karl Baker, Scott Matas, Jan Pye  
Russell Betts  
Yvonne Parks

### **PLEDGE OF ALLEGIANCE**

Council Member Matas led the Pledge of Allegiance.

### **INVOCATION / MOMENT OF SILENCE**

Pastor Bruce Montgomery, Grace Church, gave the Invocation.

### **APPROVAL OF THE AGENDA**

Council Member Baker moved to approve the February 15, 2011 Regular Meeting Agenda, motion seconded by Council Member Matas, motion carried 5/0.

Passed For: 5; Against: 0; Absent: 0; Abstain: 0

### **URGENCY ITEM(S)**

None.

## **MINUTES**

### **City Council / RDA Regular Meeting Minutes: December 21, 2010**

Council Member Matas moved to approve the December 21, 2010 Regular Meeting Minutes, as corrected, motion seconded by Council Member Pye, motion carried 5/0.

Passed For: 5; Against: 0; Absent: 0; Abstain: 0

### **CITY ATTORNEY REPORT ON CLOSED SESSION**

Bianca Sparks, Assistant City Attorney, advised that the City Council met in Closed Session to discuss the items listed on the Closed Session Agenda with no reportable action; and that the Closed Session was adjourned to Wednesday, February 16, 2011 at 1:30 P.M.

### **PRESENTATIONS**

#### **Recognition of the Desert Hot Springs Senior Center As a Community Focal Point**

*Riverside County Office on Aging / Advisory Council*

Ed Walsh, Director, Riverside County Office on Aging; and Leo Sullivan, Chair, Riverside County Advisory Council on Aging; commended the City and City Council for its' support of the City's Senior Center.

Mayor Parks accepted two plaques on behalf of the Senior Center.

#### **Coachella Valley Mosquito & Vector Control District (CVMVCD) Update**

*Maria Kylis, Community Outreach Coordinator, CVMVCD*

Branka Lothrop, CVMVCD General Manager, gave an overview of the District; and responded to questions.

Maria Kylis, CVMVCD Community Outreach Coordinator, provided the update and presented a PowerPoint presentation; and responded to questions.

### **PUBLIC COMMENTS**

Ward Riggins, representing Desert Eco Events, announced that the Earth Day 2011 event would be held at the Agua Soleil Hotel.

John Card, representing Junior All-American Football, announced a fundraiser at Dillon Roadhouse on February 27, 2011 from 2:00 P.M. to 6:00 P.M.

Mike Platt, representing Little League, announced that tryouts would be held on February 19, 2011; and that they were looking for sponsorships.

Dot Reed, CCAC Chair, announced the "Concerts in the Park" event; and that the event would feature the Desert Hot Springs High School Band, Jazz Band, and Steel Drum Band; and that new art pieces by 5 different artists would be displayed in the Carl May.

Bruce Montgomery, announced the event "Party at Grace Church" on March 12, 2011 from 1:00 P.M. to 5:00 P.M.

George Fisher, representing the Emergency Preparedness Committee, announced that the annual earthquake expo was near; and introduced Louis Keegan and Kevin Taylor from Lifestream who spoke about the Blood Drive.

## **PUBLIC HEARINGS**

### **1. Developer Request for Deferment of Development Impact Fees**

*Economic Development Director, Rudy Acosta*

**Recommendation:** 1) Open the Public Hearing;  
2) Take testimony;  
3) Close the Public Hearing; and  
4) Deny the developer's request to defer Development Impact Fees.

Rick Daniels, City Manager, provided the staff report.

Mayor Parks opened the Public Hearing.

Suresh Shah, Developer, provided his background; project background; urged the City Council to approve his request to defer payment of development impact fees; and responded to questions.

Bianca Sparks, Assistant City Attorney, advised that the Ordinance did not have specific language regarding deferral of development impact fees (DIF), however the section describes fee adjustments and waivers could be interpreted to allow for a deferral of DIF.

A discussion ensued.

Suresh Shah, Developer, commented that currently it was difficult for anyone to get financing from a bank, so he invested own money into the project.

A discussion ensued.

At the request of Mayor Pro Tem Betts, Bianca Sparks, Assistant City Attorney, provided an overview of the various forms of financial assurance.

A discussion ensued.

Mayor Parks closed the Public Hearing.

Council Member Baker moved to approve staff recommendation to *deny* the request for deferment of Development Impact Fees, motion seconded by Council Member Pye, motion carried 5/0.

Passed For: 5; Against: 0; Absent: 0; Abstain: 0

(Minute Order No. 3189)

A discussion ensued.

## **ADMINISTRATIVE CALENDAR**

### **2. (Redevelopment Agency)**

#### **Sign Improvement Loan Program**

*Redevelopment Director, Rudy Acosta*

**Recommendation:** Adopt a Resolution of the Redevelopment Agency Board authorizing a Sign Improvement Loan Program; and authorize the Executive Director to implement the Program.

*Mayor Pro Tem Betts recused himself due to a potential conflict of interest (owns property within 500 feet)*

Bianca Sparks, Assistant City Attorney, noted revisions to the insurance provision to reflect that both the City and Redevelopment Agency be named in the insurance documents.

Council Member Baker moved to approve staff recommendation, motion seconded by Council Member Pye, motion carried 4/0.

Passed For: 4; Against: 0; Absent: 0; Abstain: 0

(Mayor Pro Tem Betts recused)  
(Resolution No. RDA-2011-002)

### **3. (Redevelopment Agency)**

#### **Agreement with Desert Hot Springs Chamber of Commerce and Cabot's Foundation for lease of RDA owned property located at 11-999 Palm Drive.**

*Redevelopment Director, Rudy Acosta*

**Recommendation:** Approve Lease Agreement between the Desert Hot Springs Redevelopment Agency and the Desert Hot Springs Chamber of Commerce for lease of RDA owned property located at 11-999 Palm Drive (DHS Visitor Center).

*Mayor Pro Tem Betts recused himself due to a potential conflict of interest (owns property within 500 feet)*

In response to Council Member Pye's inquiry, Rudy Acosta, Redevelopment Director, responded that consistent with the Signage Program allowed under the Vortex Specific Plan, there will be one monument sign identifying the Desert Hot Springs Visitor's Center, and allow smaller signs on the building to identify the three entities.

Jeff Bowman, resident and owner of Living Waters Spa, expressed that the new visitors center was a great.

Council Member Pye moved to approve staff recommendation, inclusive of edits documented with the City Manager, motion seconded by Council Member Baker, motion carried 4/0.

Bianca Sparks, Assistant City Attorney, advised that Section 12.3.7 of the Lease Agreement needs revision to reflect that the Redevelopment Agency would have opportunity to choose its' counsel in the event of the need for indemnification.

Passed For: 4; Against: 0; Absent: 0; Abstain: 0 (Mayor Pro Tem Betts recused)  
(Minute Order No. 3275)

Mayor Pro Tem Betts returned at 6:43 P.M.

### **CONSENT CALENDAR**

Council Member Baker moved to approve Consent Calendar in its' entirety (Item Nos. 4-6), motion seconded by Council Member Matas, motion carried 5/0.

Passed For: 5; Against: 0; Absent: 0; Abstain: 0

4. **Desert Hot Springs Redevelopment Agency Financial Statements for the Year Ended June 30, 2010**

Assistant City Manager, Jason Simpson

**Recommendation:** Receive and file the audited financial statements for the year ended June 30, 2010 prepared by Teaman, Ramirez & Smith, Inc. (Minute Order No. 3304)

5. **Financial Statements for the City of Desert Hot Springs for the year ended June 30, 2010**

Assistant City Manager, Jason Simpson

**Recommendation:** Receive and file the audited financial statements for the City of Desert Hot Springs for the year ended June 30, 2010 prepared by Teaman, Ramirez & Smith, Inc. (Minute Order No. 3305)

6. **City of Desert Hot Springs Single Audit Report on Federal Award Programs**

Assistant City Manager, Jason Simpson

**Recommendation:** Receive and file the City's Single Audit Report for the Year Ended June 30, 2010 prepared by Teaman, Ramirez & Smith, Inc. CPA's. (Minute Order No. 3306)

## **MAYOR AND COUNCIL MEMBER REPORTS**

Council Member Matas reported on the various meetings and events he attended.

Mayor Pro Tem Betts reported on the various meetings and events he attended.

Mayor Parks reported on the various meetings and events she attended.

Council Member Baker reported on the various meetings and events he attended.

Council Member Pye reported on the various meetings and events she attended.

Pat Williams, Police Chief, announced that DHSPD was one of three recipients for the James Q. Wilson Award for Excellence in Community Policing; and that the award would be given at March 1, 2011, California Police Chief's Association Annual Symposium in Anaheim.

## **CITY MANAGER / RDA EXECUTIVE DIRECTOR REPORT**

Rick Daniels, City Manager, provided highlights of his report, a copy of which would be available on the City's website.

## **PUBLIC COMMENTS**

Al Schmidt, resident, stated that he did not receive any compensation as one of the original principals to the Village at Mission Lakes Project.

Russ Martin, Public Safety Commission Chair, commented that he attended the Community Policing Initiative Town Hall Meeting and observed that the attendees did not identify gangs as a concern; and commended the Youth Council members and invited them to attend a Mission Springs Water District Board Meeting.

## **ADJOURN REGULAR MEETING**

Mayor Parks adjourned the meeting at 7:30 P.M.

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Jerryl Soriano, Deputy City Clerk