



CITY OF DESERT HOT SPRINGS

**REGULAR MEETING OF THE CITY COUNCIL
And the City Council Serving as the Successor Agency to the
Redevelopment Agency Board**

MINUTES

FEBRUARY 7, 2017

4:00 P.M. – STUDY SESSION

CLOSED SESSION

(Immediately Following the Study Session)

5:30 P.M. – PRESENTATIONS

6:00 P.M. – REGULAR SESSION

**MISSION SPRINGS WATER DISTRICT
Board Room
66575 2nd Street, Desert Hot Springs, California**

STUDY SESSION – 4:00 P.M.

CALL TO ORDER

Mayor Matas called the Study Session to order at 4:00 P.M.

The Study Session Presenter arrived late, therefore, the City Council recessed to Closed Session at 4:04 P.M.

The City Council reconvened for the Study Session at 4:54 P.M.

ROLL CALL

Present:

Council Members: Russell Betts, Joe McKee, Anayeli Zavala

Mayor Pro Tem: Yvonne Parks

Mayor: Scott Matas

STUDY SESSION:

1. **Homelessness Update Presentation**
Council Member, Joe McKee; and Mayor, Scott Matas

Jill Kowalski, Riverside County Department of Public Social Services, Homeless Programs Unit, gave the presentation; and responded to questions.

CLOSED SESSION PUBLIC COMMENTS

None.

CLOSED SESSION **(Immediately Following the Study Session)**

CLOSED SESSION

2. **CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION**
(Paragraph (1) of subdivision (d) of Section 54956.9)
Name of case: Kirk Clymer v. City of Desert Hot Springs, United States District Court, Central District of California
Case No. 5:16-cv-02055-BRO-JCx.
3. **CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION** (Paragraph (1) of subdivision (d) of Section 54956.9) Name of case: Gough v. City of Desert Hot Springs, County of Riverside Superior Case Number (Small Claims) – INS1700077
4. **CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to subdivision (d)(2) of Section 54956.9: (1 case). The facts and circumstances involve issues pertaining to a certain developer who has threatened litigation against the City, although no formal claim has been filed.

PRESENTATIONS - 5:30 P.M.

5. **Proclamation for Safe Surrender Awareness Month**
Mayor, Scott Matas

Mayor Matas presented a Proclamation for Safe Surrender Awareness Month.

6. **Introduction and Swearing In of New Police Officer**
Chief of Police, Dale Mondary; and Deputy City Clerk, Doria Wilms

Dale Mondary, Chief of Police, introduced Officer Cody Dodd.

Doria Wilms, Deputy City Clerk, administered the Oath.

RECESS

The City Council recessed at 5:41 P.M.

CALL TO ORDER

Mayor Matas called the Regular Session to order at 6:00 P.M.

ROLL CALL

Present:
Council Members: Russell Betts, Joe McKee, Anayeli Zavala
Mayor Pro Tem: Yvonne Parks
Mayor: Scott Matas

INVOCATION

Pastor Paul Miller gave the Invocation.

A moment of silence was held in memory of former Mayor, Matt Weyuker.

PLEDGE OF ALLEGIANCE

Council Member McKee led the Pledge of Allegiance.

CITY ATTORNEY REPORT ON CLOSED SESSION

Jennifer Mizrahi, City Attorney, advised that there was no reportable action taken in Closed Session, and that the City Council would continue the Closed Session following the Open Session.

APPROVAL OF THE AGENDA

Action: McKee moved to approve the February 7, 2017 Regular Meeting agenda, approve the Consent Calendar except for Item 24, and moving Item 24 to be considered prior to Item 7, motion seconded by Zavala, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

PUBLIC COMMENTS

Barbara Eastman gave Women's Club announcements.

Judy Shea spoke regarding the Wardman Park Pool.

Seth Shteir spoke regarding Joshua Tree National Park and spoke opposed to the Tentative Tract Map extension for the Mission Creek Trails Development.

Mike Picardi made various announcements and spoke regarding sanctuary cities.

Nikohl Vandel expressed concerns.

CITY MANAGER REPORT

Charles Maynard, City Manager, advised that Items 14 and 18 would be presented by Luke Rainey, Assistant to the City Manager.

MAYOR AND COUNCIL MEMBER REPORTS

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

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

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

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

Mayor Matas reported on the various meetings and events he attended.

PUBLIC HEARINGS:

Item 24 was considered at this time.

7. [Conditional Use Permit \(CUP No. 25-16\) and Development Agreement \(DA 16-16\) to Establish an Approximate 29,000 Square Foot Medical Marijuana Cultivation Facility on a 1.23 Acre Site Located on the Northeast Corner of Little Morongo Road and 15th Avenue](#)

Applicant: AGreenCulture DHS, Inc. (Contact: Dmitry Margusov)

Interim Community Development Director, Charles Rangel

Recommendation:

- 1) Staff Report;
- 2) Questions of Staff;
- 3) Open the Public Hearing;
- 4) Take Testimony from Applicant;
- 5) Take Public Testimony;
- 6) Opportunity for Applicant Rebuttal;
- 7) Close the Public Hearing;
- 8) City Council discussion; and
- 9) Approve: 1) Adoption a Mitigated Negative Declaration for the AGreenCulture Medical Marijuana Cultivation project, 2) a Conditional Use Permit (CUP 25-16) for the construction of

a 29,193 square foot cultivation building; and 3) an Ordinance approving a Development Agreement (DA 16-16) for the project located on the northeast corner of Little Morongo Road and 15th Avenue in the I-L (Light Industrial) District. APN's: 665-050-021, 027, & 030.

Scott Taschner, Associate Planner, presented the staff report and responded to questions.

Mayor Matas opened the Public Hearing.

Paul DePalatis, (MSA Consulting), representing the Applicant, responded to questions.

Mayor Matas closed the Public Hearing.

Action: Betts moved to approve staff recommendation with a condition that no grading occurs until 90 days prior to construction, motion seconded by McKee, motion carried 5/0 by the following roll call vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

8. [\(Continued from January 17, 2017\)](#)
Annexation No. 8 to the City of Desert Hot Springs Community Facilities District No. 2010-1 (Services) (Cannodescent)
Administrative Services Director, Joseph M. Tanner, Jr.
Recommendation: 1) Open the public hearing;
2) Staff Report;
3) Take testimony;
4) Close the Public Hearing;
5) Questions of Staff;
6) City Council Discussion;
7) Adopt a Resolution of the City Council calling an election to submit to the qualified electors the question of levying a special tax within the area proposed to be annexed to Community Facilities District No. 2010-1 (Services) (Annexation No. 8)
8) Hold the Election;
9) Canvass the Election; and
10) Adopt a Resolution of the City Council declaring election results for Annexation No. 8 to Community Facilities District No. 2010-1 (Services).

Mayor Matas recused in accordance with the campaign contribution ordinance.

Mayor Pro Tem Parks assumed the Chair.

Mayor Pro Tem Parks opened the Public Hearing.

There was no testimony.

Jerryl Soriano, City Clerk, advised that no written protests were received; that there were no registered voters within the territory; that the property owner had consented to holding a Special Election on February 7, 2017 following the Public Hearing; and that he concurred to holding a Special Election on February 7, 2017 following the Public Hearing.

Action: Betts moved to approve 1) staff recommendation (calling the election) and adopt *Resolution No. 2017-001*, motion seconded by McKee, motion carried 4/0 by the following vote:

Vote: AYES: 4 - Zavala, Parks, Betts, McKee
Passed NOES: 0 - (None)
RECUSED: 1 - Matas

Action: Parks moved to approve 2) staff recommendation (declaring election results) and adopt *Resolution No. 2017-002*, motion seconded by McKee, motion carried / by the following vote:

Vote: AYES: 4 - Zavala, Parks, Betts, McKee
Passed NOES: 0 - (None)
RECUSED: 1 - Matas

The City Council recessed at 7:54 P.M.

The City Council reconvened at 8:01 P.M.

ADMINISTRATIVE CALENDAR:

9. **[Appointment to the Public Safety Commission to Fill Vacancy for Unexpired Term](#)**

City Clerk, Jerryl Soriano, CMC

Recommendation: Ratify Council Member Anayeli Zavala's appointment to the Public Safety Commission to fill one (1) vacancy consisting of an unexpired term ending January 2018.

Action: Betts moved to ratify Council Member Zavala's appointment of Nancy Martinez to the Public Safety Commission, motion seconded by McKee, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

10. [Appointment to the Planning Commission to Fill Vacancy for Unexpired Term](#)

City Clerk, Jerryl Soriano, CMC

Recommendation: Ratify Council Member Joe McKee's appointment to the Planning Commission to fill one (1) vacancy consisting of an unexpired term ending January 2018.

Action: Betts moved to ratify Council Member McKee's appointment of Larry Buchanan to the Planning Commission, motion seconded by Parks, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

11. [Desert Valley Disposal Contract for Trash Abatement Program](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Authorize the City Manager to negotiate and execute an agreement with Desert Valley Disposal (DVD) for abatement of illegal dumping and roadside litter for an amount not to exceed \$225,589.96 for 16 months; in a form approved as to form by the City Attorney.

Chris Cunningham, Desert Valley Disposal, presented an overview of the Program's impact; and responded to questions.

Action: Betts moved to approve staff recommendation, motion seconded by McKee, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

12. [Open Property Assessed Clean Energy \("PACE"\) Program](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Adopt a Resolution of the City Council:

- 1) Approving, authorizing, and directing execution of a Joint Exercise of Powers Agreement relating to the California Municipal Finance Authority;
- 2) Consenting to the inclusion of properties within the territory of the City in the California Municipal Finance Authority Open Pace Programs;
- 3) Authorizing the California Municipal Finance Authority to accept applications from property owners, conduct contractual assessment proceedings and levy contractual assessments within the territory of the City; and
- 4) Authorizing related actions.

Taylor Libolt, Energy Efficient Equity, presented an overview of the Program; and responded to questions.

A discussion ensued.

Action: Betts moved to approve staff recommendation and adopt *Resolution No. 2017-003*, motion seconded by Zavala, motion carried 3/2 by the following vote:

Vote: AYES: 3 - Zavala, Betts, McKee
Passed NOES: 2 - Parks, Matas

13. [First Amendment to the Consulting Services Agreement for Tax Administration Services with Albert A. Webb Associates](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Authorize the City Manager to execute a First Amendment to the Consulting Services Agreement for Tax Administration Services with Albert A. Webb Associates in the amount of \$183,333.32 (\$93,166.66 per year) from July 1, 2017 through June 30, 2019, and to execute all necessary agreements with approval as to form by the City Attorney.

Glenn White, Management Analyst, presented the staff report; and responded to questions.

Nikohl Vandell spoke.

A discussion ensued.

Action: Betts moved to approve the First Amendment for one (1) year and that a Request for Proposals (RFP) be issued in 6 months, motion seconded by McKee, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

14. [City Hall Relocation](#)

Public Works Manager, Daniel Porras, P.E.

Recommendation: 1) Authorize the City Manager to take all the steps necessary to immediately lease new modular facilities and to place them at the Northwest corner of Palm Drive and Pierson Blvd or at a suitable temporary site; and
2) Authorize the City Manager to execute a First Amendment to the Professional Services Agreement with Hill International to include \$170,000 for engineering consulting services and \$330,000 for project management and design services for the completion of Phase 1 of the City Hall Relocation Project, for a total amount not to exceed of \$500,000, to be utilized over the next two fiscal years 2016-2017 and 2017-2018.

Council Member Betts recused due to a potential conflict of interest.

Luke Rainey, Assistant to the City Manager, presented the staff report and responded to questions.

Andrew Cirner spoke in support.

Action: McKee moved to approve staff recommendation No. 1 for Plan C, authorizing the City Manager to negotiate and execute, motion seconded by Zavala, motion carried 4/0 by the following vote:

Vote: AYES: 4 - Zavala, Parks, Matas, McKee
Passed NOES: 0 - (None)
RECUSED: 1 - Betts

Mayor Matas recused from Part 2 of the recommended action due to a potential conflict of interest.

Mayor Pro Tem Parks assumed the Chair.

Action: Zavala moved to approve staff recommendation No. 2 for Plan C, authorizing the City Manager to negotiate and execute, motion seconded by McKee, motion carried 3/0 by the following vote:

Vote: AYES: 3 - Zavala, Parks, McKee
Passed NOES: 0 - (None)
RECUSED: 2 - Betts, Matas

15. Refinancing Opportunities and Funding Options for City Hall

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: 1) Review staff report and comment; and
2) Direct staff to proceed with one of the identified options and return to the next regularly scheduled City Council meeting for approval.

Council Member Betts recused due to a potential conflict of interest.

Joe Tanner, Administrative Services Director, and Michael Busch, Urban Futures, Inc., presented the staff report and responded to questions.

Jerrold Pope spoke.

Action: Zavala moved to approve staff recommendation (to build City Hall Option C), motion seconded by McKee, motion carried 4/0 by the following vote:

Vote: AYES: 4 - Zavala, Parks, Matas, McKee
Passed NOES: 0 - (None)
RECUSED: 1 - Betts

16. [\(Successor Agency\)](#)

Resolution Approving Purchase and Sale Agreement and Joint Escrow Instructions Between the Successor Agency to the Former Redevelopment Agency of the City of Desert Hot Springs for Real Property Located at 66338 1st Street (APN 639-251-031)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Adopt a Resolution of the Successor Agency to the former Redevelopment Agency of the City of Desert Hot Springs approving a Purchase and Sale Agreement and Joint Escrow Instructions between the Successor Agency to the former Redevelopment Agency of the City of Desert Hot Springs and Bradley N. Adams for real property located at 66338 1st Street, Desert Hot Springs, California (APN 639-251-031); and approving certain related actions.

Jerrold Pope spoke.

Action: Betts moved to approve staff recommendation, motion seconded by McKee, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

17. [Ordinance Restricting Camping on Private Property](#)

City Manager, Charles L. Maynard; Presented by Jennifer Mizrahi, City Attorney

Recommendation: Introduce for first reading and read by title only “An Ordinance of the City Council of the City of Desert Hot Springs amending Chapter 12.04 “Camping Restrictions” of Title 17 “Streets, Sidewalks and Public Places” of the Desert Hot Springs Municipal Code to restrict camping on private property.”

Nikohl Vandell spoke opposed.

Jerrold Pope spoke opposed.

Action: McKee moved to approve staff recommendation, motion seconded by Zavala, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

18. [Ordinance Amending the Desert Hot Springs Municipal Code Requiring Landscape-Related Businesses to Complete a Course on Water Efficiency](#)

Public Works Manager, Daniel Porras, P.E.

Recommendation: Introduce First Reading and read by title, An Ordinance of the City Council of the City of Desert Hot Springs Amending Title 5 “Business Licenses And Regulations” of the City of

Desert Hot Springs Municipal Code to repeal and readopt Chapter 5.04.040 "License Required" with a required landscaper course on overseeding alternative to include a course on Water Efficiency for issuance of a Business License to landscape-related businesses in the City of Desert Hot Springs in its entirety.

Luke Rainey, Assistant to the City Manager, presented the staff report; and responded to questions.

A discussion ensued.

Action: Zavala moved to approve staff recommendation with the caveat that landscape-related businesses are allowed up to 180 days to complete the course, motion seconded by McKee, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

19. **Ordinance Regarding Commission Salaries**

Council Member, Russell Betts; and Council Member, Joe McKee

Recommendation: Consider introduction and first reading of "An Ordinance of the City Council of the City of Desert Hot Springs amending Section 2.32.050 of Chapter 2.32 of the Desert Hot Springs Municipal Code increasing the salary of the Planning Commissioners."

Jerrold Pope suggested a compensation increase for City Council.

Andrew Cirner spoke in support.

Action: Betts moved to direct Staff to bring back an ordinance to include all Commissions at \$50.00 per meeting (attendance required), motion seconded by McKee, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

20. **Appointment of a Delegate and Alternate for the 2017 Southern California Association of Governments (SCAG) General Assembly**

City Clerk, Jerryl Soriano, CMC

Recommendation: Appoint a Delegate and Alternate for the 2017 SCAG General Assembly meeting to be held on May 4-5, 2017 in Palm Desert, California.

Action: McKee moved to appoint Council Member, Russell Betts as the Delegate and Council Member, Joe McKee as the Alternate, motion seconded by Zavala, motion carried 5/0 by the following vote:

Vote:
Passed

AYES: 5 - Zavala, Parks, Betts, Matas, McKee
NOES: 0 - (None)

CONSENT CALENDAR:

21. [Short Form Purchase and Service Contract with The Pun Group, LLP for Professional Audit Services for the Desert Hot Springs Health and Wellness Foundation](#)
Administrative Services Director, Joseph M. Tanner, Jr.
Recommendation: Authorize the City Manager to execute the Short From Purchase and Service Contract with The Pun Group, LLP for a total not-to-exceed \$10,200.00 to prepare the audited financial statement and the state and federal tax returns for the Desert Hot Springs Health and Wellness Foundation for the fiscal year ending June 30, 2017.
22. [Second Reading and Adoption of an Ordinance Approving a Development Agreement \(DA 15-16\) with Medi Teranchi / Bunch Palms Trail, LLC](#)
Interim Community Development Director, Charles Rangel
Recommendation: Approve Second Reading, read by title and adopt an Ordinance of the City Council approving Development Agreement No. 15-16 to establish a 57,907 square foot medical marijuana cultivation facility located on the southwest corner of Two Bunch Palms Trail and Cabot Road in the Light Industrial (I-L) Zone (APN 665-030-058).
23. [Revised Fourth Amendment to SunLine Joint Powers Transportation Agency Agreement](#)
Assistant to the City Manager, Luke Rainey
Recommendation: Approve the Revised Fourth Amendment to the SunLine Joint Powers Transportation Agency Agreement.
24. [Second Reading and Adoption of an Ordinance Prohibiting Obstruction of Pedestrian Traffic and Carl May Center Parking Lot and Driveways Use Restrictions](#)
City Clerk, Jerryl Soriano, CMC
Recommendation: Approve Second Reading, read by title only and adopt "An Ordinance of the City Council amending the Desert Hot Springs Municipal Code by 1) Adding Article VI "Obstruction of Pedestrian Traffic Prohibited," 2) Adding Article VII "Carl May Center Parking Lot, and Driveways Use Restrictions," and 3) Repealing Section 10.36.050 "Unreasonable Interference with Free Passage of Pedestrians" of Title 10 "Vehicles and Traffic."

Item 24 was considered prior to Item 7.

Council Member McKee pulled the Item from the Consent Calendar for further discussion and expressed his concerns.

Nikohl Vandel expressed concerns.

Rocky McKee expressed concerns.

Judy Shea expressed concerns.

A discussion ensued.

Action: Betts moved to approve staff recommendation, motion seconded by Parks, motion carried 2/3 by the following vote:

Vote: AYES: 2 - Parks, Betts
Failed NOES: 3 - Zavala, Matas, McKee

25. [Second Reading and Adoption of an Ordinance Adopting the 2016 California Fire Code with Amendments](#)

City Clerk, Jerryl Soriano, CMC

Recommendation: Approve Second Reading, read by title and adopt "An Ordinance of the City Council of the City of Desert Hot Springs Amending Title 15 "Buildings And Construction" of the Desert Hot Springs Municipal Code to repeal and readopt Chapter 15.24 "California Fire Code" with selected Appendices and Amendments and to repeal Chapter 15.56 "NFPA 101 Life Safety Code" in its entirety.

26. [Second Reading and Adoption of an Ordinance to Allow Certain Medical Marijuana Manufacturing Facilities to Request a Minor Modification to a Conditional Use Permit to Allow Manufacturing Medical Marijuana](#)

City Clerk, Jerryl Soriano, CMC

Recommendation: Approve Second Reading, read by title and adopt "An Ordinance of the City Council of the City of Desert Hot Springs amending Section 17.180.060 "Medical Marijuana Manufacturing Facilities" of Chapter 17.180 "Medical Marijuana Facilities Operation and Location" of Title 17 "Zoning" of the Desert Hot Springs Municipal Code to allow certain medical marijuana manufacturing facilities to request a minor modification to a Conditional Use Permit to all manufacturing of medical marijuana.

FUTURE AGENDA ITEMS

Council Member McKee requested a future agenda item regarding the Receivership Program.

PUBLIC COMMENTS

None.

ADJOURN

The City Council recessed to Closed Session at 9:54 P.M.

Jennifer Mizrahi, City Attorney, advised that there was no reportable action.

The City Council adjourned at approximately 10:20 P.M.

Jerryl Soriano, CMC
City Clerk

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