



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**

DRAFT ACTION MINUTES

MAY 15, 2018

4:30 P.M. – STUDY SESSION

6:00 P.M. – REGULAR SESSION

**CITY COUNCIL CHAMBERS
Carl May Community Center
11711 West Drive, Desert Hot Springs, California**

STUDY SESSION - 4:30 P.M.

CALL TO ORDER

Mayor Matas called the Study Session to order at 4:30 P.M.

ROLL CALL

Present:

Council Members: Russell Betts, Joe McKee, Yvonne Parks

Mayor Pro Tem: Anayeli Zavala

Mayor: Scott Matas

PUBLIC COMMENTS

None.

STUDY SESSION:

- 1. Approval of 2017-2018 Budgetary Adjustments for Revenues, Expenditures, and Transfers for the Fiscal Year Ending June 30, 2018**
Finance Director, Linda Kelly

- Recommendation:** 1) Approve the mid-year budgetary adjustments as stated for FY 2017-18, with revenues totaling \$2,825,404 and expenditures totaling \$2,775,466; and
- 2) Approve the transfer of the General Fund balance on hand in the amount of \$2.0 million for the City Hall Project in FY 2017-2018 by minute order.

Linda Kelly, Finance Director, presented the staff report and responded to questions.

A discussion ensued.

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)

2. City of Desert Hot Springs Draft Two-Year Budget and Capital Improvement Projects for Fiscal Years 2018-2019 and 2019-2020

Finance Director, Linda Kelly

- Recommendation:** 1) Receive Staff Presentation of the City of Desert Hot Springs Draft Two Year Budget for All Funds and Capital Improvement Projects for Fiscal Years 2018-2019 and 2019-2020;
- 2) Entertain questions from the City Council; and
- 3) City Council to provide any changes, recommendations, or direction to be included in the final budget document.

Linda Kelly, Finance Director, introduced Andy Heath from the City's Financial Consultant, Urban Futures, Incorporated.

Andy Heath, Urban Futures, presented the proposed Budget for Fiscal Years, 2018-2019 and 2019-2020, and responded to questions.

A discussion ensued and the City Council provided direction.

Charles Maynard, City Manager, advised that the final budget would be presented on June 5, 2018 for adoption.

The City Council recessed at 5:48 P.M.

REGULAR SESSION - 6:00 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, Yvonne Parks
Mayor Pro Tem: Anayeli Zavala
Mayor: Scott Matas

INVOCATION

None.

PLEDGE OF ALLEGIANCE

Desert Hot Springs Scouts, Troop 1606, presented the colors and led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

Action: McKee moved to approve the May 15, 2018 Regular Meeting agenda, and approve the Consent Calendar in its entirety, motion seconded by Betts, motion carried 5/0 by the following vote:

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

PUBLIC COMMENTS

Gary Gardner reported on the May 8, 2018 Planning Commission meeting.

Judy Shea announced the Senior Center's Spring Fling event.

Nina Duarte announced an Earthquake and Emergency Preparedness event.

Mike Picardi gave various updates and announcements.

Ted Mayrhofer expressed thanks to Council Member Parks for her service; and spoke regarding sports gaming.

Dr. Annebelle Nery, College of the Desert, gave updates and spoke regarding the "pledGE Program" that provides high school graduates from the Coachella Valley with two years of free tuition and fees at College of the Desert.

Dr. Scott Adkins, College of the Desert, gave updates and spoke regarding the "pledGE Program" that provides high school graduates from the Coachella Valley with two years of free tuition and fees at College of the Desert.

Dr. Diliaa Peregrina-Kretz, College of the Desert, gave updates and spoke regarding the "pledGE Program" that provides high school graduates from the Coachella Valley with two years of free tuition and fees at College of the Desert.

CITY MANAGER REPORT

Danny Porras, Community Development Director, provided updates regarding Palm Drive safety improvements and announced that the Traffic Study has warranted signalization at 3 intersections including Palm Drive and Camino Aventura.

Charles Maynard, City Manager, introduced John Cortez, Battalion Chief, who was attending the meeting on behalf of Chief Mark Brooks and Chief Eddie Moore.

MAYOR AND COUNCIL MEMBER REPORTS

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

Mayor Pro Tem Zavala reported on the various meetings and events she attended; addressed future library.

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

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

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

The City Council recessed at 6:55 P.M.

The City Council reconvened at 7:03 P.M.

PUBLIC HEARINGS:

3. **Annexation No. 29 to the City of Desert Hot Springs Community Facilities District No. 2010-1 (Services) for APN 666-370-012 through -015 Located South of 19th Avenue and East of North Indian Canyon Drive (BlackStar Industrial Properties, LLC)**

Finance Director, Linda Kelly

Recommendation:

- 1) Staff Report;
- 2) Entertain questions of staff from the City Council;
- 3) Open the Public Hearing;
- 4) Take public testimony;
- 5) Close the Public Hearing;
- 6) City Council discussion and questions of Staff;
- 7) Adopt a Resolution 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. 29)

- 8) Hold the election;
- 9) Canvass the election; and
- 10) Adopt a Resolution declaring election results for annexation to Community Facilities District No. 2010-1 (Services) (Annexation No. 29)

Linda Kelly, Finance Director, presented the staff report.

Mayor Matas opened the Public Hearing.

Ray Dorame, BlackStar Industrial Properties, spoke in support, and expressed thanks to Staff.

Mayor Matas closed the Public Hearing.

Action: Betts moved to approve staff recommendation and adopt *Resolution No. 2018-034* (calling the election), motion seconded by McKee, motion carried 5/0 by the following vote:

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

Jerryl Soriano, City Clerk, canvassed the Election and advised that the property owner voted in favor of the annexation.

Action: Betts moved to approve staff recommendation and adopt *Resolution No. 2018-035* (declaring election results), motion seconded by McKee, motion carried 5/0 by the following vote:

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

4. Annexation No. 30 to the City of Desert Hot Springs Community Facilities District No. 2010-1 (Services) for APN 663-270-001 Located North of 13h Avenue/Hacienda Avenue and East of Little Morongo Road (Manlin2, LLC)

Finance Director, Linda Kelly

- Recommendation:**
- 1) Staff Report;
 - 2) Entertain questions of staff from the City Council;
 - 3) Open the Public Hearing;
 - 4) Take Testimony;
 - 5) Close the Public Hearing;
 - 6) City Council discussion and questions of staff;
 - 7) Adopt a Resolution calling an election to submit to the qualified electors the question of levying a special tax within the area propose to be annexed to Community Facilities District No. 2010-1 (Services) (Annexation No. 30)
 - 8) Hold the election;
 - 9) Canvass the election; and

- 10) Adopt a Resolution declaring election results for annexation to Community Facilities District No. 2010-1 (Services) (Annexation No. 30).

Linda Kelly, Finance Director, presented the staff report.

Mayor Matas opened the Public Hearing.

There was no testimony.

Mayor Matas closed the Public Hearing.

Action: McKee moved to approve staff recommendation and adopt *Resolution No. 2018-036* (calling the election), motion seconded by Parks, motion carried 5/0 by the following vote:

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

Jerryl Soriano, City Clerk, canvassed the Election and advised that the property owner voted in favor of the annexation.

Action: McKee moved to approve staff recommendation and adopt *Resolution No. 2018-037* (declaring election results), motion seconded by Parks, motion carried 5/0 by the following vote:

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

5. Creating Special Tax Area 35 (BlackStar Industrial Properties, LLC) for APN 663-370-012 through -015 Located South of 19th Avenue and East of North Indian Canyon Drive, within the Desert Springs Special Public Safety Tax Area

Finance Director, Linda Kelly

Recommendation: 1) Staff Report;
2) Entertain questions of staff from the City Council;
3) Open the Public Hearing;
4) Take public testimony;
5) Close the Public Hearing;
6) City Council discussion and questions of staff;
7) Hold the election;
8) Canvass the election; and
9) Adopt an Ordinance Establishing a Special Public Safety Tax Area Zone 35 (BlackStar Industrial Properties, LLC).

Linda Kelly, Finance Director, presented the staff report.

Mayor Matas opened the Public Hearing.

There was no testimony.

Mayor Matas closed the Public Hearing.

Jerryl Soriano, City Clerk, canvassed the Election and advised that the property owner voted in favor of creation of the Zone.

Action: Parks moved to approve staff recommendation and adopt *Ordinance No. 661*, motion seconded by McKee, motion carried 4/1 by the following vote:

Vote: AYES: 4 - Zavala, Parks, Matas, McKee
Passed NOES: 1 - Betts

6. Creating Special Tax Area 36 (Manlin2, LLC) for APN 663-270-001 Located South of 13th Avenue/Hacienda Drive and East of Little Morongo Road, within the Desert Springs Special Public Safety Tax Area

Finance Director, Linda Kelly

Recommendation: 1) Staff Report;
2) Entertain questions of Staff from the City Council;
3) Open the Public Hearing;
4) Take public testimony;
5) Close the Public Hearing;
6) City Council discussion and questions of staff;
7) Hold the election;
8) Canvass the election; and
9) Adopt an Ordinance Establishing a Special Public Safety Tax Area Zone 36 (Manlin2, LLC).

Linda Kelly, Finance Director, presented the staff report.

Mayor Matas opened the Public Hearing.

There was no testimony.

Mayor Matas closed the Public Hearing.

Jerryl Soriano, City Clerk, canvassed the Election and advised that the property owner voted in favor of creation of the Zone.

Action: McKee moved to approve staff recommendation and adopt *Ordinance No. 662*, motion seconded by Zavala, motion carried 4/1 by the following vote:

Vote: AYES: 4 - Zavala, Parks, Matas, McKee
Passed NOES: 1 - Betts

7. 2017 Annual Housing Element Progress Report

Community Development Director, Daniel Porras, P.E.

Recommendation: 1) Staff Report;
2) Entertain Questions of Staff from City Council;
3) Open the Public Hearing;
4) Take Public Testimony;

- 5) Close the Public Hearing;
- 6) City Council discussion and questions to Staff; and
- 7) Receive the 2017 Housing Element Annual Progress Report, and authorize its submittal to the State Department of Housing and Community Development and to the Governor's Office of Planning and Research.

Scott Taschner, Senior Planner, presented the staff report.

Mayor Matas opened the Public Hearing.

There was no testimony.

Mayor Matas closed the Public Hearing.

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

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

8. Ordinance Stating that Marijuana Manufacturing Facilities, as Defined by Desert Hot Springs Municipal Code, Are Not Subject to the Taxes as Contemplated in Chapters 3.34 and 3.37

City Attorney, Jennifer A. Mizrahi

Recommendation:

- 1) Staff Report;
- 2) Entertain questions from the City Council to Staff;
- 3) Open the Public Hearing;
- 4) Take testimony of those in Favor;
- 5) Take testimony of those who Opposed;
- 6) Take testimony of those in a neutral position;
- 7) Close the Public Hearing;
- 8) City Council discussion; and
- 9) Introduce for First Reading and read by title only, "An Ordinance of the City Council of the City of Desert Hot Springs, California, amending Chapters 3.34 and 3.37 to add Sections 3.34.045 and 3.37.065 stating that Marijuana Manufacturing Facilities, as defined by Desert Hot Springs Municipal Code ("DHSMC") Section 17.180.030 and regulated pursuant to DHSMC Section 17.180.060, are not subject to the taxes as contemplated in Chapters 3.34 and 3.37.

Jennifer Mizrahi, City Attorney, presented the Staff report.

Mayor Matas opened the Public Hearing.

Greta Carter spoke in favor.

Ryan Fingerhut spoke in favor.

Mayor Matas closed the Public Hearing.

A discussion ensued.

Mayor Pro Tem Zavala and Council Member Parks explained that they would be voting against the Ordinance.

Action: Betts moved to approve staff recommendation and adopt *Ordinance 663*, motion seconded by McKee, motion carried 3/2 by the following vote:

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

Staff advised that the Ordinance did not require a second reading and therefore would become effective immediately.

ADMINISTRATIVE CALENDAR:

9. Funding Request from Health Assessment and Research for Communities (HARC)

City Manager, Charles L. Maynard

Recommendation: Consider a funding request of \$10,000 from Health Assessment and Research for Communities (HARC) and provide direction to Staff.

Jenna LeComte-Hinely, PhD, from HARC addressed the City Council and responded to questions.

Jan Pye spoke in support.

A discussion ensued.

Action: Betts moved to approve funding request in the amount of \$5,000, motion seconded by Zavala, motion carried 3/1 by the following vote:

Vote: AYES: 3 - Zavala, Betts, McKee
Passed NOES: 1 - Parks
ABSTAIN: 1 - Matas

10. Lighting and Landscape Maintenance Districts and Drainage Assessment District, Initiate Proceedings for the Levy and Collection of Assessment

Finance Director, Linda Kelly

Recommendation: 1) Adopt a Resolution of the City Council initiating proceedings for the levy and collection of assessments for the Citywide Landscape and Lighting Maintenance District No. 1 Zone A and Zone B for Fiscal Year 2018-19;
2) Adopt a Resolution of the City Council initiating proceedings for the levy and collections of assessments

for the Landscape maintenance District No. 2 for the Fiscal Year 2018-19; and

- 3) Adopt a Resolution of the City Council initiating proceedings for the levy and collection of assessments for the Drainage Assessment District No. 1 for Fiscal Year 2018-19.

Linda Kelly, Finance Director, presented the staff report.

Council Member Betts recused.

Action: McKee moved to approve staff recommendation and adopt *Resolution Nos. 2018-38, 2018-39, and 2018-040*, 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

11. Fireworks Permits

Community Development Director, Daniel Porras, P.E.

Recommendation: Approve five (5) Fireworks Stand Permits at various location within the City, for the temporary sale of Fireworks for the period beginning June 28, 2018 and ending July 4, 2018 at 10:00 P.M.

Scott Taschner, Senior Planner, presented the staff report.

Staff responded to questions.

A discussion ensued.

Action: Parks 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)

12. Participating Agreement for Coachella Valley Regional Traffic Signal Synchronization Program

Community Development Director, Daniel Porras, P.E.

Recommendation: Approve and authorize for signature, the Multi-Agency Participation Agreement for the Coachella Valley Regional Traffic Signal Synchronization Program.

Danny Porras, Community Development Director, presented the staff report and responded to questions.

A discussion ensued.

Action: Parks moved to approve staff recommendation (with friendly amendment (McKee) that approval was based on belief that the Coachella Valley Association of Governments (CVAG) Executive Committee and General Assembly would have to approve future costs), motion seconded by Matas, motion carried 4/1 by the following vote:

As an amended motion, Council Member Betts moved to continue the item for 2 weeks. The motion failed for lack of a second.

A discussion ensued.

Council Member McKee requested a friendly amendment that approval was based on belief that the Coachella Valley Association of Governments (CVAG) Executive Committee and General Assembly would have to approve future costs

Council Member Parks accepted the friendly amendment.

Vote: AYES: 4 - Zavala, Parks, Matas, McKee
Passed NOES: 1 - Betts

13. Fire Services Contract

City Manager, Charles L. Maynard

Recommendation: Approve the attached Cooperative Agreement to Provide Fire Services for the City.

Jennifer Mizrahi, City Attorney, presented the staff report.

A discussion ensued.

Charles Maynard, City Manager, 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)

CONSENT CALENDAR:

14. City Council Regular Meeting Minutes: May 1, 2018

City Clerk, Jerryl Soriano, CMC

Recommendation: Approve Minutes as presented; or as corrected.

15. Approval of Side Letter Agreement for the Police Officer's Association

City Manager, Charles L. Maynard

Recommendation: Approve by Minute Order the Side Letter Agreement between the City and the Police Officer's Association.

16. Second Reading and Adoption of an Ordinance Approving Development Agreement No. 14-16 with Green Bond, LLC (APN 663-280-002)

Community Development Director, Daniel Porras, P.E.

Recommendation: Approve Second Reading, read by title only and adopt, "An Ordinance of the City Council approving Development Agreement No. 14-16 for the development of a cultivation facility with ancillary distribution and manufacturing activities."

Ordinance No. 664

17. Approve Second Reading and Adoption of 1) An Ordinance Approving Development Agreement No. 01-18 with Desert Land Ventures III, LLC; and 2) An Ordinance Adding Chapter 17.210 "Desert Land Ventures Specific Plan"

Community Development Director, Daniel Porras, P.E.

Recommendation: Approve Second Reading, read by title only and adopt:
1) An Ordinance of the City Council approving Development Agreement No. 01-18 for the development of a mixed use commercial/industrial business park; and
2) An Ordinance of the City Council adding Chapter 17.210 "Desert Land Ventures Specific Plan" to Title 17 "Zoning" of the Desert Hot Springs Municipal Code.

Ordinance No. 665 (Development Agreement) and Ordinance No. 666 (Desert Land Ventures Specific Plan)

18. Treasurer's Reports for the Months of January 2018 and February 2018

Finance Director, Linda Kelly

Recommendation: Receive and file.

19. Payment Register and City Council Expenditures Report for the Month of March 2018

Finance Director, Linda Kelly

Recommendation: Receive and file.

PUBLIC COMMENTS

Ted Mayrhofer spoke regarding Item 12.

ADJOURN

Mayor Matas adjourned the meeting at 8:15 P.M.

Jerryl Soriano, CMC, City Clerk