

MINUTES
ADJOURNED MEETING OF THE
CANYON LAKE CITY COUNCIL
Wednesday, June 15, 2016
Open Session - 6:00 p.m.

City Council Chambers
31516 Railroad Canyon Road
Canyon Lake, CA 92587

1. Call to Order

Mayor Pro Tem Haggerty called the meeting to order at 6:08 p.m.

2. Flag Salute

The Pledge of Allegiance was led by resident Ted Horton.

3. Roll Call

Present: Council Members Ehrenkranz, Warren, Zaitz and Mayor Pro Tem Haggerty

Absent: Mayor Brown

4. Approval of the City Council Agenda

Moved by Warren, seconded by Zaitz, to approve the City Council Agenda as presented.

Motion carried 4-0-1 with Mayor Brown absent.

5. Special Presentations and Proclamations:

5.1 Presentation by Local Agency Formation Commission

George Spiliotis, with the Local Agency Formation Commission (LAFCO), provided a presentation on disincorporation.

There was discussion on the history of disincorporation, the reasons why a city may disincorporate, the process, limitations, and alternate options a city may have.

Mayor Brown arrived at the meeting at 6:30 p.m.

There was discussion on the reasons why Cabazon and Vernon disincorporated.

There was discussion about the costs attached to disincorporation.

There was discussion on the process of disincorporation regarding the requirement for 25% of the registered voters in a city signing the petition to initiate the process, and that the applicant of the petition, whether an agency or an individual, would be required to cover the costs of the application to LAFCO for disincorporation and the required studies. Only the election cost would be covered by the agency regardless of who submitted the application.

There was discussion on the transfer of taxes.

There was discussion on the length of time for disincorporation and what complexities would extend it from 1 to 2 years.

There was discussion on the terms and conditions of disincorporation and that it should be a last resort, there was also discussion on the difficulties that come with disincorporation.

There was discussion on the elections that disincorporation petitions could be put on. Disincorporation could only be put on a ballot on a regular election date, but any required tax measures tied to a disincorporation may constrain the election dates.

There was discussion on regular and special taxes.

There was discussion on the effect of disincorporation on property taxes.

There was discussion on the loss of resources if the voters did not pass the required tax measures that could be tied to a disincorporation.

There was discussion regarding how a disincorporation was finalized and the way that the administrator finalizing the disincorporation would be paid.

There was discussion regarding the assets of the city transferring to the county in the event of finalizing the disincorporation and if the city were taken over by another city the assets would transfer to that city and no assets would transfer until the effective date of disincorporation.

There was discussion if the county would receive a share of the property tax and that the property taxes follow the services that they fund.

There was discussion on what would happen to the Vehicle License Fee Revenue in the case of disincorporation or annexation.

There was discussion on property tax remaining the same and not changing even if the city that annexed Canyon Lake had a higher tax rate.

There was discussion regarding who chose which city to be annexed into in the event of a concurrent disincorporation/annexation. Mr. Spilitotis with LAFCO

indicated that the City Council of the disincorporating city would take a majority vote to determine which neighboring city to put in the application for annexation; however, the neighboring city would have to cooperate and participate in the required studies for the application to proceed.

There was discussion on how the redistricting of a city would happen if a disincorporating city is annexed by a city with districts.

There was discussion regarding LAFCO being prohibited from making terms and conditions on a disincorporation directly regulating land use.

There was discussion on whether the county or annexing city could remove the private community gates and make the Canyon Lake Property Owners' Association a public community.

Resident Jack Wamsley spoke on concerns the City of Lake Elsinore had the City of Canyon Lake in their sphere of influence before Canyon Lake incorporated and whether or not that would have an effect in a disincorporation with concurrent annexation.

There was discussion on the disincorporating city having a pre-zoning ordinance prior to disincorporation but the annexing city or county could change zoning at any time after annexation.

There was discussion on a neighboring city or a county initiating the disincorporation and/or annexation of another city.

Resident John Guzman questioned if LAFCO provided any counseling on avoiding disincorporation, and it was discussed that LAFCO did not provide advice on how to address financial issues.

There was also discussion on what the City of Canyon Lake could do to become more financially stable.

There was discussion on Measure A, Vehicle License Fee, and other revenues transferring to an annexing city.

6. Public Comment

Resident Nancy Horton spoke on EVMWD and the service for Alfred William Trembly.

Council Member Zaitz also spoke about Alfred William Trembly.

7. Consent Calendar

7.1 City Council Minutes

7.1.1 May 4, 2016 – Regular Meeting

7.1.2 May 4, 2016 – Verbatim Item

Moved by Zaitz, seconded by Ehrenkranz, to approve the Consent Calendar as presented.

Motion carried 5-0.

8. Business Items

8.1 Consideration of Request to Return to Summary Minutes for City Council

City Clerk Hall gave the staff report for the item and elaborated on what summary minutes include and the difference between action, summary and verbatim minutes.

There was discussion on the fiscal impact of returning to summary minutes and that they require more time by Staff.

There was discussion regarding moving to summary minutes for all City Council and committee meetings.

Moved by Haggerty, seconded by Warren, to approve the returning to summary minutes for City Council and committee meetings.

Motion carried 4-1 with Council Member Zaitz voting no.

8.2 Approval of Amended Cafeteria Benefit Policy with Increased Cafeteria Benefit Contribution

City Manager Palmer gave the staff report on the summary of benefits from similar surrounding cities that the City Council had requested at the previous meeting.

There was discussion on the proposed amount being higher than similar cities exemplified on the comparison sheet.

There was discussion on the max contribution being set at \$1,125.00, to be comparable with other public agencies and what industry at large average was providing employees in California.

Resident John Guzman spoke on staying focused on what's important, like the fire station, and suggested moving to part-time city employees and hiring volunteers or interns for certain tasks.

There was discussion that the Administration and Finance Committee discussed and came to an agreement that \$1,125.00 was the going rate and would be acceptable.

There was discussion on the cost of living increase being 2% and the City of Canyon Lake not having an increase in Cafeteria Benefit contribution amount for the past 8 years. It was stated that the City of Canyon Lake was not in the position to approve this increase.

There was discussion on how the \$1,350.00 was decided on, and how Kaiser Permanente rates and the cost of medical services are going up faster than cost of living.

City Manager Palmer explained that the cafeteria plan was brought to the City Council for discussion as a way to retain and recruit employees as an incentive due to the City's salaries being lower than other regions.

There was discussion to table this discussion to a later date.

Motion by Haggerty, seconded by Warren to table discussion to a date undetermined.

Motion carried 5-0.

Mayor Brown called a recess at 7:50 p.m.

Mayor Brown called the meeting back to order at 8:06 p.m.

8.3 Adoption of Resolution No. 2016-23, Approving the City's Fiscal Year 2016/17 Budget and Appropriations Limit

There was discussion that there was nothing allocated in the budget for Canyon Lake to start up a City fire department and that was something that needed to be addressed.

There was discussion about why the fire department was not included in the budget and that a budget adjustment could be made later.

City Accountant Terry Shea gave the staff presentation on the five-year budget projection.

There was discussion on the five year projections and the different options for fire start up.

There was discussion on the debt related to disincorporation.

There was discussion on the projections not showing the reduced fire and police costs. The current projection showed the current police cost.

There was discussion on focusing back on the 2016/17 budget.

There was discussion on the budget not including the fire station being open, and for some of the Council Members to move on with the approval of the 2016/17 budget they felt there should be a plan for the future of the fire station.

There was discussion to bring the focus back to the 2016/17 budget and to re-visit the fire station issue when there was more information on reducing fire and police cost.

There was discussion on approving the budget and hearing the City Manager's presentation on the fire issue.

Motion by Warren, seconded by Haggery to approve Resolution No. 2016-23, approving the City's Fiscal Year 2016/17 budget and appropriations limit as presented.

Resident John Guzman discussed structural changes that could be made in police and fire. He also suggested to look at other places that could be cut back before approving the budget.

There was a discussion on the utilities at the fire station and why they were so high.

The City Manager stated he was in the process of auditing the building and looking into why the utilities are so high.

There was discussion on the budget including the proposed cafeteria plan and keeping it there as a cushion.

There was discussion on the Animal Control budget and that the increase was because the numbers are based on the number of animals taken into the shelter.

There was discussion on the increase in Public Works due to changing from Tri Lakes to Charles Abbott and the work they had been doing.

There was discussion on the lake patrol that was in addition to the marine patrol that the Property Owners' Association (POA) has.

There was discussion on Professional/Specialized Services in buildings and facilities maintenance and what was included in that.

There was discussion on paying a per mile charge for the police vehicles and that includes maintenance and fuel.

There was discussion on the Gas Tax budget, Operations and Maintenance costs and the increase was due to a request by Charles Abbott and the work they have been doing that was payable by the restricted gas tax.

There was discussion on moving on with the budget without a long term plan. The budget did not include a plan for starting the City's own fire station and some Council Members felt there should be a plan in place before continuing with the budget.

There was discussion to bring the discussion back to the 2016/17 budget.

Council Member Warren called for the question.

City Clerk Hall confirmed that the motion being voted on was to approve Resolution No. 2016-23 as presented.

Motion carried 3-2 with Council Members Ehrenkranz, Warren and Mayor Pro Tem Haggerty voting aye, and Council Member Zaitz and Mayor Brown voting no.

Mayor Brown left the meeting at 8:40 p.m.

9. City Manager Comments

9.1 Verbal update on Fire Department

City Manager Palmer gave a report on the status of the City's Fire Services.

Council Member Zaitz left the meeting at 8:42 p.m.

There was discussion on the City Manager looking into County Fire and Joint Powers Authority (JPA) options.

There was discussion on the operating agreement between the County and the State.

There was discussion on the County not giving mutual aid for a two-man engine crew.

There was discussion on the JPA to include police services.

There was discussion on if it does not work out with the County or State that the JPA would be a good option.

There was discussion on getting Station 60 open, but doing it right, with a medic and that was the direction the City and City Manager was going in.

There was discussion that further information will be provided at the July 6th meeting.

City Attorney Martyn requested verbatim minutes for the City Manager Comments. The City Council agreed.

10. Committee and Council Reports/Comments

It was stated that this item would be addressed at the July 6 meeting.

11. Adjournment

The meeting was adjourned, in honor of Alfred William Trembly, at 8:55 p.m.

Respectfully submitted,



Stephanie Hunter
Office Specialist