

MINUTES
SPECIAL MEETING OF THE
CANYON LAKE CITY COUNCIL
Wednesday, April 26, 2017
Closed and Open Sessions - 6:30 p.m.

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

This meeting was called at the request of four Council Members pursuant to Govt. Code Section 54956(a)

1. Call Open Session to Order

Mayor Haggerty called the meeting to order at 6:30 p.m.

2. Flag Salute

Flag Salute was led by Jack Wamsley.

3. Roll Call

Present: Council Members Bonner, Ehrenkranz, Greene, Mayor Pro Tem Warren, and Mayor Haggerty.

4. Approval of the City Council Agenda

Moved by Bonner, seconded by Warren, to approve the agenda as presented.

Motion carried 5-0 with Council Members Bonner, Ehrenkranz, Greene, Mayor Pro Tem Warren, and Mayor Haggerty voting aye.

5. Public Comments

There were no public comments

6. Recess to Closed Session – CLOSED SESSION PUSUANT TO GOVT. CODE SECTION 54957 – PUBLIC EMPLOYMENT; PUBLIC EMPLOYEE PERFORMANCE EVALUATION – City Manager

Council recessed to closed session at 6:33 p.m.

7. Return to open session; report from closed session

Council returned to open session with no reportable action at 7:55 p.m.

8. Report of Ad Hoc Reimbursement Committee regarding Council Member Haggerty's compliance with current Reimbursement Policy throughout 2016.

Mayor Pro Tem Warren gave a verbal report from the Ad Hoc Committee regarding the reimbursement requests.

Council Member Greene discussed what was looked at regarding expense reports, back up documents and inconsistencies.

There was discussion regarding the need to review the entire process and procedure of turning in an expense report.

There was discussion regarding Mayor Haggerty's expense reports that were not compliant to current policy.

Mayor Haggerty discussed her integrity, history with expense reports, and the current expense report form.

Mayor Haggerty also explained that she was on a family plan with her daughter regarding her phone and she gave a \$75.00 check to her daughter every month to pay for her phone and that was over the \$60.00 limit. Mayor Haggerty discussed her internet was automatically taken out of her bank account and she does not have a bill.

Mayor Haggerty discussed when she was asked for backup documents regarding her expense report she provided a copy of the front page of her Frontier bill and that she did not have a phone bill but could provide a copy of the check paid to her daughter or a bank statement showing the cashed check and she was told that would be okay.

The Mayor discussed that she was not great with forms and was not detailed person, and no one was contacting her regarding her submitted expense reports until recently she received a phone call to come to city hall discuss expense reports.

The Mayor explained that she did not take mileage when attending ribbon cuttings, other city council meetings, and other City related events.

Mayor Haggerty discussed a phone call she received from City Manager Palmer discussing the auditing of records and that he had explained to her that her internet was only \$30.00 a month and she had been receiving a \$40.00 reimbursement. The Mayor explained that she was asked to pay back the \$10.00 difference for each month she was over paid and she gave a check for \$100.00 for the overpaid amount and explained how the total on the front page was \$76.00 and she had not looked at the breakdown of cost for the variety of services on a different page.

The Mayor discussed another phone call that was received a few days later with another problem regarding a reimbursement for January that was submitted twice and she had given another \$100.00 check to repay the double reimbursement.

The Mayor stated the mistakes were unintentional, and while there was no excuse for what was done wrong, it was done out of ignorance. The Mayor explained that whenever she was asked, she came in to fix the problem and would continue to do so in the future. She was upset about how the topic was brought up and how the agenda was worded.

Resident Jack Wamsley empathized with the Mayor and recommended expense accounts be checked by a controller every month so no one would get in trouble. He discussed the five Council Members' effort that was put into the City.

Council Member Greene discussed that the process was taken seriously, and there were checks and balances in place that had been overlooked at the time.

Mayor Pro Tem Warren stated that the Council was looking at the current policy, looked at the newest information available, the policy would be taken seriously, and there would be a new policy.

Resident Berry Talbot stated that he knew Council was taking this issue seriously and stated his disappointment regarding the confusion on the expense reports and bills. Mr. Talbot questioned judgements made in the past and stated concerns regarding other detailed oriented items that the Council experiences.

Resident John Zaitz discussed a former issue regarding Frank Kessler, the current travel policy, and discussed the need for Council and staff to read and abide by rules set by Council.

Mayor Haggerty made a comment regarding overlooking small details, the reimbursement policy and process that would be corrected, and the differences between her reimbursement situation and the issue regarding Frank Kessler.

Council Member Ehrenkranz discussed his history with submitting expense forms.

Council Member Bonner discussed his experience with reimbursement requests in the past, and asked if staff had ever requested backup information from Mayor Haggerty in the past.

There was discussion regarding the compliance of Mayor Haggerty when staff requested additional information regarding submitted expense forms.

- a. **Consider and possibly impose penalties for non-compliance as allowed by state law and current city policy.**

City Attorney Martyn stated what state law allows and that it was up to the City Council's discretion to determine possible penalties for Council Members who the Council felt had acted inappropriately.

Mayor Haggerty asked if there was a motion to take any action.

Mayor Pro Tem Warren discussed the need for Council discussion.

Mayor Haggerty stated that she had repaid the City, when asked, for discrepancies found on her expense reports.

Council Member Greene discussed the Ad Hoc Committee and staff's research regarding the reimbursement policy and the anomalies regarding Mayor Haggerty's submitted expense forms.

Mayor Pro Tem Warren discussed the errors regarding Mayor Haggerty's submitted expense forms and listed the options Council could take in regards to the errors and Mayor Haggerty, such as the Mayor reimbursing the City for expense reports that were incomplete, suspension of further reimbursements, removal of Mayor to Council Member, or report the issue to a higher authority.

Council Member Greene confirmed the amounts of \$273.21 for the overpayment regarding Mayor Haggerty's internet reimbursement and \$686.79 for the overpayment regarding the Mayor's phone reimbursement, and the Mayor has repaid \$100.00 towards the overpayment of the internet reimbursement. Council Member Greene also stated that corrective measures would be taken so there would not be further problems.

Mayor Pro Tem Warren discussed that the total amounts encompassed all incomplete or incorrectly submitted expense reports and the reasons why some of the documents were considered incomplete.

Mayor Pro Tem Warren discussed there were emails provided from staff asking for back up documentation. Mayor Pro Tem Warren stated that if Mayor Haggerty had provided back up documents for submitted expense reports, when asked, and the City does not have record then that would be another problem that would need to be addressed.

Council Member Ehrenkranz discussed the hard work of the Ad Hoc Committee and that this was the first time Council was made aware of the issue. He asked if the Ad Hoc Committee had a recommendation moving forward.

Council Member Greene stated this was brought to Council so collectively all could decide how to move forward.

There was discussion regarding how the requirement of back up documents for Mayor Haggerty's expense reports "fell through the cracks" and there was discussion of the procedure and process for future reimbursements.

There was discussion regarding the current procedures.

Mayor Pro Tem Warren discussed former Council Member Tim Brown's reimbursements and that the City would not approve the reimbursement until bills to support documents or an affidavit from Tim Brown was provided. Mayor Pro Tem Warren questioned why Tim Brown was held to a certain standard and Mayor Haggerty was not.

There was discussion that the City's finance department was a contract service and the change in staff within the last year.

Mayor Pro Tem Warren stated that as Council, collectively, they had to decide what to do. There was discussion regarding how the reimbursement process for Tim Brown came about.

There was discussion regarding the Finance Director, a contract employee, should not have the authority to decide what is payable without receipts, documentation, or a signature; and there was documentation showing the City Manager had given approval to pay without correct documentation.

Mayor Pro Tem Warren stated that Council had to make a decision of how to proceed.

There was a statement from resident Berry Talbot that the Council was looking for a recommendation from the Ad Hoc Committee.

There was discussion of what action could and should be taken in regards to Mayor Haggerty.

There was discussion regarding the options Council could take in regards to Mayor Haggerty.

Mayor Haggerty discussed what she was told was acceptable as backup documents, and that she would provide any further backup documentation that would be needed.

Mayor Pro Tem Warren discussed that the Ad Hoc Committee was formed to gather information and then share that information publicly with the Council and from there the Council would make decision. It was discussed that the Ad Hoc could give recommendations but, in this situation, it was not discussed a head of time, and this situation needed to be taken seriously.

There was discussion regarding how the errors should have been noticed and corrected.

Mayor Haggerty discussed that she had given a check when she was told she was overpaid; and did not keep copies of her submittals and all backup was on the computer.

There was discussion regarding the total amount of \$960.00 and if asking for full restitution was an option and what the full amount included.

Council Member Ehrenkranz asked Mayor Haggerty if she was willing to accept the amount erroneously paid to her and if she agreed with the presented information.

Mayor Haggerty discussed that she would provide backup documentation required if told what was missing.

There was discussion to have public comment

Resident John Zaitz discussed his public records request and information that was not provided.

Resident Jack Wamsley stated he thought the Mayor should step down.

Resident Dorothy stated concerns regarding the Mayor's ability to serve if she had trouble filing a proper reimbursement form.

Resident Berry Talbot stated concerns regarding the Mayor admitting that she was not detail oriented.

Council Member Greene discussed emails between staff and the Mayor requesting back up documentation.

Mayor Haggerty discussed stepping down as Mayor.

Mayor Haggerty asked for a motion from Council to remove her as Mayor or accept her resignation as Mayor.

Council Member Bonner stated the Council should accept Mayor Haggerty's resignation as Mayor.

There was discussion regarding the acceptance of resignation and there was not a need for a motion.

Dawn Haggerty resigned as Mayor at 8:59 p.m.

Mayor Pro Tem Warren asked the Council if they felt there should be further measures taken.

There was discussion regarding the need to look at the policy and the suspension of reimbursements.

City Attorney Martyn discussed taking a further look at the accuracy of the submitted documents and thanked Mayor Haggerty for her services.

9. Announcements

The next regular City Council meeting was scheduled for May 3, 2017 at 5:30 p.m. for Closed Session and 6:30 p.m. for Open Session.

Mayor Pro Tem Warren announced Council would return to closed session.

Council Member Ehrenkranz stated he would not be attending the May Council meeting.

The City Council returned to closed session at 9:02 p.m.


Council Member Haggerty left the meeting at 9:02 p.m.

The City Council returned from closed session at 9:55 p.m., with no reportable action.

10. Adjournment

The meeting was adjourned at 9:55 p.m.

Respectfully submitted,



Stephanie Hunter
Office Specialist

Handwritten scribbles or faint text in the upper right quadrant.