

MINUTES

~ ADJOURNED REGULAR ~ PALM DESERT CITY COUNCIL MEETING

THURSDAY, JUNE 18, 2015

CIVIC CENTER COUNCIL CHAMBER

73510 FRED WARING DRIVE, PALM DESERT, CA 92260

I. CALL TO ORDER - 3:00 P.M.

Mayor Weber convened the meeting at 3:04 p.m.

II. ROLL CALL

Present:

Councilmember Jan C. Harnik
Councilman Sabby Jonathan
Mayor Pro Tem Robert A. Spiegel
Councilman Van G. Tanner
Mayor Susan Marie Weber

Also Present:

John M. Wohlmuth, City Manager
David J. Erwin, City Attorney
Rudy P. Acosta, Assistant City Manager
Rachelle D. Klassen, City Clerk
Russell Grance, Director of Building & Safety
Lauri Aylaian, Director of Community Development
Martin Alvarez, Director of Economic Development
Paul S. Gibson, Director of Finance/City Treasurer
Janet M. Moore, Director of Housing
Mark Greenwood, Director of Public Works
Bo Chen, City Engineer
Stephen Y. Aryan, Risk Manager
Capt. Susan Trevino, Chief, Palm Desert Police/Riverside Co. Sheriff's Department
Sgt. David Adams, Palm Desert Police/Riverside Co. Sheriff's Department
Grace L. Mendoza, Deputy City Clerk

III. ORAL COMMUNICATIONS - A (CLOSED SESSION ITEMS)

None

IV. ADJOURN TO CLOSED SESSION

Request for Closed Session:

- A. Conference with Legal Counsel regarding significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2):
Number of potential cases: 2

With City Council concurrence, Mayor Weber adjourned the meeting to Closed Session at 3:05 p.m. She reconvened the meeting at 4:04 p.m.

V. RECONVENE REGULAR MEETING - 4:00 P.M.

- A. REPORT ON ACTION FROM CLOSED SESSION.

None

**VI. PLEDGE OF ALLEGIANCE TO THE FLAG OF
THE UNITED STATES OF AMERICA - Councilmember Jan C. Harnik**

VII. INVOCATION - Councilman Sabby Jonathan

VIII. ORAL COMMUNICATIONS - B

None

IX. AWARDS, PRESENTATIONS, AND APPOINTMENTS

None

X. CONSENT CALENDAR

- A. MINUTES of the Regular City Council Meeting of June 11, 2015.

Rec: Continue to the meeting of July 9, 2015.

- B. CLAIMS AND DEMANDS AGAINST THE CITY TREASURY - Warrants Dated 5/8/2015 and 5/18/2015 - 5/22/2015.

Rec: Approve as presented.

- C. CLAIMS AND DEMANDS AGAINST CITY/HOUSING TREASURIES - Warrants Dated 5/29/2015 (Joint Consideration with the Palm Desert Housing Authority).

Rec: Approve as presented.

- D. APPLICATION FOR ALCOHOLIC BEVERAGE LICENSE by Amores, 73900 El Paseo, Suite 2, Palm Desert.

Rec: Receive and file.

- E. APPLICATION FOR ALCOHOLIC BEVERAGE LICENSE by Schnitzelhaus, 77932 Country Club Drive, Unit 2-4, Palm Desert.

Rec: Receive and file.

- F. APPLICATION FOR ALCOHOLIC BEVERAGE LICENSE by Smoketree BBQ, 73850 Highway 111, Unit A, Palm Desert.

Rec: Receive and file.

- G. REQUEST FOR APPROVAL of the Streamlined Use of Vendors for the Human Resources and Risk Management Departments and of the Human Resources/Risk Management Various Vendors and Service Providers List for Fiscal Year 2015-2016.

Rec: By Minute Motion, approve the Human Resources/Risk Management Department Various Vendors and Qualified Service Providers List for FY 2015-2016.

Upon a motion by Spiegel, second by Harnik, and 5-0 vote of the City Council (AYES: Harnik, Jonathan, Spiegel, Tanner, and Weber; NOES: None), the Consent Calendar was approved as presented.

XI. CONSENT ITEMS HELD OVER

None

XII. RESOLUTIONS

None

XIII. ORDINANCES

A. For Introduction:

None

B. For Adoption:

None

XIV. NEW BUSINESS

- A. REQUEST FOR APPROVAL OF THE REPLACEMENT OF THREE CHILLER (H.V.A.C.) COMPRESSOR UNITS FOR THE PALM SPRINGS ART MUSEUM IN PALM DESERT LOCATED AT 72567 HIGHWAY 111 (CONTRACT NO. C34520).

Senior Management Analyst Ryan Stendell reported the need for urgent repairs at the building currently occupied by the Palm Springs Art Museum (PSAM). Staff requested approval to open a purchase order in the amount of \$30,000, although the actual cost should be less.

Mayor Pro Tem Spiegel asked if staff had bid the work.

Mr. Stendell replied it didn't, stating this was considered emergency work and this particular H.V.A.C. system is an extremely non-traditional installation. Additionally, the City has a vendor that has worked best keeping the system running, and given the emergency nature of the work, staff elected to go with the vendor that has performed on the system in the past.

Mayor Pro Tem Spiegel moved to, by Minute Motion: 1) Authorize staff to open a Purchase Order in the amount of \$30,000 with Pacific West Industries, Inc., Anaheim, California, per their proposal and City Manager to accept same, for emergency work to be completed on the H.V.A.C. System at the Palm Springs Art Museum in Palm Desert located at 72567 Highway 111; 2) appropriate \$30,000 from Unobligated Building Maintenance Funds (Fund 450) to Account No. 450-4164-4400100 for this project. Motion was seconded by Harnik and carried by a 5-0 vote (AYES: Harnik, Jonathan, Spiegel, Tanner, and Weber; NOES: None).

B. REQUEST FOR DIRECTION TO STAFF CONCERNING EXACTIONS FOR AFFORDABLE HOUSING ON PROPOSED MARKET-RATE RESIDENTIAL DEVELOPMENT.

Ms. Aylaian said most of the information in the staff report was presented at the Study Session that was held just prior to this meeting. If Council wished for staff to continue as it has been perceiving in the past, it can direct staff to continue with the existing policy as written in the staff report, with the caveat that it applies to residential tracts larger than five acres in size and requires discretionary approval. She offered to answer questions.

Councilman Tanner moved to, by Minute Motion, direct staff to continue with the existing policy, as outlined in the accompanying staff report for this item, with the additional condition that it shall only apply to residential tracts larger than five (5) acres in size and requiring discretionary approval. Motion was seconded by Jonathan.

Councilmember Harnik thanked staff for all the input, because this issue was difficult to unravel and understand. She recalled that at the last hearing, everyone recognized the need for affordable housing, whether it was a developer, staff, or Councilmembers. Therefore, going forward, the City needs to ensure the right housing mix of affordable housing is being provided for the community, not just for today but 20 years from now. Once the General Plan Update is adopted, which has the potential to be voted on in January, along with pending legislature coming from the State, the Council will be able to make a definitive policy that will make it easier for both developers and staff.

Councilman Jonathan concurred with Councilmember Harnik's comments, but also emphasized the need to continue working with the development community to find equitable solutions for this goal, because as a City, it relies on the development community to keep Palm Desert healthy and a good place to live.

Mayor Weber agreed, stating it's always been the goal to work with developers.

Mayor Weber called for the vote and the motion carried by a 5-0 vote (AYES: Harnik, Jonathan, Spiegel, Tanner, and Weber; NOES: None).

XV. CONTINUED BUSINESS

None

XVI. OLD BUSINESS

None

XVII. PUBLIC HEARINGS

- A. REQUEST FOR APPROVAL OF AN ADDENDUM TO A MITIGATED NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACT AND AMENDMENTS TO THE APPROVED PRECISE PLAN, CONDITIONAL USE PERMIT, AND DEVELOPMENT AGREEMENT FOR A THREE-STORY, 152-ROOM BOUTIQUE HOTEL DEVELOPMENT LOCATED AT THE NORTHEAST CORNER OF LARKSPUR LANE AND SHADOW MOUNTAIN DRIVE, Case Nos. DA/PP/CUP 15-87 (EI Paseo Hotel, LLC, Applicant).

Associate Planner Eric Ceja said this item includes the Amendments to the Development Agreement, Precise Plan, and Conditional Use Permit for a 152-room boutique hotel development at the corner of Larkspur Lane and Shadow Mountain Drive. He displayed renderings of two parcels, the smaller one zoned General Commercial and the large one zoned Multiple Family, stating both parcels allowed for a hotel development subject to a Conditional Use Permit (CUP). Previously, there was an approved hotel at this location in 2008, and today before the Council are the amendments to the hotel design and site layout. The hotel includes 152 rooms, meeting and conference room spaces, restaurant, lobby, bar, fitness room, and day spa. The architecture is desert contemporary with elements of mid-century design with low pitch rooflines, also a mix of materials for stack stone columns. He went on to display elevations and views along Larkspur Lane, stating that along the eastern property line are single-family residences. The hotel development is U-shape and the building portions closest to the eastern property line have no bedroom windows facing it, with the exception of hallway windows. Rooms facing east are setback 70 feet from the property line. With the new proposed landscape and perimeter wall on the eastern property line, views will be obscured to the eastern properties. He also displayed the northern elevations, stating the architecture is carried throughout all four elevations. The underground parking will include 150 stalls with most of the parking to be accommodated by valet services. The south elevation is along Shadow Mountain Drive. The Applicant is keeping within the development standards approved in the original development agreement, in that the hotel is no taller than 37 feet in height and architecture projections could be up to 42 feet. The taller element seen along Shadow Mountain Drive is to accommodate an elevator. The Applicant is proposing a wall along the eastern property line and along Shadow Mountain Drive. As a condition, staff is recommending that the final wall be reviewed and approved by staff. He said staff preferred a more open wall to lessen the impact of such a tall wall on Shadow Mountain Drive, suggesting the

Applicant use mix materials with perhaps wrought iron to allow for visual access while providing security for the hotel. On the eastern property line that borders single-family residences, staff included a condition for the Applicant to install an eight-foot high wall, which is something the residents to the east requested, which will provide separation and prohibits views into their properties, limiting noise from the back of the pool area at the hotel. He displayed graphics that compared the 2008 hotel to the one being proposed, stating the footprint and massing has been drastically reduced. Also, the square footage for the hotel dropped almost 20,000 square feet, while maintaining the same number of rooms. The Applicant's new design has greater setbacks, which allows for a landscape buffer that softens the hotel to the surrounding areas. The hotel is before the Council because of the significant changes to the site design, development agreement, and architecture of the hotel. In 2008, the hotel was referred to as a Moroccan Village, and the new one is more mid century. One of the great things that changed is the traffic circulation, because most of it will be utilized on Larkspur Lane. The site now includes a driveway and parking, and the hotel will offer valet services creating efficiency for parking and site circulation. The Development Agreement has been amended to eliminate all language related to condominium units; the operator has proposed to strictly have hotel use and hotel rooms. The DA maintains the original building height of 47 feet and the maximum room count of 154 rooms. Additional requirements were placed on the Applicant to maintain and operate as a four-star hotel, build the hotel to LEED Silver standards, and install generators to operate the hotel as a cooling center should power ever go out in Palm Desert. In conclusion, the previously approved Mitigated Negative Declaration (MND) analyzed the impacts of the hotel and surrounding properties, and staff prepared an addendum to that MND where all the impacts previously identified have either been lessen or remain unchanged. Staff included conditions for the final wall design to return for staff's review and approval and participate in the Art In Public Places Program to install an art piece on the property. Further, the Planning Commission approved the project on a 4-0-1 vote with one Commissioner absent. Staff likes the proposed hotel because it advances the Commercial Core Area Specific Plan, stating the Specific Plan identified El Paseo as a unique and special area by eliminating dead zones created by vacant lots, encouraging projects that would increase pedestrian traffic, and act as anchor attractions. Staff believes the proposed hotel complies with the Specific Plan and accomplishes its goals. He offered to answer questions.

Councilman Jonathan commended staff for a comprehensive report and a job well done. His first question was about the terms of the Development Agreement, which is for 12 years, which seemed excessive by the City's normal standards, questioning why it would be that long.

Mr. Ceja explained the 12 years are an extension off the original DA, which is ten years, giving the hotel operator additional time to build and operate the hotel. Additionally, staff included special conditions, should the DA lapse or expire, that all of the four-star ratings be maintained. He further explained that the extension is 12 years from the date of the original DA, which was in 2008.

Councilman Jonathan asked if 10 years was the standard time frame, because it just seemed that if they are not going to build it, the City would want a chance to start over instead of waiting 10 years.

Mr. Wohlmuth responded that a typical development agreement with the City was 10 years.

Councilman Jonathan commented he felt it was still too long.

Mayor Weber declared the public hearing open and invited public testimony FAVORING or OPPOSING the project.

MS. ALEX JOSEPH, Juniper Street, stated she and her husband John Jennings own one of the properties at Shadow Cliff and a lot directly next to the proposed hotel. She is concerned about the 8-foot wall that will be built between the two properties, stating she hopes it will be installed before construction to keep the dust, noise, and traffic away. More important, they are currently in the process of designing and building a condominium right contiguous with the east side of the hotel on Shadow Mountain. Therefore, it was important to them personally and to the entire Shadow Cliff community to have this wall installed so they won't be required to build a separate retaining wall, and they will know where they stood.

MR. JOHN JENNINGS said he recognized some grading may have to be done so that the wall didn't have to be built and rebuilt. But still, the sooner the wall went up, the more mitigation there will be with the construction noise. He understood it was a commercial project, but it was near a residential neighborhood.

MR. DAVID FLETCHER said he was Senior Vice President at Chartwell Properties and President of the El Paseo Business Improvement District. He applauded the City for its foresight in acquiring the land when it became available and for working diligently to bring a high-end boutique hotel for this location, stating the need for upscale hotels within walking distance of El Paseo had been discussed with Council. Therefore, they fully supported the hotel as presented and asked the City to work with the developer to get it built as quickly as possible. At the Planning Commission he mentioned the hotel will be around a long time, so it was imperative that it is able to operate

as a high-end boutique. Additionally, if items come up during construction, the developer needs to make sure the hotel remains high end and the City needs to ensure it happens.

MS. MAHASTI ISLAMI, Marketing Director at The Gardens on El Paseo/El Paseo Village, expressed their full support of the adjacent hotel, because it will be a great asset for them and the rest of the El Paseo shopping district and restaurants. As part of The Gardens and El Paseo Village, they represented 51 stores and restaurants that will see year-round benefits by the increase in tourism. A high-end boutique hotel of this caliber directly across the street from The Gardens would be fantastic, and she echoed Mr. Fletcher's comments to get the hotel approved and built as quickly as possible.

MS. PAT GALVEZ shared she was a property manager on the north side of Highway 111 at 73570 Catalina Way. She applauded the Council for considering this wonderful project, and as a member of the neighborhood, she looked forward to having this hotel at the proposed location. She felt it was necessary for her to voice her opinion in favor of this project, because at a recent Planning Commission meeting, she had the opposite opinion of another project.

MS. PATTY ORSINI, Owner of Salon Suites on El Paseo, said she drove home every day on San Luis Rey, which was basically a two-car street. She is happy about the location of the hotel, but hates that her mountain views will be obliterated. She was informed that traffic would be taken off Shadow Mountain Drive which she thought would be more appropriate for traffic, because those side street, Larkspur Lane and San Luis Rey, are smaller streets.

Councilmember Harnik explained that going into Shadow Mountain there is residential, and Larkspur Lane is zoned Commercial and Retail, so it made more sense for that street to be the flow of traffic rather than going near all the homes.

Councilman Jonathan noted there was an improvement to the traffic circulation over the original plan, in that the loading and unloading is on the site off Larkspur Lane, and its valet only.

MR. ROBERT LEACH, Project Manager/Developer of the El Paseo Hotel, shared his concern with building the wall first, is that the actual construction of the wall was integral to the garage construction. He said it would be difficult to install a wall and then dig and build the garage. More important, what he is working out with staff is to include a landscape barrier for the residents besides just the masonry wall. He offered to put up an 8-foot

construction fencing with mesh screen material to block some noise, but mostly dust and sand, which he thought would be a reasonable alternative. He reiterated the wall construction, particularly at that end, is going to be integral to the garage construction underneath it. Therefore, he would like to construct the wall when it's appropriate in the schedule, but he is sensitive to the neighborhood, stating they've had a lot of meetings where he met many of the residents. He said Palm Desert has a lot of nice people who have been very supportive and helpful, so he wants to do whatever possible to mitigate any of their issues. He said the messiest time for this project will be during the site work period. In fact, he would be happy to run two shifts to speed things, stating they are anxious and excited to start.

Councilmember Harnik asked Mr. Leach to elaborate on his plan to build the underground garage first to mitigate the sound problems from vehicle noise and construction itself.

MR. LEACH explained the garage is an enclosed under building. In fact, the air-conditioning system will be in the building in the garage. Basically, there will be a wall as part of the garage that becomes a sound wall, which will keep the traffic and noise sounds inside the garage. Therefore, residents won't hear squealing tires or people driving around. What he hopes to avoid is having to build a wall and then build another one next to it, stating it will look like a rat maze.

Councilmember Harnik recalled that during the construction process the Applicant will actually begin with the garage so that vehicles and noise that might occur above ground will now be store and kept underground.

MR. LEACH agreed, stating the site and garage work is a 60 to 90 day process, and they are hoping to start in September when fewer people are impacted before the high season rolls in. Once the garage is done, it will be the staging area where materials, supplies, and trucks/vehicles can be parked while the various vertical construction on the hotel part is being done.

Responding to comment made by Ms. Joseph, Mayor Weber said the City has been dealing with construction for a very long time and it never wants to inconvenience residents, so she had to trust that something will be resolved to mitigate issues.

With no further testimony offered, Mayor Weber declared the public hearing closed.

Mayor Pro Tem Spiegel believed the new hotel design is a 100% improvement over the original one, starting with moving the pool off the roof to ground level, which was an advantage. Additionally, he said it was a terrific project.

**MINUTES
ADJOURNED REGULAR
PALM DESERT CITY COUNCIL MEETING**

JUNE 18, 2015

Mayor Pro Tem Spiegel moved to waive further reading and: 1) Pass Ordinance No. 1287 to second reading, approving Development Agreement No. 15-87, for Amendments to Development Agreement No. 07-02; 2) adopt Resolution No. 2015-59, approving Precise Plan No. 15-87, Conditional Use Permit No. 15-87, and an Addendum to the Mitigated Negative Declaration, for Amendments to Precise Plan No. 07-11 and Conditional Use Permit No. 07-14, for a four-star, 152-room, three-story hotel development. Motion was seconded by Jonathan.

In response to Mr. Fletcher's concern, Councilman Jonathan noted Legal Counsel and staff has been crafty as always, stating the Development Agreement contained provisions that mandates the hotel maintain a minimum of a four-star rating and addresses the qualifications of the hotel manager. Therefore, Mr. Fletcher's concern was also the City's and it has been addressed in the DA. He again commended staff for working through this process in creating something that is visually and functionally appealing. He said the hotel is expected to enhance El Paseo and the City as a whole in a wonderful way. He added it was a pleasure working with this developer and looked forward to the success of the developer and the community with this project.

Councilman Tanner noted he was on the Planning Commission when the original plans were approved, which had a lot of things that were of concern. Therefore, he applauds the developer for putting together an incredible program for downtown El Paseo. He agreed with getting the hotel built the sooner the better as the City has waited a long time. In trying to assure the residents, he said Council's work thus far has been very cordial with the developer and the builder, so he was confident they will work together with the neighbors to minimize impacts.

Councilmember Harnik commented the landscaping shall be fabulous.

Mayor Weber agreed with her colleagues in that they are excited about the project and it's new design, stating she couldn't wait for the grand opening.

Mayor Weber called for the vote and the motion carried by a 5-0 vote (AYES: Harnik, Jonathan, Spiegel, Tanner, and Weber; NOES: None).

B. REQUEST FOR ADOPTION OF THE CITY MANAGER'S AND EXECUTIVE DIRECTOR'S PROPOSED FINANCIAL PLAN FOR FISCAL YEAR 2015-2016 (JOINT CONSIDERATION WITH THE PALM DESERT HOUSING AUTHORITY).

Mr. Wohlmuth was pleased to present the 2015-2016 Fiscal Year Budget, stating it was a \$51.725 million revenue estimation and a \$51.713 million expenditure plan, which is a balance budget of a little under \$12,000. He recalled for the Council it had two Budget Study Sessions in preparation with Council input. He added that to his knowledge, this was the first time the public safety portion of the budget has broken 50.1% of the total expenditure and revenue projections. He explained Sheriff services went up 7%, similarly, fire services with \$31.87 million public safety of the \$51.725 million of the General Fund Budget. Combining both the Fire Tax and General Fund, the total is \$63,606 million in revenue. He congratulated the Finance Department and department heads for presenting a balanced budget and an expenditure plan, which staff believes will meet the priorities of the Council, the Strategic Plan, and hopefully the needs of the community moving forward with this fiscal year.

Councilman/Member Jonathan requested brief answers to some of his questions, which are as follows:

- With regard to the sales tax revenue, there is a notation that a pessimistic increase would be 1% and an optimistic increase would be 4%, but the projected increase is 6%, which is an excess of the optimistic rate, questioning if that was realistic.

Mr. Gibson replied that the City revises what it's estimating for sales tax at mid year, and taking that into account, the percentages work out. Further responding, he confirmed it was a percentage of an increase over what is actually expected to happen.

- In the current year's budget, a \$903,000 tax increment was anticipated, but apparently it has not materialized.

Mr. Gibson explained that with the elimination of Redevelopment and the Successor Agency process began, there was money taken from Redevelopment and allocated to all the taxing entities, including the City of Palm Desert. Since then, the City has not received any more money. However, as far as his calculations for Successor Agency reimbursement of staff on Administration, he factored that \$903,000 with that number, so in the end there is a net wash. But as far as taxes coming from the County, the City is getting zero from them now.

- With the loss of almost \$1 million from the budget, was the City still expected to have a balance budget in this current year.

Mr. Gibson answered it would.

- The Fire Expense has a shortage of \$3 million with the expenses exceeding the revenue, which is funded by a transfer from the General Fund. So when the City Manager stated he's expecting to have a balanced budget, was it inclusive of the \$3 million transfer to cover the fire expense deficit.

Mr. Gibson answered it was included.

- Did the budget projections take into consideration Council's decision to make modification to the Visitor Center, which would provide a savings of \$288,000.

Mr. Gibson said it did not, because when the public hearing was noticed, the documents had to be ready. Therefore, it was too late to make any adjustments to this budget. Obviously, there will be some savings once the changes are implemented.

Mr. Wohlmuth clarified the savings wouldn't be \$288,000, because the lease on San Pablo runs through November 30, so it will carry into this fiscal year. He agreed there will be some savings, because operations will be moved into City Hall for technology and social media. However, it would be three quarters of the fiscal year's savings, stating a mid-year budget adjustment will be brought back to Council, given that this will carry through the 2015-2016 fiscal year with the lease at the Visitor Center.

- How much money was in the General Fund Reserve.

Mr. Gibson responded there was approximately \$67 million, but if all the funds were added such as Special Revenue Funds, Service Funds, etc., it was around \$63 million. Further responding, he confirmed \$67 million by the industry standards was quite conservative and safe.

Mr. Wohlmuth added Council's policy is one full year of the General Fund's operating revenue to be in reserve.

Councilman/Member Jonathan commented there was no pressure to add to the General Fund, because a balance budget was good enough.

**MINUTES
ADJOURNED REGULAR
PALM DESERT CITY COUNCIL MEETING**

JUNE 18, 2015

Mr. Gibson said staff was guesstimating, because the City hadn't collected June's Transient Occupancy Tax, so there's about a \$2.5 million in revenue on the plus side.

Councilman/Member Jonathan commended Director of Finance for the fine job done over many years, including staff and City Manager for presenting a balance budget to the City Council, which should never be taken for granted.

Mayor Pro Tem/Vice Chairman Spiegel commented his colleagues will learn that Mr. Gibson is very conservative in his projections and has been for the last 21 years, and he has put the City in good stead.

Mayor/Chairman Weber declared the public hearing open and invited public testimony FAVORING or OPPOSING the proposed Financial Plan for Fiscal Year 2015-2016. With no public testimony offered, she declared the public hearing closed.

Councilman/Member Jonathan moved to: 1) Waive further reading and adopt Resolution No. 2015 - 60, adopting a City Program and Financial Plan for the Fiscal Year of July 1, 2015, through June 30, 2016; 2) waive further reading and adopt Resolution No. 2015 - 61, establishing the Appropriations Limit for Fiscal Year 2015-2016; 3) waive further reading and adopt Resolution No. HA - 76, adopting a Housing Authority Program and Financial Plan for the Fiscal Year of July 1, 2015, through June 30, 2016; 4) waive further reading and adopt Resolution No. 2015 - 62, setting the Salary Schedule, Salary Ranges, and Allocated Classifications for Fiscal Year 2015-2016; 5) by Minute Motion, approve the Out-of-State Travel as listed in the attached memo. Motion was seconded by Spiegel.

Councilman/Member Tanner congratulated Mr. Gibson for his conservative estimates on the Budget, which is exactly how the City of Palm Desert has helped itself to having a \$63 million reserve.

Councilmember/Member Harnik concurred, stating it was a lot of work to get the budget done a week in advance, and the best news was that the Triple Flip will end in 2016.

Mayor/Chairman Weber said she realized the Council put staff under a lot of pressure to get the budget done early; therefore, she commended staff for all their work.

Mayor/Chairman Weber called for the vote and the motion carried by 5-0 vote (AYES: Harnik, Jonathan, Spiegel, Tanner, and Weber; NOES: None).

XVIII. REPORTS AND REMARKS

A. CITY MANAGER

1. City Manager Meeting Summaries for the Period of June 1-12, 2015.

Mr. Wohlmuth noted the printed reports provided in the agenda packets and offered to answer questions.

Councilman Jonathan asked about the comment on growth in Sales Tax and if there should be more concern over it, noting that Palm Desert was below that of Riverside County and the Inland Empire, as well as Southern California.

Mr. Wohlmuth responded that it was somewhat concerning. However, year to date the City was consistent with the rest of the communities in the Inland Empire and Coachella Valley. He reminded Council that Palm Desert doesn't have any car sales, yet they were doing well in communities that have them, given current interest rates, and that is probably reflected in the higher percentages shown in those areas.

Further responding to a question about the Turf Buyback Program, he said the process began with Council's approval of the budget today. He said \$50,000 was designated for the Program; the application will be online in the near future. Mr. Greenwood added that staff was planning to accept applications on August 1, noting that the City was still trying to wrap up the last program.

Mayor Pro Tem Spiegel interjected that there were still approximately 50 people waiting for their money from the last application process.

Following further comment by Council, Mr. Greenwood stated it was felt best to start fresh with a new batch of applications. Mr. Wohlmuth added that the City didn't know if those who have applications already in from Fiscal Year 2014-2015 had perhaps already finished their project and been funded from CVWD (Coachella Valley Water District) money. City staff felt the fairest approach would be to start fresh; if people have an application that hasn't yet been funded, it was easy to go ahead and resubmit an application to the City on August 1.

Mr. Greenwood offered that the complication resulted from having CVWD be the face of last year's program. It didn't go well for Palm Desert, because CVWD took on 4 - 5 cities at the same time in an effort to really try and help the community. But it also really bogged down the process, and a lot of people got lost in it. That was why staff felt it would be best to start anew, offering to contact those

that could be easily identified as having an outstanding application to have them start again. He reiterated that it surely would be a confused situation if the City tried to, basically, extend the current program.

Mayor Pro Tem Spiegel asked for this to be done, and Councilman Tanner agreed that staff should do the best it can to identify and work with the previous applicants, letting them know as quickly as possible about the August 1 opening date for applications.

In response to Councilmember Harnik's comment that there was talk of CVWD funds and a promise of funds from the State, Mr. Wohlmuth said City staff met with CVWD regarding funds from the State. It appeared that the Bureau of Reclamation has funds for CVWD, but the State's funds haven't come through yet. He understood the State was going through the Water Resources Board and some other processes first. However, CVWD has indicated that they will have their own \$1.00/square foot, as well as potentially other funds, possibly for more of the commercial applications from the Bureau of Reclamation. He said the meeting with CVWD was very helpful, and City will continue to coordinate, but restated that the City will take the lead on its applications to avoid the type of confusion experienced last year.

Councilman Tanner asked about another meeting on the report – regarding Food Trucks at Cal State San Bernardino-Palm Desert (CSUSB-PD), noting that the City has its own ordinances regulating this activity, and wondered if the idea had to do with a private event.

Mr. Wohlmuth responded that in meeting with CSUSB-PD Dean, Dr. Sharon Brown-Welty, she expressed the need for having food on campus. He said since it's State property, they can have food trucks, but there was another difficulty. He explained that when Palm Desert looked at food trucks a year ago, it was unknown whether or not the City would be inundated with them or get none at all. What has occurred is that food trucks need a commissary to prepare the food and load it onto the truck. He said with the exception of a few of the City's restaurants that may serve in this capacity, the rest of the food trucks have to drive in from Riverside; and it's very difficult for CSUSB-PD to get them here for a typical two-hour lunch period. So Cal State asked, for example, if they could have special events with food trucks on Tuesdays, and the City said they could. He reiterated that CSUSB-PD wasn't limited by the City's ordinance, because they are on State property.

**MINUTES
ADJOURNED REGULAR
PALM DESERT CITY COUNCIL MEETING**

JUNE 18, 2015

With no further question or discussion, the City Manager's Meeting Summaries for the period of June 1-12, 2015, were received and filed.

2. Former Palm Desert City Manager Marty Bowman

Mr. Wohlmuth said it was with great sadness that he wished to report former Palm Desert City Manager Marty Bowman had passed away in San Diego Tuesday this week. If anyone was interested, he would confirm the date and time of services to be held.

B. CITY ATTORNEY

None

C. CITY CLERK

1. Announcement of Rescheduled City Council Study Session Regarding the Palm Springs Art Museum in Palm Desert on Thursday, July 9, 2015, at 2:30 p.m. in the Administrative Conference Room.

Ms. Klassen highlighted the Study Session rescheduling, and Councilmembers so noted.

D. PUBLIC SAFETY

1. Fire Department

None

2. Police Department

None

E. MAYOR AND MEMBERS OF THE CITY COUNCIL

1. Mayor's Meeting Summaries Report

None

2. Council Requests for Action/Committee Reports/Comments:

a) Bighorn – Mayor Pro Tem Spiegel reported that Bighorn Golf Club was going to be tearing down the existing and building a brand new clubhouse.

b) Foot Golf at Desert Willow – Mayor Pro Tem Spiegel announced that Foot Golf was now available at Desert Willow, and it was doing well so far.

c) Westfield Palm Desert – Mayor Pro Tem Spiegel went on to report that new furniture was going to be installed at the Mall in September.

d) Fire Department Ride-along – Councilman Jonathan expressed thanks to Battalion Chief Rick Griggs for arranging and taking him for an entire afternoon ride-along with the Fire Department recently. He said it was very informative and educational and one of the reasons he was sympathetic to all of the firefighters being dispatched to the very large “Lake Fire” near Big Bear today.

e) CVAG Homelessness Committee – Councilmember Harnik thanked Councilman Jonathan for allowing her attend the Committee Meeting, which she found very interesting and was glad to be able to attend.

f) Southern California Association of Governments – Councilmember Harnik said local officials are still working closely with SCAG on the Regional Transportation Plan and the Sustainable Communities Strategy. She said this information was very important to and relevant for the City of Palm Desert’s own General Plan Update process and into the future regarding a mix of housing.

g) California State University, San Bernardino - Palm Desert – Councilmember Harnik reported that last night she attended CSUSB-PD’s Bachelor of Science - Nursing, Pinning Ceremony. She said there were 23 new registered nurses who were pinned there; it was very special.

h) 1st Marine Division Community Dinner – Mayor Weber said last Saturday night she and Mr. Wohlmuth attended the Community Dinner, recalling for everyone that late last year the City adopted the 7th Marine Regiment of the 1st Marine Division from the 29 Palms Base. She went on to say that Lt. Col. Spurlock arranged for the City to be at the Dinner to be honored for adopting the 7th Regiment, along with several other cities and organizations also being honored there for their own adoption of the various Marine Units at 29 Palms. She then displayed the crystal award the City received that will be proudly placed in the City’s presentation case. Further, she said Lt. Col.

**MINUTES
ADJOURNED REGULAR
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JUNE 18, 2015

Spurlock commented that even though the relationship was only established a few months ago, the City of Palm Desert was rather extraordinary in what it's been doing for the Marines. She especially thanked the City's Tourism & Marketing Manager Donna Gomez for her enthusiasm and special touch that have already meant so much to them, specifically for organizing the Marine Appreciation Day being held on Friday, June 26, at the 29 Palms Base. In answer to Mayor Weber, Ms. Gomez advised that there were a total of 75 volunteers participating from Palm Desert, including 15 City employees, to make the day very special for the Marines and their families. On behalf of the entire City Council, she again expressed heartfelt gratitude to Ms. Gomez for the tremendous outreach she's provided from the City to the Marines.

3. Council Consideration of Travel Requests and Reports:

None

XIX. ADJOURNMENT

With City Council concurrence, Mayor Weber adjourned the meeting at 5:06 p.m.

SUSAN MARIE WEBER, MAYOR

ATTEST:

RACHELLE D. KLASSEN, CITY CLERK
CITY OF PALM DESERT, CALIFORNIA