



Cathedral City

CITY COUNCIL STUDY SESSION AGENDA

CITY COUNCIL CHAMBERS 68-700 AVENIDA LALO GUERRERO CATHEDRAL CITY, CA 92234

Wednesday, September 13, 2017

REGULAR MEETING

4:30 PM

- **CALL TO ORDER**
- **ROLL CALL**
- **AGENDA FINALIZATION**

At this time, the City Council may announce any items being pulled from the agenda or continued to another date.

- **STATEMENT OF PARTICIPATION BY THE DEPUTY CITY CLERK**

1. PUBLIC COMMENT

Public Comment is limited to 3 minutes per person.

2. STUDY SESSION

Normally, no action is taken on Study Session items; however, the City Council reserves the right to give specific policy direction and take specific action as necessary. Presentations will be limited to 10 minutes unless other provisions are made in advance.

- 2.A. [2017-340](#) **“Safe and Sane” Fireworks Program - Non-Profit Revenues and City Costs**

Recommendation: Informational only, no action required

- 2.B. [2017-338](#) **City Sponsored July 4th Fireworks Show and a Community Survey on “Safe and Sane” Fireworks**

Recommendation: Staff recommends the City Council discuss the costs to provide a July 4th City sponsored fireworks show and conduct a community survey on continuing the non-profits sale and residents use of “Safe and Sane” fireworks during the June 28th through July 4th holiday.

- 2.C. [2017-355](#) **Pension/OPEB Update**

Recommendation: Informational Report Only

3. CLOSED SESSION

The City Council may hear all or some of the following Closed Session Items if time permits, otherwise they will be heard at the end of the City Council Meeting.

**3.A. [2017-366](#) Housing Successor Agency to the Former Redevelopment Agency-
Conference with Real Property Negotiator Pursuant to Government
Code Section 54956.8**

Property Location: 67025 & 67045 Mission Drive with APN's of
677-383-001 &002

Property Owners: City of Cathedral City as the Housing
Successor Agency

Negotiating Parties: City of Cathedral City as the Housing
Successor Agency & REMAX Consultants

Under Negotiation: Price & Terms on the Sale of Real Property

**3.B. [2017-353](#) Conference with Real Property Negotiator Pursuant to Government
Code Section 54956.8.**

Property Location: Approximately 2 acres at the southeast corner of
West Buddy Rogers and East Palm Canyon Drive.

Negotiating Parties: City of Cathedral City as the Housing Successor
Agency to the former Redevelopment Agency and Cathedral Canyon
Development LLC

Property Owner: City of Cathedral City as the Housing Successor
Agency to the Former Redevelopment Agency

Under Negotiations: Price and Terms for potential sale of real property.

ADJOURN

The next Regular City Council Meeting will be held on Wednesday, September 27, 2017 at 6:30 p.m.

NOTES TO THE PUBLIC:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office at (760)770-0322. Assisted-listening devices are available at this meeting. Ask the City Clerk if you desire to use this device. Notification at least 48 hours prior to the meeting or the time when services are needed will assist city staff in assuring reasonable arrangements can be made to provide accessibility to the meeting or service.



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Agenda Report

File #: 2017-340

Item No: 2.A.

City Council

MEETING DATE: 9/13/2017

TITLE:

“Safe and Sane” Fireworks Program - Non-Profit Revenues and City Costs

FROM:

Paul S. Wilson, Fire Chief

RECOMMENDATION:

Informational only, no action required

BACKGROUND:

On August 9, 2017 Council directed staff to prepare an analysis of the non-profits revenues for youth-oriented funding and the City’s “Safe and Sane” fireworks program costs.

DISCUSSION:

The six non-profits' collective net revenues, for local youth-oriented funding, is approximately \$60,000 annually. If the “Safe and Sane” fireworks program was discontinued the non-profits would need to find alternative funding for their youth programs. Community Development Block Grant funds, appropriation of City funds or independent fund-raising are options for continuing the youth programs.

The City costs for administering and enforcing the “Safe and Sane” Fireworks program in 2017 were:

1. Public education billboards - Displayed one month in advance of June 28th at five locations throughout the City for a total of \$6,900 (a sixth [electronic billboard] hosted a fireworks message for two weeks at no charge.)
2. Fire administrative tasks and fire safety inspections - Administrative support at \$280 and Inspections at \$952 for a total of \$1,232.
3. Police enforcement - Extra police officers during July 1st through 4th for a total of \$16,650.

Total City expenses \$24,782.

Total fees collected in 2017 from the six non-profit “Safe and Sane” Firework vendors of \$19,146 (shown below) covered seventy percent of the City’s cost for fireworks prevention and enforcement:

1. Application Fee (\$100)
2. Fireworks Program Permit Fee (\$2,749)
 - Administrative tasks
 - Public education advertising
 - Police patrols
 - Cleanup of public areas at end of program
3. Safety Permit Fee (\$342)
 - Costs associated with Fire Dept. enforcement of program, including inspections and citations (if necessary).

FISCAL IMPACT:

If the “Safe and Sane” Fireworks program was discontinued the collective impact to the six non-profits would be a loss of \$60,000 annually for local youth-oriented funding.

If the “Safe and Sane” Fireworks program was discontinued the collective fees of \$24,782 collected from the six non-profit groups, would need to be budgeted in additional City operational expenses, between the Fire and Police Departments, to continue fireworks safety and enforcement actions.

The total fiscal impact of the elimination of the “Safe and Sane” fireworks program is approximately \$85,000 annually.

ATTACHMENTS:

Fireworks Study Session Presentation 9-13-17



Safe and Sane Fireworks Program

Presented by
Paul S. Wilson, Fire Chief

September 13, 2017



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ANALYSIS OF SAFE AND SANE FIREWORKS PROGRAM

- Non-Profits' revenue for youth-oriented funding
- City's cost for the Safe and Sane Fireworks Program



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NON-PROFIT REVENUES FROM THE SAFE AND SANE FIREWORKS PROGRAM

- The six non-profits' collective net revenues provide approximately \$60,000 annually for local youth-oriented programs



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CITY COSTS TO ADMINISTER AND ENFORCE SAFE AND SANE FIREWORKS

1. Public education billboards: \$6,900.
2. Fire administrative tasks and fire safety inspections: \$1,232.
3. Extra police officers for enforcement July 1st through 4th: \$16,650.

Approximately \$25,000 annually



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CITY-SPONSORED 4TH OF JULY FIREWORKS SHOW AND/OR COMMUNITY SURVEY ON SAFE AND SANE FIREWORKS

- City-sponsored 20 minute professional 4th of July fireworks show
 - City costs approximately \$37,500, including traffic control, police and public works overtime
 - Community survey of residents to determine support or opposition to Safe and Sane Fireworks sales and usage
 - City costs approximately \$25,850
- If additional questions are added to the survey, e.g. joining Desert Recreation District, repairing potholes and providing street improvements through a street assessment, or implementing a sugar/sweet & beverage tax, the total cost for four questions on a community survey is approximately \$32,600.

SAFE AND SANE FIREWORKS PROGRAM

- Ordinance amendment on tonight's City Council Agenda
- Removes preference and allows non-profits to continue Safe and Sane Fireworks sales
- Continues Safe and Sane Fireworks usage from June 28 through July 4



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Agenda Report

File #: 2017-338

Item No: 2.B.

City Council

MEETING DATE: 9/13/2017

TITLE:

City Sponsored July 4th Fireworks Show and a Community Survey on “Safe and Sane” Fireworks

FROM:

Charles McClendon, City Manager

RECOMMENDATION:

Staff recommends the City Council discuss the costs to provide a July 4th City sponsored fireworks show and conduct a community survey on continuing the non-profits sale and residents use of “Safe and Sane” fireworks during the June 28th through July 4th holiday.

BACKGROUND:

At the August 9, 2017 Council Study Session staff was directed to obtain pricing on a City sponsored July 4th fireworks show and costs to conduct a community survey to ascertain if residents wished to have the sale and use of “Safe and Sane” fireworks continued during the July 4th holiday period.

DISCUSSION:

To provide a City sponsored fireworks show on or near July 4th the City would need to identify and secure a suitable location for the event. The Cathedral City High School football stadium or Big League Dreams are possible locations for a July 4th fireworks show along with the Festival Lawn and Town Square. Additionally, a professional licensed fireworks company would need to be engaged to produce the fireworks show.

To conduct a community survey on the continued non-profits sale and residents' use of “Safe and Sane” Fireworks a survey company would need to be employed to prepare the questions and conduct the survey of the residents.

FISCAL IMPACT:

The cost of a City sponsored July 4th professional fireworks show is \$ 37,500 for the fireworks display only.

The cost of a City sponsored community survey, which could be done simultaneously on four different issues the council has previously considered, to include the “Safe and Sane” Fireworks program, is

\$32,600. Should Council choose to do a singular survey on just the "Safe and Sane" Fireworks program, the cost would be \$25,850. The additional three issues could include questions on a sugar-sweetened beverage tax, a half-cent increase in sales tax or an assessment district parcel tax to deal with our roadways and potholes and the third issue could be questions regarding City residents joining the Desert Recreation District.

ATTACHMENTS:



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Agenda Report

File #: 2017-355

Item No: 2.C.

City Council

MEETING DATE: 9/13/2017

TITLE:
Pension/OPEB Update

FROM:
Tami E. Scott, Administrative Services Director

RECOMMENDATION:
Informational Report Only

BACKGROUND:

On December 21, 2016, the CalPERS (California Public Employees Retirement System) Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three-year phase-in beginning June 30, 2016 actuarial valuations. The minimum employer contributions for Fiscal Year 2018-2019 determined in the projections was calculated using a discount rate of 7.375. The projected employer discount rate 2019-20 was calculated using a discount rate of 7.25 percent and the discount rate in 2020-21 and beyond was calculated using a discount rate of 7.00 percent. The resulting projections reflect a significant increase to our CalPERS contribution rates. At the same time, our OPEB (Other Post-Employment Benefits) continue to increase at marginal rates as employees retire primarily due extended life cycles and unknown variables related to the cost of healthcare.

DISCUSSION:

You will see significant progress made over the last several years reducing our unfunded CalPERS liability. We have gone, in most cases, from the low 60% funding rate in all our plans to the 80+% funded rates. Although the target is to be 100% funded, thus the reduced discount rates allocated by CalPERS, some of the changes in funding levels come from the investment returns earned by CalPERS that is out of the control of local government. For example, in the 2014/15 year, CalPERS earned 2.4%, in 2015/2016 they earned .61% and then finally in 2016/2017 they earned 11.2%. When actuarial reports are distributed, they are 18 months behind us so the presentation will reflect a reduction in funding rates from 2014 to 2015 primarily due to the poor performance by CalPERS. Due to this poor performance, the decision was made by the CalPERS Board of Directors to reduce the discount rate to local government on a phased-in approach, ultimately passing on their poor performance to us resulting in an increased annual obligation spread over the next several years,

with the goal to attain a 100% funding rate.

The City's Other Post-Employment Benefits (OPEB) obligation has historically been handled on a pay-as-you-go basis as is the case with most cities. Over the next two- year budget cycle, we have allocated additional funds as a contribution to our overall unfunded liability. We have also developed additional tiers with our employee groups whereby employees need to be vested at 10 (50% contribution to retiree healthcare), 15 (75% contribution to retiree healthcare and 20 (100% contribution to retiree healthcare) years to receive some level of retiree healthcare benefit. Over time, this will reduce the impact of the city's unfunded liability. In the near term, however, as seasoned employees of tier one retire, there will be an increase in this unfunded liability.

FISCAL IMPACT:

An overall increase in both CalPERS and OPEB funding allocations

ATTACHMENTS:

None



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Agenda Report

File #: 2017-366

Item No: 6.A.

Housing Successor Agency

MEETING DATE: 9/13/2017

TITLE:

Housing Successor Agency to the Former Redevelopment Agency- Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8

Property Location: 67025 & 67045 Mission Drive with APN's of 677-383-001 &002

Property Owners: City of Cathedral City as the Housing Successor Agency

Negotiating Parties: City of Cathedral City as the Housing Successor Agency & REMAX Consultants

Under Negotiation: Price & Terms on the Sale of Real Property



Cathedral City

Agenda Report

File #: 2017-353

Item No: 6.B.

Housing Successor Agency

MEETING DATE: 9/13/2017

TITLE:

Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8.

Property Location: Approximately 2 acres at the southeast corner of West Buddy Rogers and East Palm Canyon Drive.

Negotiating Parties: City of Cathedral City as the Housing Successor Agency to the former Redevelopment Agency and Cathedral Canyon Development LLC

Property Owner: City of Cathedral City as the Housing Successor Agency to the Former Redevelopment Agency

Under Negotiations: Price and Terms for potential sale of real property.

FROM:

Curt Watts, Economic Development Director