

# **2009-2010 GRAND JURY REPORT**

## **City of Wildomar**

### **Background**

The City of Wildomar was incorporated on July 1, 2008 as a general law city. Prior to incorporation, the Riverside County Local Agency Formation Commission (LAFCO) created a budget and cash flow projections for the first three years.

An interim city manager was hired by the city council, on a contract basis, to manage the city through the incorporation process and to hire staff. He was also responsible for the creation of operating policies and procedures and to oversee the search for a permanent city manager. He had five years experience with the incorporation and initial operations with the City of Elk Grove, California, a city similar in size, located near Sacramento. The assistant city manager in Elk Grove was selected as the permanent city manager for the City of Wildomar.

A financial manager was hired, on a contract basis, to provide all city required accounting. The sudden economic downturn required the finance manager to completely revise the operating budgets along with cash flow projections.

A city clerk was hired several months preceding the hiring of a permanent city manager in September 2009. The city staff consists of two permanent employees, the balance being contract employees.

The city contracted with Interwest Consulting Group for city services. A public works director, who had served in a similar position for the City of Elk Grove, would perform engineering and building plan checks, as well as overseeing the code enforcement department.

Park maintenance, janitorial service and park security service were previously provided by the Riverside County Economic Development Agency, along with events planning. The city council signed a 90-day contract with Diamond W Events to take over contract administration for park maintenance, janitorial, security, as well as provide event planning and develop an emergency preparedness plan. Prior to the end of the 90 days, a three-year contract (one year firm with two annual renewals) was awarded to Diamond W Events. The contract specifies compensation of \$7,000 per month plus a \$300 per month phone allowance. Separate contracts were awarded to three other vendors for park maintenance, janitorial and security.

## Findings

1. The current contract with Diamond W Events does not specify how performance is measured or evaluated, only that 30 hours per week would be spent performing services. It also neglects to specify a time when the emergency preparedness plan should be completed.
2. Diamond W Events was selected without competitive bidding. Additionally, prior friendship with the vendor violates city purchasing procedure 3.06.010 (Responsible Bidders), which states in part: "A determination as to whether or not a bidder is a responsible bidder shall include an evaluation of relevant factors including, but not limited to the following factors: "Whether the bidder has a previous or existing relationship with an officer or employee of the city that may create a conflict of interest on behalf of the officer or employee if a contract is awarded to the bidder".
3. On September 16, 2009, the planning commission passed a request by the Cornerstone Church to carve out a large hillside on its property for the expansion of its parking lot. The planning commission expressed concerns about the project due to the large number of truckloads of dirt, which would be hauled to church property in Murrieta via Bundy Canyon Road. The city council voted to receive and file the recommendation of the planning commission. Testimony revealed that two members of the city council are members of the Cornerstone Church. They did not recuse themselves from discussions and actions taken concerning the approval of the Cornerstone Church's building and earthmoving requests.
4. There is no written procedure governing the administration of contracts or contract employees, specifically how contractor performance is measured, by whom and who approves the payment of invoices.
5. Recently, along with the efforts by city and county agencies to find ways to cut spending, the City of Wildomar decided to close offices one day per week, citing the potential savings of \$500 per year in water and electricity. While other cities reduced salaries, the effect in Wildomar reduced public access to city hall by one day per week. No reduction in salaries was realized.

**Recommendations**  
**Wildomar City Council**  
**Wildomar City Manager**

1. Upon renewal, on September 30, 2010 the contract with Diamond W Events should be rewritten to identify specific tasks, accounting, and how time is utilized.
2. The city council and city manager should comply with purchasing procedure 3.06.010 (Responsible Bidders).
3. On all matters relating to the Cornerstone Church, city council members who are members of the church should recuse themselves, to avoid a conflict of interest.
4. The city council and city management should develop policy and procedures for administration of contracted services. These should be in compliance with accepted public sector contracting practices.
5. Since the city council has reversed its decision to close city hall on Fridays and restore the five-day schedule, it should institute such action in the future only after a cost benefit analysis.