



**VISALIA CITY COUNCIL STRATEGIC PLANNING WORKSHOP
FEBRUARY 10 & 11, 2012**

**Rawhide Stadium – Hall of Fame Club
300 N. Giddings, Visalia**

AGENDA

FRIDAY, FEBRUARY 10, 2012

The City Council will raise and discuss issues that they believe are important to Visalia now and in the future. These items are expected to include, but may not be limited to those listed below. (It is expected that the Council will give direction on many of these items, but a final decision will occur at a future Council Meeting).

The following agenda items are not time specific. A break for a buffet dinner will be taken at approximately 5:00 p.m.

12:00 p.m. - Buffet Lunch

12:30 p.m. - Opening Comments

Amy Shuklian, Mayor

Public Comment

Steve Salomon, City Manager

Mike Ramsey, Facilitator

1. SHARED VALUES

An exercise to reaffirm the individual's core values that guide him/her in making and implementing policies that sustain Visalia's quality lifestyle.

2. ACKNOWLEDGEMENT OF ACCOMPLISHMENTS

Budget constraints made 2011 another challenging year. These are the highlights of accomplishments relative to the priorities set by City Council at the 2011 Workshop.

3. FINANCIAL UPDATE

The Finance Director will provide an update to the city's financial condition and forecast for the coming year.

- a. Inventory of 4 fiscal years of budget solutions
- b. Current fiscal forecast
- c. Historical perspective on City revenues
- d. RDA Dissolution and next steps
- e. Major issues from City Supervisors and Managers

4. SUSTAINABILITY OF INFRASTRUCTURE AND PROGRAMS

This will be a discussion of how the city's ability to maintain new facilities and services should be factored into the decision making process when they are under consideration.

5. COMMUNITY SIGNAGE, BANNERS AND MARKETING DEVICES

What is the expected level of code enforcement relative to all types of signage and marketing devices being used by business operators to attract customers? Does the city's sign ordinance adequately regulate permanent and temporary signs, specifically animated, banner, non-profit event, and human signs?

6. GENERAL PLAN UPDATE PROJECT HIGHLIGHTS

This will be a report on progress made by the General Plan Update Committee (GPURC) along with the anticipated schedule leading to adoption of the General Plan by the city council. There will also be a discussion of the role "infill" is expected to play in the continuing development of the community.

7:00 p.m. - Adjourn

SATURDAY, FEBRUARY 11, 2012

7:30 a.m. – Continental Breakfast

8:00 a.m. - Convene Workshop

Welcoming Comments from Mayor Shuklian

Public Comments

The City Council will raise and discuss issues that they believe are important to Visalia now and in the future. These items are expected to include, but may not be limited to those listed below. (It is expected that the Council will give direction on any of these items, but a final decision will occur at a future Council Meeting).

7. HISTORY OF EMERGENCY MEDICAL SERVICE BY THE FIRE DEPARTMENT AND POSSIBLE FUTURE STEPS

This will be an overview of the Fire Department's historical involvement in responding to calls for emergency medical services and a discussion of the department's role in the future.

8. DOWNTOWN DEVELOPMENT

To what extent is inadequate infrastructure a constraint to development in the downtown and what can be done about it? What has happened in the downtown in the past year? What is approved but not built or finished? What grants have been applied for by the City and non-profits? What is the status of City projects in the downtown?

9. PRIORITIES FOR 2012

What city services are expected by the community during times of economic hardship? How might that change as the economy improves and what will that mean to the makeup of the organization?

City Council members will list the City projects, programs and services that are of the greatest importance to them in 2012.

12:00 p.m. Adjourn Workshop

**City of Visalia
Agenda Item Transmittal**

Meeting Date: February 10 and 11, 2012

Agenda Item Number (Assigned by City Clerk): 2

Agenda Item Wording: Acknowledgement of Accomplishments

Deadline for Action: N/A

Submitting Department: Administration

Contact Name and Phone Number: Steve Salomon, City Manager, 4312; Leslie Caviglia, Deputy City Manager, 4317

Department Recommendation: It is recommended that the Council receive this report and provide additional direction as appropriate.

Summary/background:

1. Develop a plan for greater community input into the General Plan Update process. Include community meetings that are focused on individual elements or areas of interest of the General Plan as well as broader meetings that address the General Plan as a whole. Include strategies for involving the city's consultant in the information sharing. Also clarify funding available for the third year portion of the comprehensive work program including in-house expense estimated at \$32,000.

In 2011 the General Plan process focused on a series of public forums – including four townhall-style meetings, several focus group presentations, and a second workshop - to reach consensus on a vision for the City's future growth. These efforts resulted in the completion of a Preliminary Land Use Plan and a draft set of policies, which will serve as the framework for the City's next 20 years of growth.

With regards to the cost question, the City was awarded a portion of a grant from the US Department of Urban Development (HUD) to aid with public outreach associated with the General Plan Update. The City applied as part of a consortium of San Joaquin Valley cities under the Smart Valley Places grant program. Visalia was the recipient of \$215,000 for specific tasks in the General Plan Update, including public outreach, light rail transit corridor planning, and partial consultant funding. Staff anticipates that this additional funding source for outreach methods previously considered as cost-prohibitive, such as newsletter mailings to all residences in the City.

For action by:

City Council
 Redev. Agency Bd.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head LBC2812
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

2. Present a draft balanced budget in May that is prepared in two different ways: one using General Fund reserves and one using NO General Fund reserves. Show the impacts on staffing levels, timeliness of service delivery and deferred activity for both approaches.

The City Council discussed a number of different alternatives for balancing the budget, including staff recommendations to bridge a \$1.4 million General Fund deficit. (See attached Table I). Staff recommended \$950,000 in program reductions and \$475,000 in use of reserves. The Council chose to increase the use of reserves by \$300,000 to pay for three Measure T officers to be transferred to the General Fund from Measure T, because Measure T needed to reduce its costs by \$600,000 in order to bring that fund's expenditures in line with their income. In addition to the recommended budget alternatives, there was also a list of options that were not recommended by staff. These are outlined in Table II (attached).

3. Better educate the General Plan Update Review Committee and the community regarding the importance of retail sales tax in paying for budgeted city services. This needs to be done prior to receiving community input on the elements of the General Plan that are impacted by this issue.

Staff worked developed a map showing the location of the top 50 sales tax producers. The map showed that major sales tax producers were not just found on Mooney Blvd., but also at the Industrial Park and other locations in Visalia. Staff also prepared PowerPoint presentations that discussed the importance of Sales Tax in the City. Staff continues to examine this important revenue source and will present further findings at the Council Workshop.

4. Better educate the community regarding water issues affecting the city and its surrounding area. Emphasize the interconnectivity of this critical resource among the communities and managing agencies within the Kaweah Delta Water Conservation District and allied water management groups.

The Natural Resource Conservation Division conducted presentations to various organizations and businesses in the City in 2011. since the Council workshop. These presentations include discussion of the City's water resources and touched on regional interconnectivity and planning. Additional presentations will be made in the coming year, including more in-depth presentations, and improved information on the website.

Presentations and informational booths included:

Master Gardners

Earth Day

Jostens Printing & Publishing: all staff

Students at Visalia Christian School

Kaweah Delta Health Care District: over 200 staff

Quail Park Retirement Community

Senior Center

Moore Medical: all staff

5. Bring back to the City Council for action by late March or early April the seven recommendations to increase economic activity that are contained in the report from Mike Olmos, Assistant City Manager.

The following actions were taken on the seven items identified by the Council:

1. Consider revising the Administrative Adjustment Ordinance to increase the maximum available adjustment from 10% to 20% for development standards related to setbacks, site area, lot width, and building height. ***(Zoning Text Amendment adopted June, 2011.***
 2. Consider amending the Administrative Adjustment Ordinance to add a category for encroachment of parking improvements into required landscape setback areas for commercial, professional office and industrial zone districts. ***(Zoning Text Amendment adopted June , 2011.)***
 3. Consider alternatives for a Zoning Administrator to review and make decisions on minor land use permits, subject to appeal to the Planning Commission. ***(Put on indefinite hold in part due to changes in the joint Zoning Administrator Process conducted with the County)***
 4. Consider revising our Building Code to remove our local requirement for fire sprinklers for new and re-occupation of existing non-residential buildings over 5,000 square feet, and instead utilize the state building code standard of 9,000 square feet. ***(Code changes adopted April, 2011)***
 5. Consider initiating a process to form a parking district for a portion of the Mooney Blvd. Corridor and expand the Downtown Parking Districts to provide voluntary parking flexibility for site redevelopments and building re-occupancy. ***(New parking allowances on Mooney address this issue; staff following up on Council direction provided in December, 2011 regarding downtown parking.)***
 6. Consider directing staff to prepare a draft ordinance to set a definition for “infill parcels” and provisions for 5,000 square foot residential lots as authorized in the current General Plan. ***(Deferred to General Plan Update currently in progress.)***
 7. Consider initiating a review of conditional uses in the Industrial Zone Districts to determine whether some uses can be re-classified as “permitted” uses (no CUP required). ***(No action taken to date.)***
6. Continue the multi-agency coordinated effort to suppress gang activity being led by the Visalia Police Department.

The Gang Suppression Unit maintained their vigilance in their suppression efforts. In comparing gang related statistics from 2010 to 2011, gang related homicides decreased by 25 percent., gang related assault with a deadly weapon decreased by 56 percent, and gang related shots fired into an inhabited dwelling decreased by 44 percent. Altogether, gang related

homicides, gang related assaults with a deadly weapon, and gang related shots fired into an inhabited dwelling have decreased by 50 percent.

In addition, Visalia will be headquarters for a Department of Justice led task force that will include a firearms expert. The task force is scheduled to begin operation later this spring.

7. Begin work on identifying a “signature event” for the city. Convene a meeting within two months of some of the organizations already involved with special event in Visalia including the Arts Consortium, Events Visalia, Healthy Visalia and the Visalia Convention and Visitor Bureau and explore what is needed to have a successful signature event, over time, in Visalia.

In 2011, the Arts Consortium and Events Visalia worked closely to link their events, Taste the Arts and the Waiter’s Race respectively, which created a larger, multi-day event that had more than twice the number of artists featured, and multiple events including the symphony, two plays, an opera, an urban art show, and a fruits and vegetable art contest. Many organizations participated including the Tulare County Symphony, Enchanted Playhouse, Tulare County, Ice House Theatre, the Farmers’ Market, the Creative Center Foundation, etc, and many individual artists. The Visitors and Convention Bureau held promote the Taste. Events Visalia is in the process of consolidating with the Arts Consortium. Events Visalia will operate as a subsidiary of the Consortium, and both groups will work to make the Taste the Arts, including the Waiter’s Race, a growing event.

In addition, the City Parks and Recreation Department is investigating the feasibility of initiating a Senior Games this Fall 2012 or in the Spring 2013. The City is currently working with a number of local entities to see if a 5-7 day event is financially feasible and if the physical resources, volunteers, and community sponsorship exist to support such an event. The concept is much of the games would be self-sufficient from participant fees and community sponsorship, but considerable City resources would be needed to implement this special event. City staff will be proposing a line item in the upcoming budget of \$5,000 to \$10,000 to help support the event.

8. Identify infrastructure improvements needed in the Downtown and Mooney Blvd. areas. Estimate the work program and associated costs necessary to make those improvements.

Due to significant infrastructure obstacles experienced by property owners in the renovation/expansion of existing Downtown buildings, a temporary ad hoc group was developed. City staff members from Administration, Engineering and the Fire Department have met on a periodic basis with various Downtown property owners/representatives. Harvey May, Don Celillo, Stephen Peck, and Mike Fistolera represented downtown owners and devoted a substantial amount of time and effort in assisting the group in finding practical solutions to these obstacles. Meetings have also been attended by utility companies, including Southern California Edison and California Water Service.

As a result of these meetings, the group has identified infrastructure issues (electrical service upgrades and fire protection systems) and developed a strategy to address each. The group has developed an infrastructure development plan for both Downtown fire protection services and utility nesting sites to facilitate utility upgrades (Main St from West St to Bridge St). The composite plan provides one common fire protection system per block rather than per property and includes fire service lines with one common backflow preventer and fire department

connection “manifolds” located within fifty feet of an existing or proposed fire hydrant. In addition, the composite plan specifies utility nesting sites utilizing City owned property converted to public right of way, allowing for the placement of above ground facilities necessary for utility upgrades to Downtown buildings. This plan has been shared and “adopted” by SCE and will be utilized as properties begin to move through the remodel/expansion process.

Prior Council/Board Actions:N/A

Attachments:

Budget cut tables I and II

Recommended Motion (and Alternative Motions if expected): N/A

Table I

#	Potential 11/12 Budget Solutions	Potential Savings	Recommended	Comment
1	Develop in-house health clinics	\$200,000	\$100,000	11/12 - \$100k & \$200k ongoing, provide in house clinic cheaper than fee for service visits. Santa Barbara County is model. Net savings in health plan.
2	Reduce Community Youth Grants from \$160k	\$160,000	\$30,000	General Fund revenues down by 20%, consider like reduction for community grants
3	Accelerate the hiring of Fire Measure T Training Captain	\$152,700	\$152,700	Accelerates Measure T plan, helps GF
4	Increase Gas Franchise Fee	\$100,000	\$50,000	In discussions to renew 25 year franchise agreement. Other cities added 1% franchise fee.
5	Accelerate the hiring of Fire Administration Captain	\$100,000	\$100,000	Accelerates Measure T plan, helps GF
6	Eliminate Gang Suppression Unit Probation Contract	\$61,000	\$61,000	Police reorganizes delivery. Stops county contract. Back fill with existing staff.
7	Operate LOOP bus when school is out	\$50,000	\$50,000	Annual cost is \$80,700. Reduce bus service to summer vacation, spring and winter break.
8	Eliminate old park restrooms(Rotary, Houk & Oval Parks)	\$40,000	\$25,000	Bathrooms are costly and sometimes a nuisance at parks. 1st year cost to demo \$15k
9	Combine Downtown & Marys Vineyard Com Policing	\$33,000	\$33,000	Eliminate one part-time commercial policing officer.
10	Increase Convention Center Fee (Approx 5%)	\$25,000	\$25,000	General Fee increase. To be presented on June 20th with Rates & fees.
11	Reduce West Coast Arborist tree trimming contract	\$25,000	\$25,000	This item would reduce the GF budget from \$100k to \$75k
12	Freeze 2 part-time positions crime analysis/backgrounds	\$22,000	\$22,000	Since fewer recruits, may be able to hold open
13	Furlough Convention Center 2-5 days	\$18,000	\$5,000	item will require meet and confer. Objective would be close on low volume days. Start with 2 days
14	Eliminate PAL boxing part-time position	\$11,000	\$11,000	Reduce PAL program
15	Reduce TC Econ Dev Corp Higher Education funding	\$10,000	\$10,000	TCEDC has completed this program and funding is no longer needed
16	Eliminate Pal event of meet the San Francisco Giants	\$2,000	\$2,000	Discontinue this annual Pal event.
Revised/Additonal Recommended Solutions from June 13, 2011				
17	Reduce Convention Center Capital Set-Aside from \$300k	\$300,000	\$200,000	The reduction in capital will slow replacement activity in future years. This would reduce their capital budget to \$100k.
19	Temporary support for 3 Measure T Officers	-\$360,000	-\$360,000	Temporarily move 3 Officers to the GF due to the shortfall in Measure T revenues .
18	Reduce CSO position by 1 (thru attrition)	\$80,000	\$80,000	Transfer the PAL Community Resource Specialist to Patrol and eventually elimiate 1 CSO officer by attrition.
20	Reduce Police Over-time Budget	\$50,000	\$50,000	Reduce over-time to off-set costs from temporarily moving 3 Measure T positions.
21	Reduce Police Operating Budget	\$77,800	\$77,800	Reduce operating accounts to off-set costs from temporarily moving 3 Measure T positions.
22	Reduce Capital Projects budget	\$200,000	\$200,000	Postpone Downtown Christmas Tree Decorations - \$50,000 and postpone rehabilitation of parking lots - \$150,000.
Total Recommended		\$1,357,500	\$949,500	
23	One-time use of reserves - increase in retiree health contribution reduction in FY 12/13.	\$475,000	\$475,000	Will be replaced by retiree health care contribution decreases next year.
Recommended Actions		\$1,832,500	\$1,424,500	

Table II

#	Other Solutions (Not recommend at this time)	Potential Savings	Recommended	Comment
1	Layoff 1-4 employees (\$80,000-\$300,000), not sworn	\$300,000		If directed, staff would return to Council with a restructure plan. Layoffs would not consist of sworn personnel.
2	Non-public safety, GF Office Staff - 3 day furlough	\$120,000		Requires a meet and confer on impacts of furlough. Would close Thanksgiving Eve, Christmas Eve and New Year's Eve. Leave would be without pay or use of vacation time.
3	Eliminate Community Arts Program	\$40,000		Leverages money from outside the community to come to town.
4	Reduce TC Econ Dev Corp Tourism funding	\$20,000		Reduced Tourism funding by \$20k but propose reprogramming the money towards Visalia Convention & Visitor Bureau. The VCVB will come back to the Council with a marketing plan that will be developed in conjunction with a new Countywide Visitor's Council that is being proposed and is in the initial stages of development. Some monies could be put towards GF deficit.
5	Eliminate City's annual 4th of July Contribution	\$10,000		Leverages community money to fund major community event.
6	Close Senior Center for an addtl 5 hours per week	\$10,000		Last FY reduction of 15 Hours (Total 20 hrs)
7	Close MHCC for an addtl 2.5 hours per week	\$10,000		Last FY reduction of 7.5 Hours (Total 10 hrs)
	Other Solutions Total	\$510,000	\$0	

City of Visalia Agenda Item Transmittal

Meeting Date: February 10, 2012

Agenda Item Number (Assigned by City Clerk): 3

Agenda Item Wording: Financial Review: Then, now and in the future

Deadline for Action:

Submitting Department: Administrative Services

Contact Name and Phone Number: Eric Frost, Administrative Services Director, x4474

Department Recommendation: That the City Council receives the following reports in regards to the City's financial situation:

- a. Inventory of 4 fiscal years of budget solutions
- b. Current fiscal forecast
- c. Historical perspective on City revenues
- d. RDA Dissolution and next steps
- e. Major Issues from city supervisors and managers

Summary/background:

The following attachments provide a perspective on the City's finances designed to assist the City Council as they direct the development of the 2012/14 Budget.

Attachments:

- a. *Inventory of 4 fiscal years of budget solutions.*** This report, taken from Council memo over the last 4 fiscal years, provides Council a perspective of the level of budget cuts the City has had to make over the last 4 fiscal years to adjust to a lower level of revenues in the General Fund. (Staff report.)
- b. *Current fiscal forecast.*** At the Council's January 30, 2012 meeting, Finance presented a budget update and forecast into next fiscal year. Although the City's fiscal picture is improving, the City still faces a \$1 million plus deficit for next year. (January 31, 2012 staff report and PowerPoint)

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

c. Historical perspective on City revenues. The City's current fiscal challenges appear daunting. But, a historical picture helps the City understand how City finances have evolved over time. (PowerPoint only)

d. RDA Dissolution and next steps. As of February 1, 2012, Redevelopment has ceased. This report discusses the next steps in the wind down of Redevelopment. (Staff report and PowerPoint)

e. Major Issues from city supervisors and managers. In December, supervisors and managers were invited to a discussion about major issues facing the City. Their concerns are summarized in this report with potential action items that the City Manager is considering. The three themes that emerged are concerns about the City's human resources, the sustainability of the City's work program and the need for good tools with a diminished workforce. (Staff report)

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives:

- Attachments:**
- a. Inventory of 4 fiscal years of budget solutions
 - b. Current fiscal forecast
 - c. Historical perspective on City revenues
 - d. RDA Dissolution and next steps
 - e. Major Issues from city supervisors and managers

Recommended Motion (and Alternative Motions if expected): Receive the several staff reports on the City's finances.

Environmental Assessment Status

CEQA Review:

NEPA Review:

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

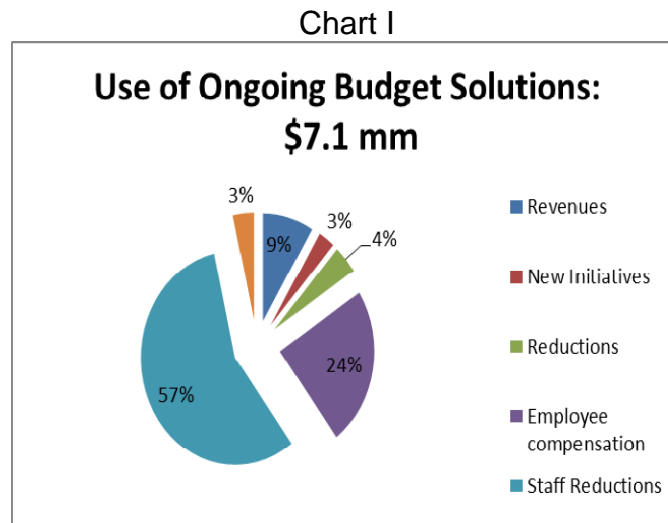
Copies of this report have been provided to:

MEMORANDUM

DATE: 01/30/2012
TO: Steve S. Salomon, City Manager
FROM: Eric Frost, Administrative Services Director
SUBJECT: General Fund Budget Reductions over the last 4 fiscal years

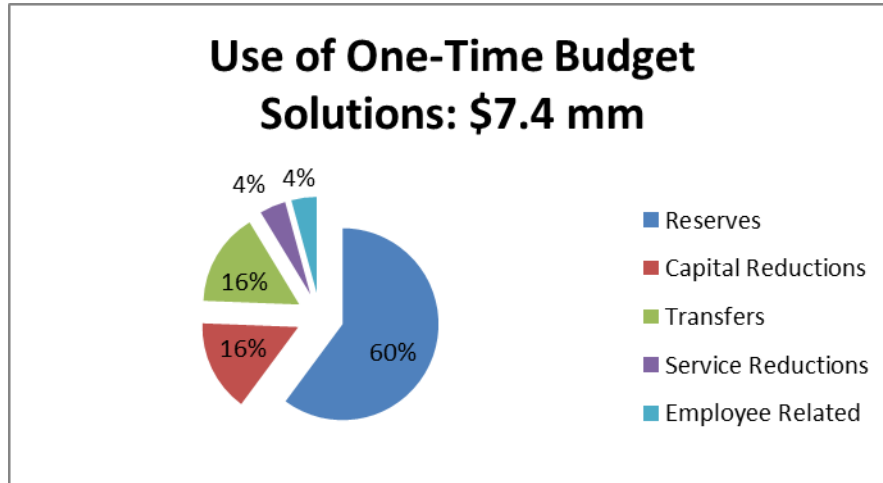
Attached is information about the cut-backs the City has made in the General Fund budget from FY 2008/09 to FY 2011/12. The information is based upon the staff reports shown in the attachments. Additional budget reductions have occurred but were not captured in staff reports and may not be included. However, the breadth of the report provides a good sampling of the budget challenges that the City has faced.

The reductions are classified as either ongoing or one-time. The totals for the four years are shown in Chart I, Use of Ongoing Budget Solutions: \$7.1 mm and Chart II: Use of One-time Budget Solutions: \$7.4 mm. It is important to note that the ongoing budget solutions are reported on a one-year savings amount, although the savings is expected to occur year to year.



Attachment I provides detail to the One-time and Ongoing budget solutions. Attachment II provides excerpts from past Council reports documenting the implementation of the budget solutions.

Chart II



The facts are that the City has been able to reduce its General Fund by \$7.3 million in ongoing savings by a variety of efforts. The City has also had to use one-time solutions to balance the budget as it has tried to determine the depth of budget cuts needed to balance revenues and expenditures. The problem going forward, however, is that there may need to be further reductions in order to bring the City's budget into balance with the new, lower level of General Fund revenues.

Attachment #1

	Ongoing solutions used over the last 4 years	Annual Revenues /Savings	
	(Ending FY Implemented)		
	Revenues		
	12 increase Gas Franchise Fee	100,000	
	11 Police Towing Fees	100,000	
	12 Increase Convention Center Fees by 5%	25,000	
	11 Fire Inspection Fees	100,000	
	10 Increased use of Abandon Vehicle Money	100,000	
	10 Increased Rec Fees	100,000	
	10 Adopted Haz Mat approach in County change	90,000	
			615,000
	New Initiatives		
	12 Develop In-house Clinics	100,000	
	10 Contract out Senior Meals	100,000	
			200,000
	Reductions		
	12 Reduce Community Service grants to \$160,000	30,000	
	12 Eliminate Gang Suppression Probation Unit	61,000	
	12 Operate LOOP Bus only when school is out	50,000	
	12 Eliminate old park restrooms (Rotary, Houk and Oval)	40,000	
	12 Combine Mary's Vineyard and Downtown Com. Policing	33,000	
	12 Reduce West Coast Arborist Contract	25,000	
	12 Eliminate Part-time PAL Boxing position	11,000	
	12 Eliminate TC Econ Dev. Corp. Higher Education Funding	10,000	
	12 Eliminate PAL event - meet SF Giants	2,000	
	10 Reduced VEDC Budget	10,000	
	10 Reduce West Coast Arborist Contract	30,000	
			302,000
	Employee Compensation		
	11 Retiree Health Care Contribution Phase Out	500,000 ¹	
	11 New pension tiers	90,000 ²	
	11 Employee compensation concessions	1,100,000	
			1,690,000

Attachment #1

	Staffing Reductions		
	10 Target Layoffs, Early Retirements, Vacancies	3,000,000	
	9 Vacancies	1,000,000	
			4,000,000
	Displacements		
	12 Accelerate hiring of Fire Admin. Captain	152,700	
	12 Accelerate hiring of Fire Training Captain	100,000	
			252,700
			7,059,700
	Notes		
	1 first year. \$1,000,000 second year and increases by \$100,000 a year for 10 years		
	2 first year, increases by \$90,000 each year for 20 years		

Attachment #1

	One-time solutions used over the last 4 years	Annual Revenues /Savings	
	(Ending FY Implemented)		
	Reserves		
	9 Use Emergency Reserves	500,000	
	10 Use Emergency Reserves	1,000,000	
	Use General Reserves - Property Taxes Receivables		
	11 (County discontinued Teeter Plan in which it purchased the City's Tax Receivables)	1,200,000	
	11 Use of Emergency Reserves	1,300,000	
	12 Use of Emergency Reserves	475,000	
			4,475,000
	Capital		
	9 Limit Capital requests to \$750,000	250,000	
	10 Reduce Capital budget	500,000	
	12 Reduce Convention Center Capital	200,000	
	12 Reduce Capital budget	200,000	
			1,150,000
	Transfers		
	9 Take back VLF monies programed for roads	320,000	
	9 Postpone retiree health care funding	500,000	
	9 Transfer street light electrical costs to Gas Tax Fund	150,000	
	10 Return VLF to GF	200,000	
			1,170,000
	Service Reductions		
	Delete State Lobbyist contract		
	10 (Council has since added this back)	50,000	
	11 Sweep operating accounts	200,000	
	12 Reduce Police Line-items	77,800	
			327,800
	Employee Related		
	10 Leave open two police officer positions, cover by Measure T	200,000	
	11 Furloughs	400,000	
	12 Furlough Convention Center Employees - 2 days	5,000	
	12 Freeze 2 part-time crime analyst potions	22,000	
	12 Have General Fund pick-up 3 Measure T Officers	-360,000	
	12 Reduce Police Overtime Budget	50,000	
			317,000
			<u>7,439,800</u>

Attachment #2

Budget Solutions from FY 2011/12 from the June 20, 2011 Council Meeting

Table I

#	Potential 11/12 Budget Solutions	Potential Savings	Recommended	Comment
1	Develop in-house health clinics	\$200,000	\$100,000	11/12 - \$100k & \$200k ongoing, provide in house clinic cheaper than fee for service visits. Santa Barbara County is model. Net savings in health plan.
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15	Reduce TC Econ Dev Corp Higher Education funding	\$10,000	\$10,000	TCEDC has completed this program and funding is no longer needed
16	Eliminate Pal event of meet the San Francisco Giants	\$2,000	\$2,000	Discontinue this annual Pal event.
Revised/Additonal Recommended Solutions from June 13, 2011				
17	Reduce Convention Center Capital Set-Aside from \$300k	\$300,000	\$200,000	The reduction in capital will slow replacement activity in future years. This would reduce their capital budget to \$100k.
19	Temporary support for 3 Measure T Officers	-\$360,000	-\$360,000	Temporarily move 3 Officers to the GF due to the shortfall in Measure T revenues .
18	Reduce CSO position by 1 (thru attrition)	\$80,000	\$80,000	Transfer the PAL Community Resource Specialist to Patrol and eventually elimiate 1 CSO officer by attrition.
20	Reduce Police Over-time Budget	\$50,000	\$50,000	Reduce over-time to off-set costs from temporarily moving 3 Measure T positions.
21	Reduce Police Operating Budget	\$77,800	\$77,800	Reduce operating accounts to off-set costs from temporarily moving 3 Measure T positions.
22	Reduce Capital Projects budget	\$200,000	\$200,000	Postpone Downtown Christmas Tree Decorations - \$50,000 and postpone rehabilitation of parking lots - \$150,000.
	Total Recommended	\$1,357,500	\$949,500	
23	One-time use of reserves - increase in retiree health contribution reduction in FY 12/13.	\$475,000	\$475,000	Will be replaced by retiree health care contribution decreases next year.
	Recommended Actions	\$1,832,500	\$1,424,500	

Major Budget Actions FY 2010/11

Retiree Health Care Contribution Policy – Adopted May 16, 2011

From that report, the following savings were expected:

These several actions are expected to save the following amounts per year compared to the original proposal. This is each year, not cumulative savings.

	Original	Revised
FY 2011/12	\$0.6	\$0.4
FY 2012/13	\$1.4	\$1.0
FY 2014/15	\$2.0	\$1.6
FY 2019/20	\$2.0	\$2.0 and subsequent years

(Note: The original proposal phased out the health benefits in 3 years. The revised proposal phased out the health benefit contribution within 4 to 7 years based upon years of service. An extra ten years was given to those retirees of lesser incomes. Of the 200 original retirees on the City's retiree health care, 17 have qualified for the lower rate.)

After implementing the new rate schedule, it appears this level or higher amounts of savings will be achieved following the Council revised schedule.

Employee Concessions Fall of 2010

The City has 5 recognized bargaining units. All the units except Police Managers and Supervisors unit, had contracts that called for wage increases of 4 percent as of July 1, 2009. The City asked all the units to forego their wage increase. All the units declined the request. As a result, the City implemented a furlough program to reduce costs.

The following fiscal year when employee contracts expired, the City negotiated 4% wage concessions from all the groups who received the 4% wage increase. This saves the City approximately \$1.2 million a year.

In addition, the City implemented new pension benefits for all new employees. The implementation of new retirement tiers became effective as of January of 2011 for Public Safety and May of 2008 and 2011 for Miscellaneous Employees. It will take up to 30 years to fully implement the new retirement tiers. However, the eventual savings will be as follows:

Table II
Eventual Savings From New Retirement Tiers

<u>Percentage of Payroll</u>	<u>Change in Tier</u>
Public Safety	
5.7%	3% @ 50 to 3% @ 55
2.0%	Single highest to three year average salary
Miscellaneous Employees	
3.0%	3% @ 60 to 2.5% @ 55
2.0%	2.5% @ 55 to 2% @ 60

Eventual Savings:

Public Safety 7.7% @ \$16,400,000 = \$1,260,000

- Expect 4% of the savings a year or \$50,400/year

Miscellaneous Employees 5% @ \$19,400,000 = \$970,000

- Expect 4% of the savings a year or \$38,800/year

Approximate annual savings - \$90,000/year

Employee Pension Census as of 1/13/12

Public Safety	Miscellaneous
194 3%@50	288 3%@60
7 3%@55	37 2.5%@55
—	<u>15</u> 2%@60
Total <u>201</u>	<u>340</u>

From the 6/28/10 Council Budget Adoption Memo

Adoption of the General Fund Budget: To adopt the General Fund budget, Council will need to make decisions on the following items:

1. **Provide direction on Fire Inspection Fees.** The City has a responsibility to inspect businesses on a periodic basis to ensure fire safety. Annual inspections are the preferred option. However, with 5,000 potential inspections to do each year, Fire has had to revise the inspection process to perform those inspections every two or three years in some cases. There are four types of businesses that are required to be inspected but only two are charged a fee:
 - Hazardous Use Businesses (\$62 permit) – These are businesses that use, sell, or store any hazardous product or material (ex: welding materials, lumber, gas products, bug sprays, paint) and restaurants that can serve 50 or more people at a time.
 - Large Family Residential Day Care Facilities (\$50 permit) – These state registered day care facilities, which are run out of a home and have 8 or more children, are to be inspected annually.
 - Non-Hazardous Use Businesses (No fee) – These are businesses that do not use, sell, or store any hazardous product and are restaurants that serve less than 50 people. These are typically businesses in office buildings, mini marts that do not sell fuel, and small fast food businesses.
 - Apartments (No fee) – The State mandates all R1 and R2 businesses be inspected annually or the City can be fined.

The proposal is two fold: 1) increase the number of inspections; and, 2) levy a \$20 inspection for Non-Hazardous Use Businesses and a \$5 per unit fee for lodging inspections.

To increase inspections, the City needs more inspectors. Inspections are currently performed by one and half employees that are assigned to the program and the engine company. Staff inspects approximately 2,500 businesses a year. Typically, an inspector can accomplish 900 inspections a year. The plan is to hire one fire inspector, augmented with two, half-time hourly employees and some administrative support. Fire believes the work group should be the equivalent of 2 inspectors. Further, with the additional administrative support, the current Fire Inspector should be able to perform 400 more inspections a year. Thus, the group will be assigned an additional 2,200 inspections annually.

An inspector costs \$95,000 a year. Two hourly positions will cost about \$30,000 a year. The administrative help could cost \$40,000 a year. The cost of the group will be \$165,000. Staff is proposing to off-set these costs by implementing additional inspection fees. Staff is proposing to charge the Non Hazardous Use Businesses \$20 per inspection and \$5 per a unit for Apartments (approximately 4,775 units). The estimated revenue from these two fees is \$78,120. In total (new fees + existing fees), the new inspectors will raise between \$136,400 and \$176,000 this next year. These costs are included in the draft budget.

If the work group is successful, the City can greatly improve its inspection process, making the City a safer place, without being a burden on the General Fund. Further, Fire believes they can exceed their revenue targets. ***If the Council approves the budget as recommended, Fire will bring back for public hearing a proposal to levy a \$20 or \$5 per unit fee for all fire inspections which are not paying a fee now.*** In the end, Council may limit, adjust or not impose these fees, as appropriate, at the public hearing.

2. ***Level of Non-profit funding (\$60,000 reduction).*** The proposed budget includes a reduction of non-profit funding from \$160,000 to \$100,000 for FY 2010/11. As an alternative, Council could revise the budget and continue funding the program at the same level and direct staff to look at other revenue options or use of reserves to make up the difference. Council would need to take a specific action on this item to change the budget, if so desired.

3. ***Provide direction on several items and authorize the use of reserves until other budget items are more settled (\$2.54 million).*** Several items in the City's General Fund budget remain unsettled, not the least of which being the potential actions by the State. Staff has recommended closing the General Fund deficit in the following manner:

Deficit

General Fund Deficit, 2010/11	\$2.10	
Allowance for State Take-aways	0.50	
Property Tax Receivable	<u>\$1.20</u>	
Funding Shortfall		\$3.80

Proposed Solutions

Reserves – Property Tax Receivable	\$1.20	
Revenue Options – Towing	0.10	
Non-Profit Grant Reduction	0.06	
Reserves and/or Employee Comp. Changes	<u>\$2.44</u>	
Proposed Solutions		\$3.80

Adoption of the proposed budget would authorize the use of reserves to fund FY 2010/11 unpaid property taxes and Council can decide the level of funding for non-profits. However, the other items will take time to implement or be worked out through the negotiation process. As a result, the remaining items would be funded from reserves until resolved, namely:

Revenue from Towing Franchise	\$0.10	
Reduction of Employee Comp./	1.00	
Use of Reserves – State-takeaways	0.50	
Use of Reserves – operations	<u>\$0.94</u>	
Adopted Use of Reserves		\$2.54

If Council directed staff to implement the proposed budget, staff would need to bring back the proposed fire inspection fees and towing franchise for final action. The issue with the towing franchise is that the fee can not be more than the cost of administering the service. Staff needs to examine this more closely and report to Council the limits of the fee

which can be charged. Additionally, the fee would need to be adopted as part of a public hearing.

As for employee compensation reductions, that task remains an ongoing effort which has not been brought to a conclusion. The amount of reductions sought are approximately \$1 million, but may change based upon final negotiations.

Further, the actions of the State are also unknown. If the State does not take any money from Visalia, then the \$500,000 allowance will not be needed and only \$944,000 of additional reserves will be needed. Conversely, if nothing works out for the City, all \$2.54 million will come from reserves to balance this year's budget. Although such an outcome is unlikely, the budget has to be adopted in this manner to reflect the worse case scenario.

If the Council decided not to reduce the non-profit grants, the initial action would be to increase the use of reserves this year by \$60,000, increasing the adopted use of reserves from \$2.54 million to \$2.60 million.

Table III
From July 15, 2009 Council Meeting for General Fund FY
2009/10

<i>Budget Solutions - In Millions</i>	Council Action	On-going	One-time
<i>Council Authorized Items from May 18 & June 15 Session</i>			
Use some reserves for operating costs	1.00		1.00
Reduce capital funding by an additional \$500,000	0.50		0.50
Proceed with the closing of old Soroptimist Park	0.05	0.05	
State Lobbyist Contract	0.05	0.05	
Increase the use of Abandoned Vehicle Money	0.10	0.10	
Return all of VLF to General Fund for 09/10 only because of Stimulus money	0.20		0.20
Increase Recreation Program Fees	0.10	0.10	
Reduce VEDC Contract by 20%	0.01	0.01	
Adopt a JPA approach to Haz Mat in the County or discontinue the program	0.09	0.09	
Rework Major Contracts	0.30	0.30	
Program Changes	0.20	0.20	
Reduced Tree Trimming Contract	0.03	0.03	
Leave open two police officer positions in the General Fund, to be filled by Measure T	0.20		
Total	2.83	0.93	1.70
Targeted layoffs, reorganizations and other measures	3.00	3.00	
Grand Total	5.83	3.93	1.70

FY 2008/09 Budget Solutions from the Transmittal Letter dated June 13, 2008

Recommended Policy Changes

- **\$320,000 – Take back ½ of the Vehicle License Fee (VLF) Revenues which had been placed in a General Fund subfund for roads.** VLF is the property tax on cars but has taken a number of turns over the last 10 years. The remaining VLF was assigned by Council a couple of years ago to roads. However, this year's budget does not allow the City to do this.
- **\$500,000 – Postponing the pre-funding of retiree health care.** The City in FY 07/08 deposited \$500,000 in the retiree health care fund from the General Fund. Prefunding will lower the long-term cost of this benefit but the General Fund is unable to do so this year.
- **\$150,000 in increased electrical costs for street lights to be paid by the Gas Tax Fund.** Gas Tax can pay for any cost related to streets. Electrical costs have been paid by the General Fund, but costs have recently escalated substantially. The proposal is that Gas Tax would pay for the recent increases.
- **Limiting General Fund Capital Requests to \$750,000 a year and freezing all other requests.** If the City's budget picture improved, frozen capital could be released.
- **Set up the Building Safety Division as an Enterprise to assure that the division is fully supported by development fees.**

After including these policy changes, the General Fund budget problem would be solved as follows:

Proposed General Fund Deficit Reduction

(\$1.9) million Recommended General Fund Deficit which includes the above **policy changes** in the proposed budget.

\$0.3 million freezing **recommended staffing additions**
\$0.7 million freezing **current vacant positions**
\$0.4 million **non-General Fund positions** which could potentially be filled by General Fund employees

(\$0.5) million **remaining budgetary gap funded from the City's emergency reserve** but to be resolved by future budgetary actions

It should be noted that the Council has approved budgets in the past which were not fully balanced but directed management to bridge that gap as opportunities occurred in the year.

List of Layoffs, Early Retirements, Vacancies or Deletions as of July 1, 2011

Positions Eliminated - Employee Layoffs					
Department	Classification	Layoff Notice Given	Last Date Work	Employee Filing for Retirement	Retirement Effective Date
Parks & Recreation	Cook, 3/4 time	06/25/2009	08/21/2009	yes	08/22/2009
Parks & Recreation	Cook, 3/4 time	06/25/2009	08/21/2009	yes	08/22/2009
Parks & Recreation	Graphic Artist 3/4 T	07/16/2009	09/04/2009	yes	09/05/2009
Convention Center	Convention Center Service Worker	06/16/2009	09/04/2009	no	n/a
Convention Center	Convention Center Service Worker	06/16/2009	09/04/2009	to ED	n/a
Fire	Fire Batt Chief	07/16/2009	08/28/2009	Bumping	n/a
Fire	Fire Batt Chief	07/20/2009	10/23/2009		01/12/2010
Community Dev	Ast CD Director	10/15/2009	11/20/2009	yes	11/21/2009
Police Management Retirement Incentive - \$30,000 (Included on Vacancy List)					
Department	Classification	Payment Option Chosen	Last Date Work	Retirement Effective Date	Retirement Letter Received
Police	Police Captain	PARS	07/31/2009	08/01/2009	yes
Police	Police Sergeant	PARS	09/04/2009	09/05/2009	yes
Police	Police Chief	PARS	08/28/2009	08/29/2009	yes
Police	Police Sergeant	PARS	09/04/2009	09/05/2009	yes
Police	Police Sergeant	PARS	09/04/2009	09/05/2009	yes

Vacancy Report							-
Department	Classification	Div. #	# Pos.	10/11 Savings	11/12 Savings	Fund	Date Vacant
General Fund							
Administration	Special Projects Manager	10101	1	148,631	153,953	GF	12/5/08
Administration	Assistant City Manager	10101	1	183,202	186,332	GF	7/1/08
Admin Total				331,833	340,285		
Admin Services - Human Res	Senior Administrative Asst	10104	1	61,620	66,250	GF	3/13/10
Admin Services - Human Res	Admin Analyst/Sr. Admin Analyst	11125	1	72,604	66,922	GF	6/1/09
Admin Services - Finance	Finance Manager	15003	1	123,432	125,675	GF	3/31/10
Admin Services Total				257,656	258,847		
Community Dev. - Administration	Office Assistant/Sr	18110	1	57,259	59,351	GF	7/24/08
Community Dev. - Administration	Administrative Assistant	18110	1	65,008	67,373	GF	2/20/09

Community Dev. - Planning	Senior Planner	18111	1	103,190	106,907	GF	11/1/05
Community Dev. - Engineering	Sr. CAD Specialist	33312	1	77,724	80,537	GF	10/24/08
Comm Dev - Engineering	Survey Party Chief	33312	1	84,808	87,861	GF	10/23/09
Comm Dev - Engineering	Assoc Engineer	33312	1	112,500	118,500	GF	11/20/09
Comm Dev - Engineering	Assoc Engineer	33312	1	112,500	118,500		6/1/10
Comm Dev - Engineering	Assoc Engineer	33311	1	93,323	95,125	GF	12/18/09
Community Development Total				706,312	734,154		
Fire - Operations	Fire Inspector - Contract Pos	22223	1	88,926	90,619	GF	6/1/08
Fire Total				88,926	90,619		
Parks & Recreation	Recreation Coordinator	50514	1	73,847	76,527	GF	6/26/09
Parks & Recreation	Park Maintenance Worker	31322	1	61,250	63,455	GF	3/18/09
Parks & Recreation	Kitchen Supervisor 3/4T		1	46,886	48,611	GF	12/30/09
Parks & Recreation	Recreation Supervisor	50514	1	84,720	86,392	GF	12/16/08
Parks & Recreation	Recreation Coordinator	50514	1	73,985	75,494	GF	8/12/08
Parks & Recreation	Park Maintenance Technician	31322	1	71,435	72,869	GF	11/30/09
Parks & Recreation	Park Maintenance Worker	31322	1	61,373	62,660	GF	12/18/09
Parks & Rec Total				473,496	486,009		
Police							
Police - Administration	Assistant Police Chief	21201	1	169,157	171,908	GF	12/19/09
Police - Administration	Police Records Specialist	21201	1	52,682	55,746	GF	
Police - Patrol	Police Captain	21202	1	154,985	157,539	GF	8/28/08
Police -Patrol	Police Officer	21202	1	97,549	103,460	GF	11/20/09
Police -Patrol	Police Officer	21202	1	97,549	103,460	GF	12/1/09
Police -Patrol	Police Officer	21202	1	97,549	103,460	GF	
Police	Police Agent	21202	3	330,678	336,480	GF	12/1/09
Police	Police Officer	21202	1	97,549	103,460	GF	12/1/09
Police - Administration	CSO	21201	1	69,544	70,954	GF	6/30/07
Police - Administration	Communications Oper.	21201	1	58,630	59,903	GF	
Police - Administration	Communications Oper.	21201	1	58,630	59,903	GF	
Police Total				1,284,502	1,326,273		
Public Works							
Public Works - Administration	Accounting Asst/Sr. Acct. Asst	31006	1	62,598	64,878	GF	
Public Works - Streets	Street Maintenance Worker	31324	1	61,373	62,660	GF	

Public Works - Streets	Sr. Heavy Equip Operater	31324	1	82,085	83,663	GF	3/15/10
Public Works - Streets	Sr. Street Maint Worker	31324	1	71,435	72,869	GF	11/6/09
				277,491	284,070		
General Fund Total				3,420,216	3,520,257	-	
Convention Center							
Administration - Conv. Center	Lead Conv Center Crew Leader	50535	1	75,282	77,974	ISF	6/13/08
Administration - Conv. Center	Events Coordinator	50535	1	70,205	72,753	ISF	11/26/08
Administration - Conv. Center	Convention Center Sales Mgr	50532	1	79,516	82,392	ISF	2/29/08
Convention Center Total				225,003	233,119		
Housing & Econ Dev							
Economic Development	Dev. Project Manager	64684	1	117,261	121,475		
Housing & Econ Dev Total				117,261	121,475		
Measure T							
Measure T	Police Officer	21222	1	97,549	103,460		
Measure T	Police Officer	21222	1	97,549	103,460		
				195,098	206,920		
Internal Service Funds							
Community Dev - GIS	Sr. GIS Analyst	15142	1	103,053	106,765	ISF	6/23/09
Community Dev. - GIS	GIS Manager	15142	1	117,444	119,612	ISF	4/9/09
				220,497	226,377		
Enterprise Funds							
Community Dev. - Building Safety	Combined Bldg Inspector	18241	1	87,229	90,362	2/1/07	
Community Dev. - Building Safety	Sr. Combined Building Inspector	18241	1	91,657	94,946	12/1/08	
Community Dev. - Building Safety	Plan Checker	18241	1	74,628	80,352		
Community Dev. - Building Safety	Bldg Inspector	18241	1	61,250	63,455	7/1/09	
Community Dev. - Building Safety	Assistant Building Official	18241	1	101,781	103,694	4/1/07	
Public Works - SW	Solid Waste Operator	44445	1	67,529	69,556	SW	
				484,074	502,366		
			52				



INTEROFFICE MEMORANDUM

Date: January 25, 2012
To: Steve Salomon, City Manager
From: Colleen Mestas, Chief of Police
Subject: Reductions Since 2007

Below, are reductions in staffing the Visalia Police Department has had since 2007:

- Reduced sworn positions by seven (7) in the General Fund
- Reduced six (6) Measure T positions
 - Moved three (3) to General Fund
 - Froze three (3)
- Cut four (4) Youth Services Officers from middle school campuses
- Cut PAL by one (1) full- time Community Services Officer position and eliminated one (1) part-time position
- Froze the following civilian positions:
 - One (1) part-time Background Investigator
 - Two (2) part-time Crime Analysis positions
 - One (1) full-time Community Services Officer (Patrol)

If you need further information, please contact me.

CM/cm

Visalia Fire Department

MEMORANDUM

Date: January 26, 2012

To: Eric Frost, Administrative Services Manager

From: Mark Nelson, Fire Chief

Re: Sustainability of Infrastructure and Programs for 2012 Council Retreat

Elimination of two administrative Battalion Chief positions in 2009; loss of a Fire Marshal and Operations Chief. Fire Chief and remaining shift Battalion Chiefs absorbed the workload

Elimination of hydrant maintenance program in 2009; over 3000 hydrants now serviced by Cal Water (when available)

Elimination of Priority III EMS calls for service, a reduction in 1400 incidents

An increase in fire inspections from 96 in 2008 to 4500 in 2011

An increase in weed abatement cases from 929 (\$60,653 in revenues) of cases started in 2008 to 1060 (\$204,509 in revenues) of cases started and closed in 2011

An increase in calls for emergency service from 10,443 in 2008 to 11,241 in 2011

Closed Fire Station 53 and relocated station 53 personnel to the new fire station; Station 55, in the northwest area of the City. While this improved coverage in the northwest it reduced coverage in the southwest portion of the City as well as reducing airport coverage standards.

City of Visalia

Memo



To: Steve Salomon, City Manager
Eric Frost, Administrative Services Director

From: Renee Nagel, Interim Public Works Director

Date: February 3, 2012

Re: Street Maintenance Levels

Streets one of the largest capital asset owned by the City. The City has approximately 524 miles of paved streets that are used daily to travel to work, to school, to the supermarket, to parks, and for other necessities. Smooth safe streets help ensure that goods and people can move efficiently throughout Visalia and provide comfort, safety, and lower vehicle operating costs.

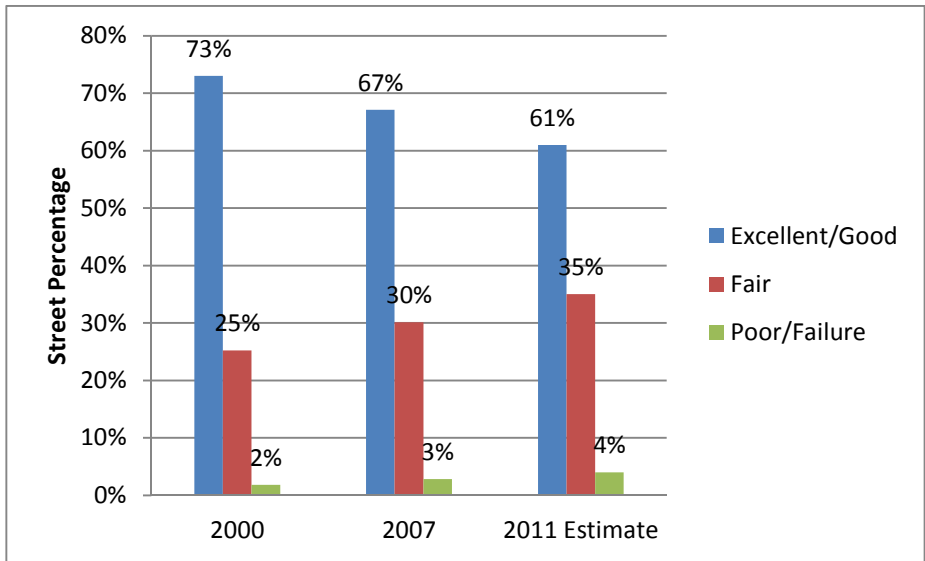
Unfortunately, pavement deteriorates over time as weather wears down the top surface, repeated pressures of vehicle loading (especially from trucks and buses) wears down the underlying pavement structure, and as the ground beneath the pavement settles. As streets deteriorate into poor condition, vehicles suffer accelerated wear and tear, increased time and money spent at a mechanic, as well as increased fuel consumption and tire replacement. To preserve the community's and our assets, the City must perform maintenance on a regular basis.

Visalia's Street Condition

The last Pavement Management Analysis report was completed in 2007. A physical inspection of the streets were done and a report prepared that rated each streets condition based on pavement distress such as cracking, rutting, raveling, potholes, etc. Each street is assigned a number that falls within categories such as Excellent, Good, Fair, Poor, and Failure.

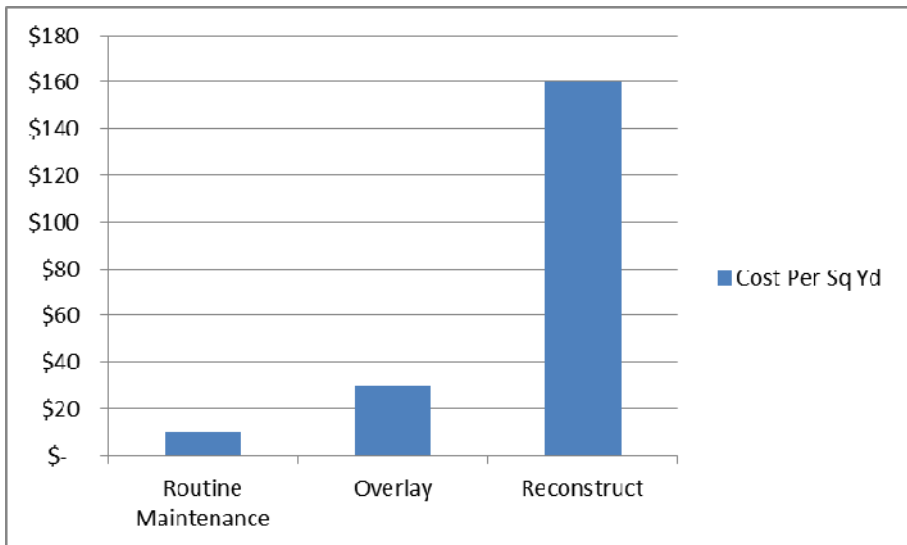
Visalia's streets are in fairly good condition. Chart 1 – Street Condition Comparison shows 61% of streets are in excellent or good condition. However, there is a cause for concern with 35% of the streets in fair condition and 4% in poor or failure condition. This means many streets will likely become reconstruction candidates in the next five or ten years.

Chart 1 – Street Condition Comparison



Reconstructing a failed street can be more expensive than a routine maintenance program. If streets can remain in good condition, we can maximize the use of limited dollars. For instance, routine maintenance and surface treatments can be implemented for as little as \$7-\$10 a square yard. This can increase dramatically to \$25-\$30 a square yard to overlay the street with new asphalt, and up to \$150-\$160 a square yard if the street is allowed to completely crumble, therefore needing to be reconstructed. Chart 2 – Cost To Maintain Streets, shows the cost to reconstruct a street is ten times more than routine maintenance. The worse the pavement condition, the more expensive it is to repair.

Chart 2 – Cost To Maintain Streets



Street & Traffic Maintenance

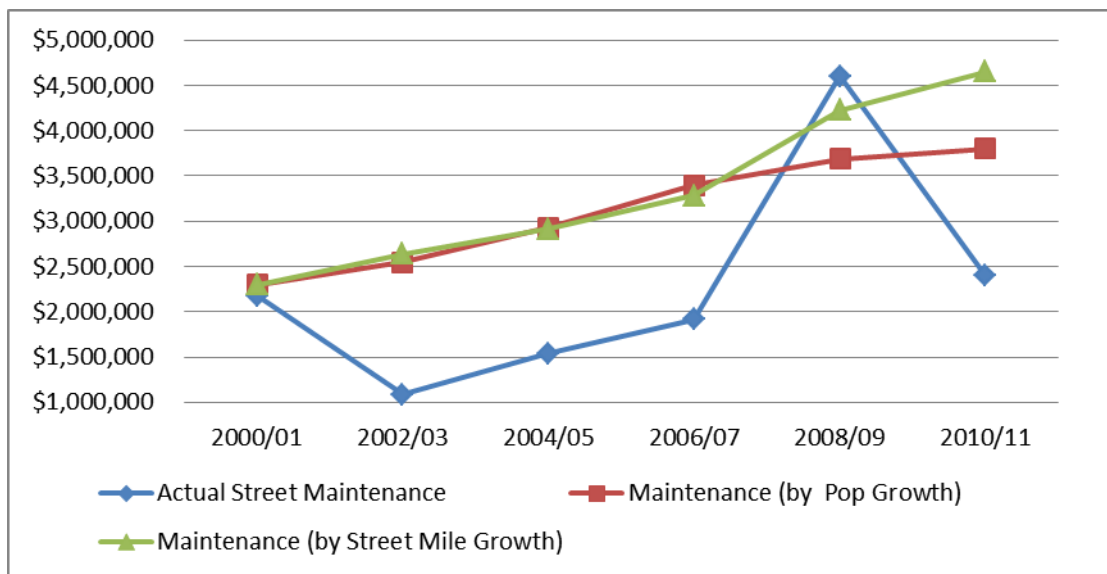
The City's Street and Traffic Maintenance Divisions are responsible for the maintenance of paved streets, medians, traffic signals, street lights, and street signs. Majority of the maintenance is performed by contractors hired by the City. Small maintenance jobs and emergency work is performed by the City, consisting of eleven full time employees.

Over the last ten years, Visalia's population has grown by approximately 32,000 (7%) and streets miles by 206 (36%). Street maintenance costs in that same time span grew by \$200,000 (10%) as shown in Table 1 – Street Maintenance Expenditures Comparison. Based on the population, street mile growth and inflation; street maintenance should have grown by \$1.5M-\$2.4M to a total maintenance cost of \$3.8M -\$4.6M for FY 10/11.

Table 1 – Street Maintenance Cost Comparison

Actuals	2000/01	2002/03	2004/05	2006/07	2008/09	2010/11	Growth from 00/01
Population	93,627	99,474	107,268	117,138	123,670	125,770	7%
Street Miles	318	350	363	384	483	524	36%
Actual Street Maintenance Expenditures	\$2.2M	\$1.1M	\$1.5M	\$1.9M	\$4.6M	\$2.4M	10%
Estimated Street Maintenance Cost*							
Maintenance (by Pop. Growth)	\$2.3M	\$2.5M	\$2.9M	\$3.4M	\$3.7M	\$3.8M	65%
Maintenance (by Street Mile Growth)	\$2.3M	\$2.6M	\$2.9M	\$3.3M	\$4.2M	\$4.6M	102%
* Note - Estimated Street Maintenance Cost includes inflation.							

Chart 3 – Street Maintenance Growth Comparison



Note FY 08/09 Council approved staff to operate 2 Street crews. Streets had begun the process of replacing equipment to meet the State On-Road Rule and requested to operate for a year with two sets of equipment before they had to be sold.

Street Maintenance Funding

Historically, City streets have been maintained by State Gas Tax funds, Motor Vehicle In-Lieu funds, and State Traffic Congestion Relief funds. Today, the only funds used for maintenance is Gas Tax funds. Motor vehicle In-Lieu funds have been redirected by the State and are being used to fund the State COPS Grant and the State Traffic Congestion Relief Program has ended.

Several years ago, street maintenance was added to new Landscape and Lighting (L&L) districts. The City has a total of 15,100 parcels in the L&L districts and 2,860 parcels pay for street maintenance. The money collected in each district is restricted and can only be used for that district. The L&L districts, over the last five years, have collected \$920,000 for street maintenance. Next year, the first district will be scheduled for maintenance. The 19% of parcels that pay for street maintenance will help with maintaining streets in the L&L districts.

Other money that can be used for street maintenance is General Fund and Measure R Local funds. Over the last 5 year the General Fund has struggled to balance its budget and has shifted \$716,000 of its electrical costs for street lights/signals to the Gas Tax Fund. Measure R Local money is used for new construction projects (streets & traffic signals) and design/ROW costs for Measure R Regional projects.

With limited amount of funds available, the community is better served by spending the same amount of money maintaining a greater amount of streets miles, than completely reconstructing a smaller number of streets and having our entire street system to begin to fail.

Having funds for street maintenance is a problem that not only Visalia is having to deal with but other Cities and Counties. Some Cities have passed a utility user tax to specifically fund street maintenance. Another option is obtaining a loan for preventive maintenance and use funds saved by not reconstructing streets to pay back the loan. At this time staff is not making a recommendation and will continue to search for ways to maintain streets and search for alternative funding sources.

City of Visalia Agenda Item Transmittal

Meeting Date: January 30, 2012

Agenda Item Number (Assigned by City Clerk):

Agenda Item Wording: Budget Update and Forecast

Deadline for Action: None

Submitting Department: Administrative Services

Contact Name and Phone Number:

Department Recommendation: Accept the Budget Update Report

Summary/background: The Finance Department has prepared a preliminary forecast of the General Fund to assist Council as they deliberate the development of next year's two year budget.

Recent Budget Actions. To put the budget forecast in context, consider the following:

- The City's budget can be divided into three parts:
 - General Fund – most basic services such as police and fire;
 - Special Revenue Funds – revenues dedicated to a specific purpose, mainly for capital projects; and,
 - Enterprise Funds – the City businesses of solid waste, sewer, transit, airport, convention center, baseball and building safety.
- Of these three parts of the budget, the most impacted portion has been the General Fund. The Enterprises have not been greatly impacted by the recession and the special revenue funds have largely been able to adjust their spending to the new, lower revenue flows with the notable exception of Redevelopment.
- The General Fund has been impacted as shown by:

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

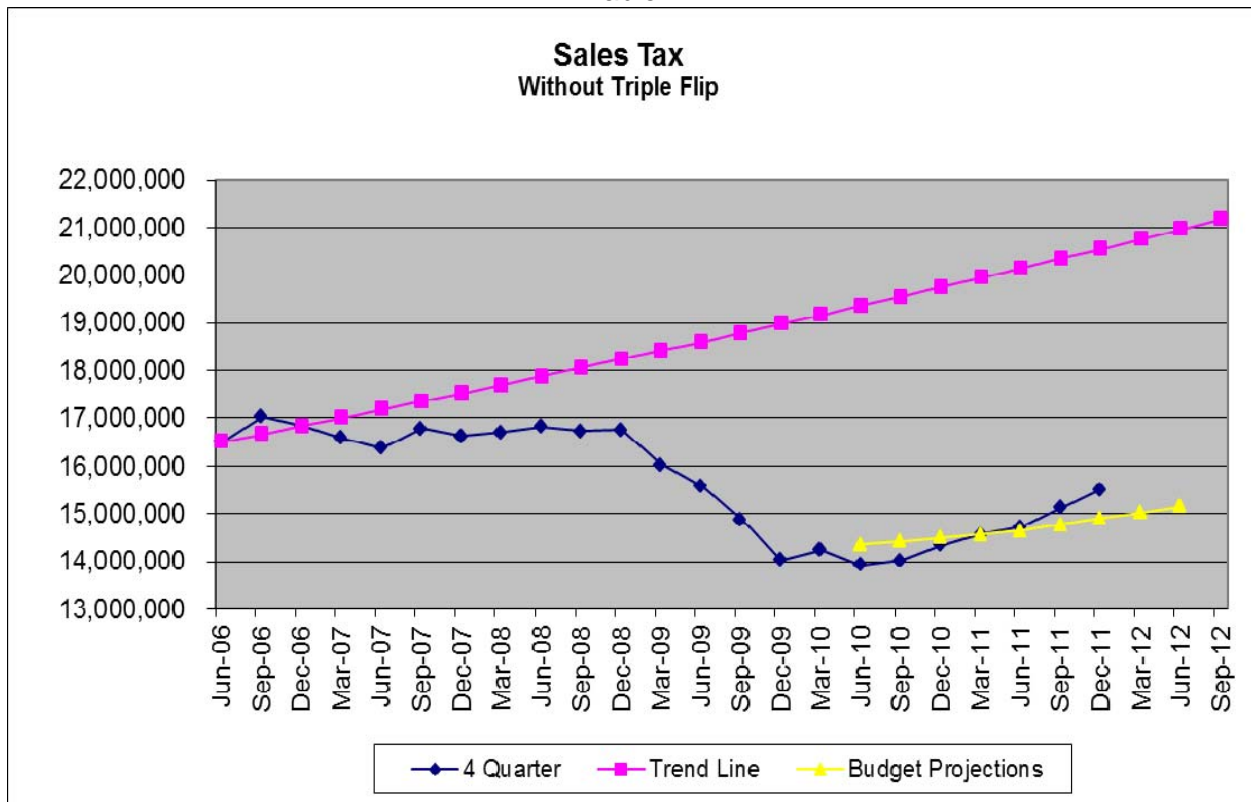
City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

- The General Fund Reserve has dropped from a policy target of 25% of expenditures to 9.5% of expenditures as of 6/30/11.
- Over the last 4 years, some 40 positions have been deleted.
- Employees have taken a 4% compensation reduction of one type or another.
- The City has implemented a new, lower cost pension tier for all new employees hired after May of 2011.
- The City's contribution to retiree health care is being phased out over 7 years.

Current Economic Indications. Sales tax is the number one revenue for the City's General Fund. It is also the revenue which responds most quickly to changes in economic activity. The good news is that some improvement is beginning to be seen in the City's tax revenues. Table I, Sales Tax, shows the 4 quarter moving average of sales tax. Since September of 2010, the average has been improving. The bad news is that the difference from the long term trend line is \$5 million and the City's sales tax receipts are still below the September of 2006 peak.

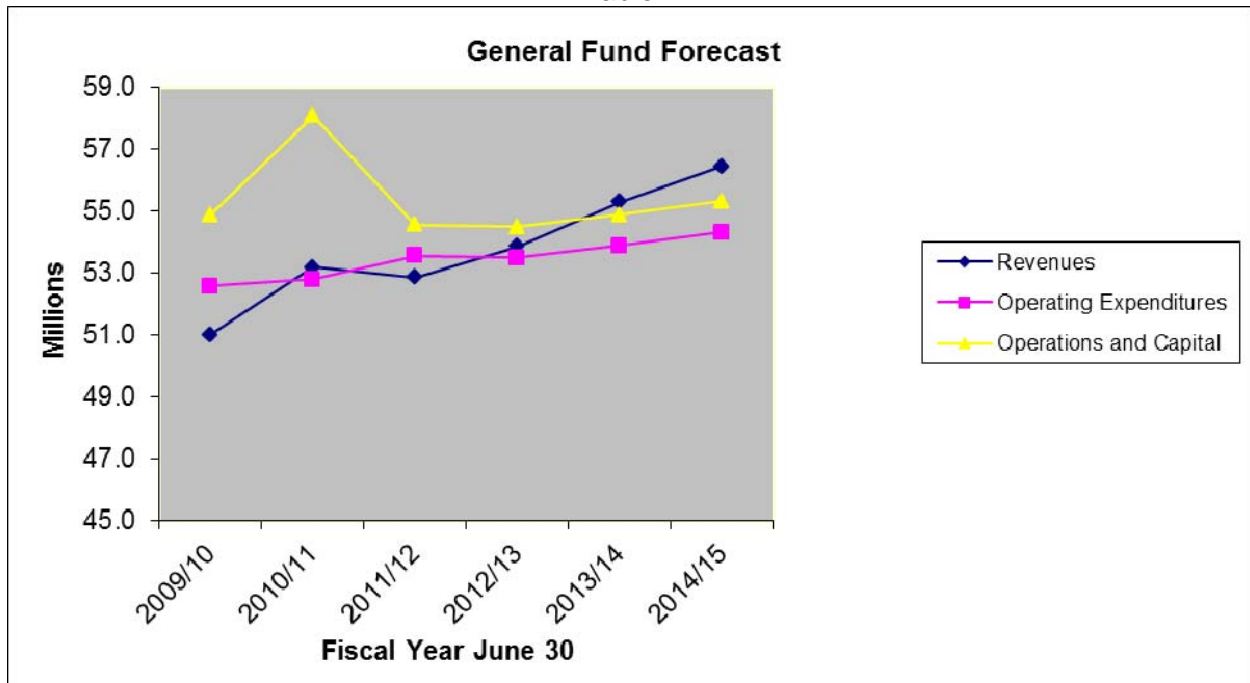
Table I



General Fund Forecast. In looking forward, staff has prepared a General Fund forecast of expenditures and revenues for the next three years. This forecast shows a continued General Fund deficit for this and next year, keeping current spending at the same level. Finally, in FY 2013/14, the General Fund shows a modest \$400,000 surplus of revenues over expenditures, as shown in Table II, General Fund Forecast.

It is important to note that the forecast is based solely on the General Fund without any of the Council's designated reserve sub-funds. For example, the Council's reserve for Civic Center development is not included in this forecast. The complete forecast model is attachment #1,

Table II



The forecast does address a number of capital and operational issues that Council has directed staff to work on, namely:

- The debt service for building an animal shelter (approximately \$400,000 a year)
- The debt service for a dispatch center (approximately \$1.7 million a year)
- A contribution to replenish the General Fund reserve which stands at 9.5% when the Council's policy is to have the reserve be 25% of General Fund expenditures.
- No allowance for any pay increases (a 1% pay increases costs about \$400,000 a year)

Redevelopment. The biggest emerging issue with the State of California's budget for Visalia is the demise of Redevelopment. As of February 1, 2012, Redevelopment in California will end. The Agency will pass its \$21.2 million of debt to the successor agency, which in Visalia's case will be the City. An oversight board will be created to approve the repayment of the debt. As of February 1, 2012, all assets of the Agency pass to the successor agency. The successor agency may only act upon approval of an oversight board made up of the following members:

1. One member appointed by the county board of supervisors;
2. One member appointed by the mayor for the city that created the redevelopment agency;
3. One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the redevelopment agency that is eligible to receive property tax revenues pursuant to Section 34188.;

4. One member appointed by the county superintendent of education (TCOE);
5. One member appointed by the Chancellor of the California Community Colleges (to represent COS);
6. One member of the public appointed by the county board of supervisors; and,
7. One member representing the employees of the former redevelopment agency appointed by the mayor from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.

The City has multiple concerns about the wind down of the Redevelopment Agency. Not the least of which will be what economic development tool will be available to the City in the future. For example, redevelopment has been very helpful in the City's downtown in contributing to parking structures, helping assemble land and paying for needed infrastructure. However, an immediate concern will be the State's invalidation of \$6.8 million in Redevelopment debt between the City and the Redevelopment Agency. The monies were advanced to Redevelopment which was legal at the time the monies were advanced. To now invalidate the transactions appears inappropriate on many levels. This development the City will be closely following.

Summary

The City is emerging from some very difficult times. It would be nice to say that the difficult times are over. However, the forecast is for at least another year of tight budgets in which operations should work to rein in costs until revenues improve.

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives:

Attachments: #1 General Fund Forecast

Recommended Motion (and Alternative Motions if expected): That the Council and Boards receive this report.

Environmental Assessment Status

CEQA Review:

NEPA Review:

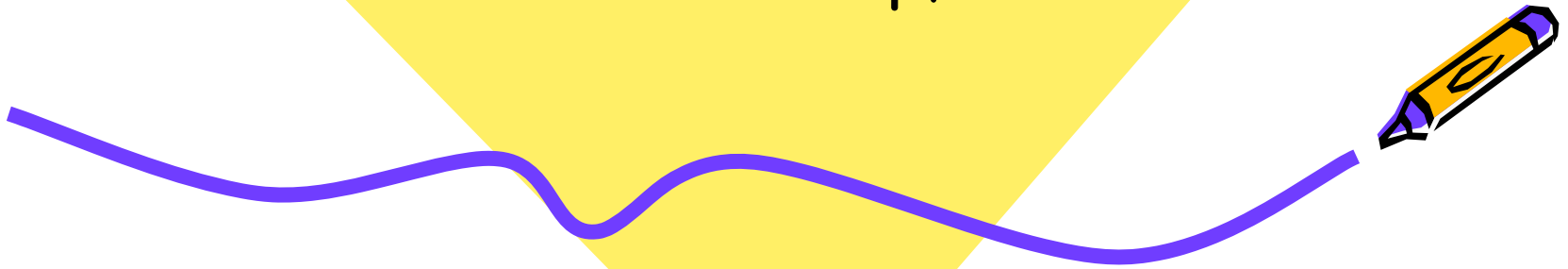
Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

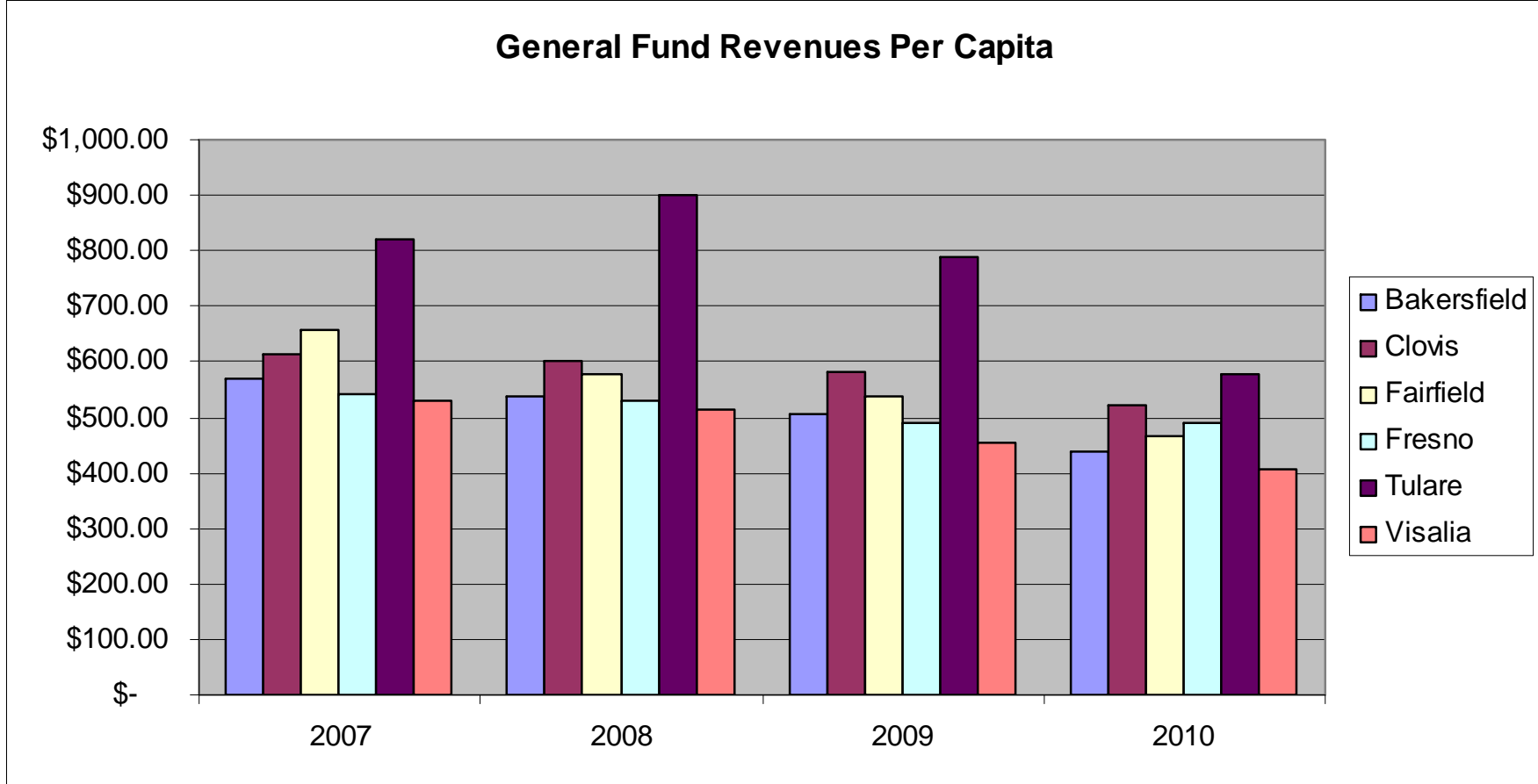
Copies of this report have been provided to:



City of Visalia
General Fund Revenues

Council Workshop, 2012

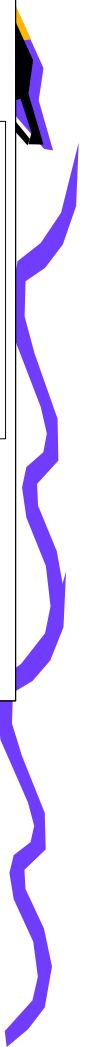




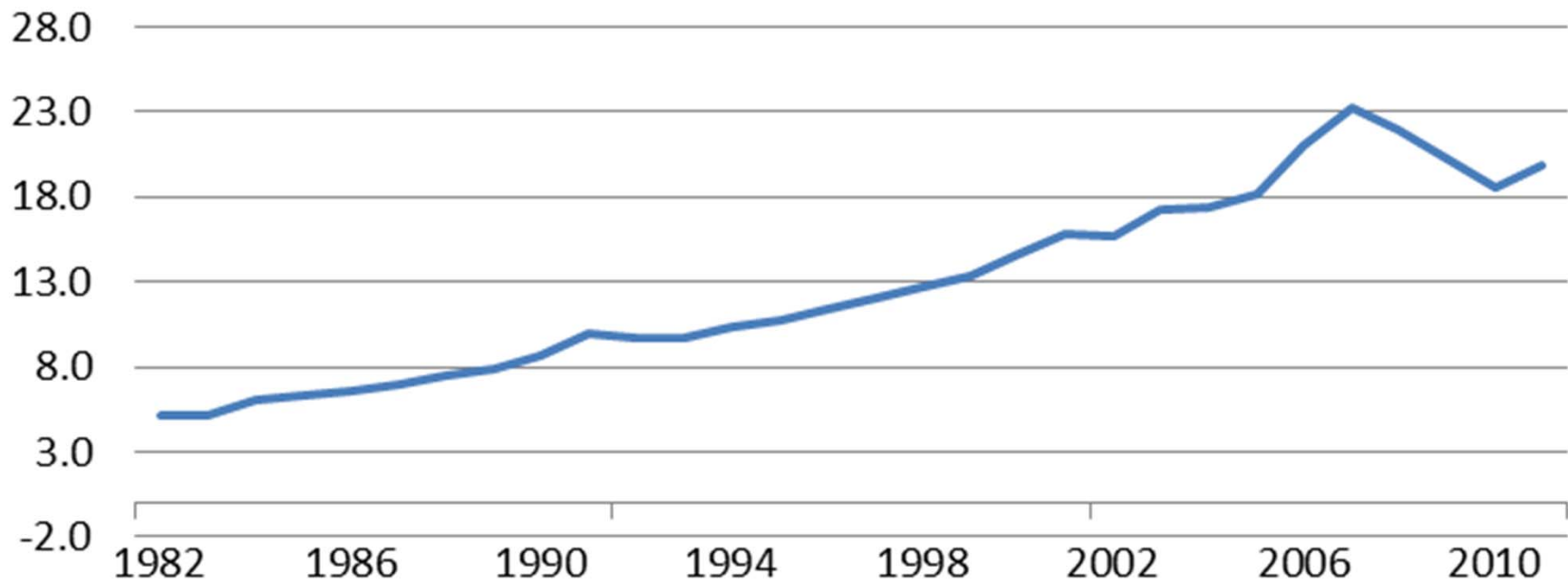
Note: Fresno data estimated for 2010.



Visalia's General Fund Revenues Per Capita trails other governments



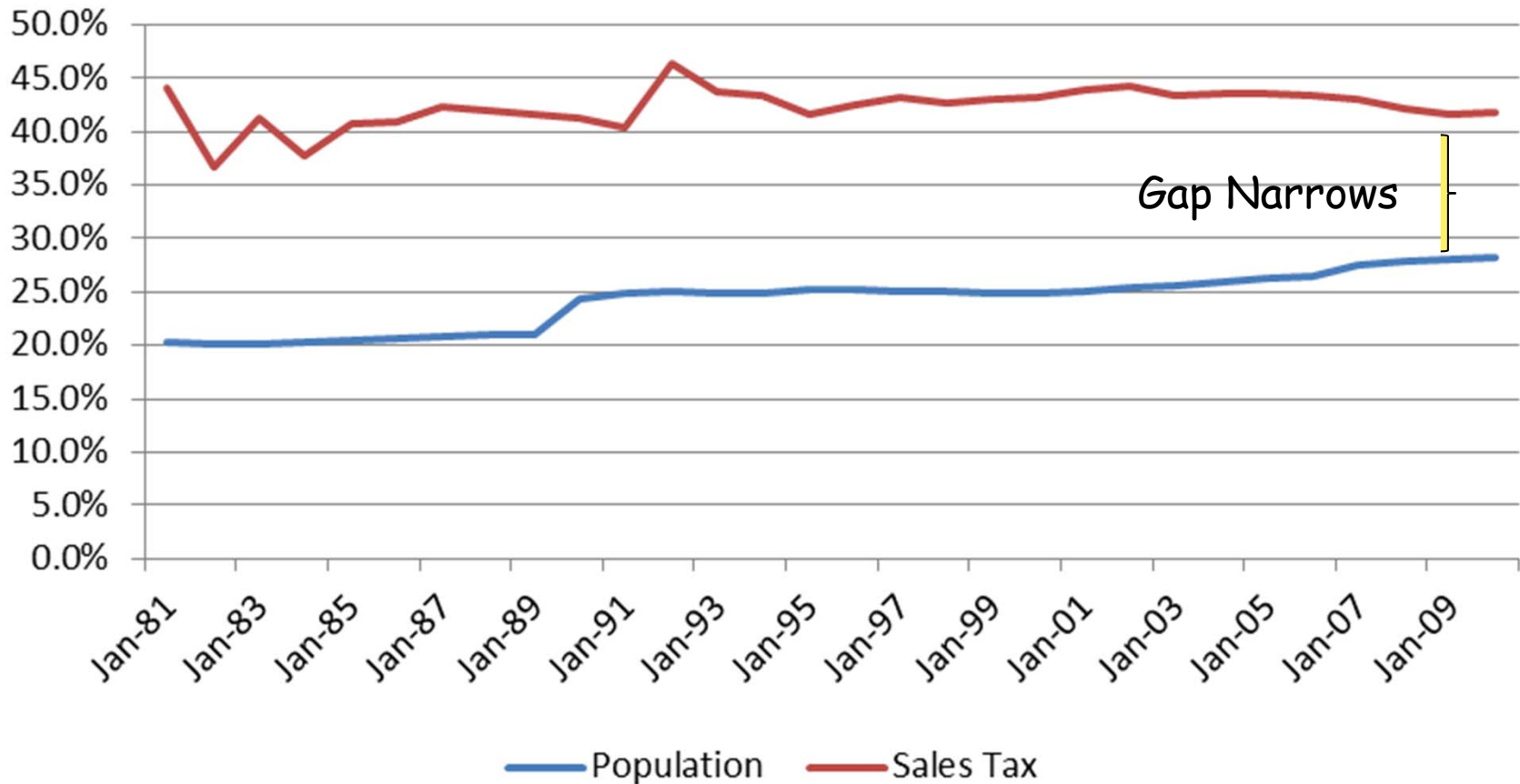
Visalia Sales Tax in Millions 1983 to 2011



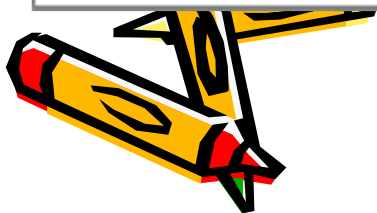
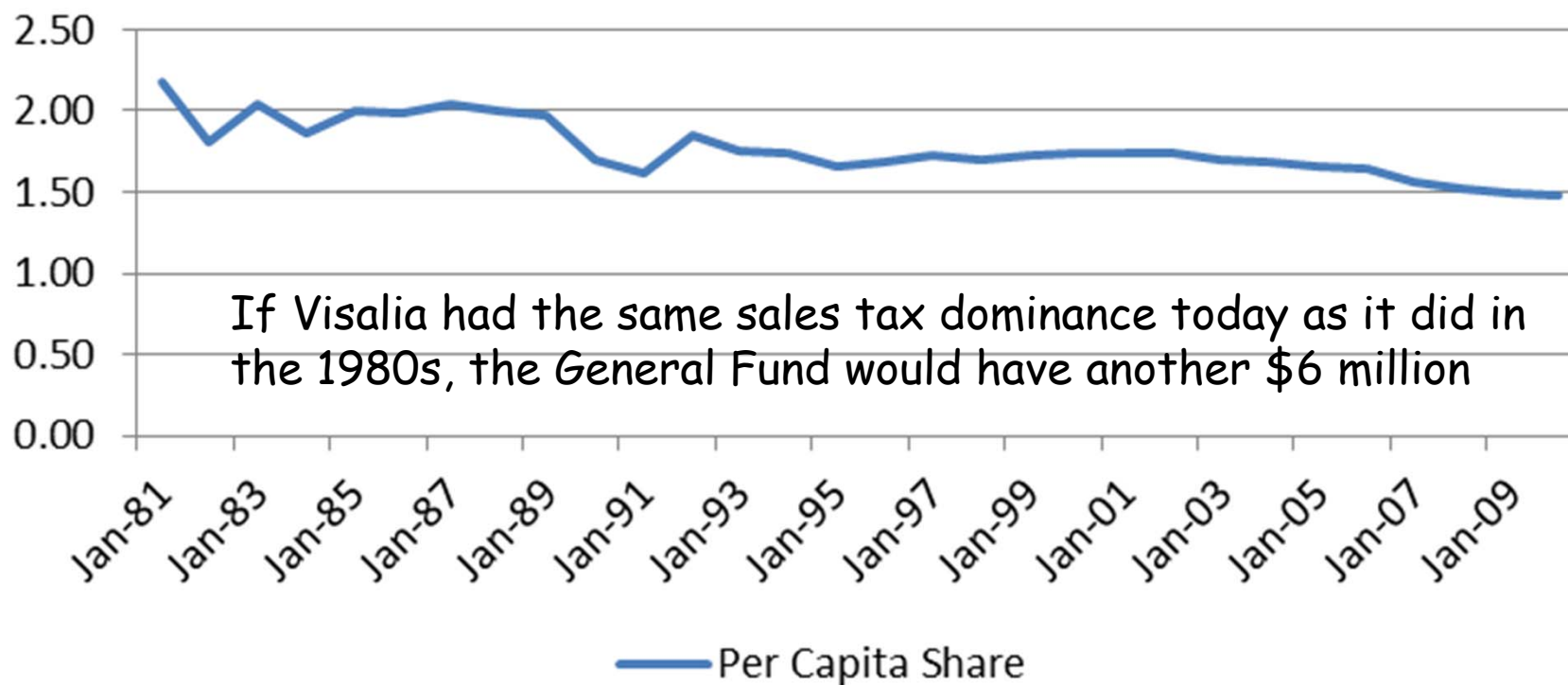
— Visalia Sales Tax



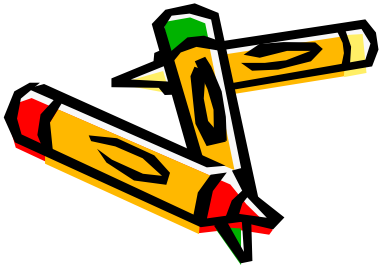
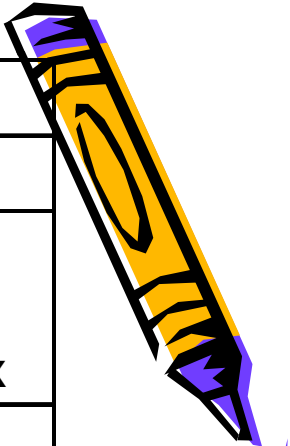
Visalia's Share of Tulare County's Sales Tax and Population



Visalia's Sales Tax Per Capita Share of the Average \$1 Share



Cities in Tulare County				
Varied Tax Bases				
	Share of 1% Property Tax Rate	Sales Tax Override	Utility Users Tax Rate	TOT tax
Dinuba	18.79%	0.75%	7%	10%
Exeter	15.32%	<u>None</u>	5%	4%
Farmersville	11.81%	0.50%	<u>None</u>	<u>None</u>
Lindsay	14.79%	0.50%	6%	15%
Porterville	11.80%	0.50%	6%	8%
Tulare	14.09%	0.50%	6%	10%
Visalia	<u>11.57%</u>	0.25%	<u>None</u>	10%
Woodlake	15.76%	<u>None</u>	6%	<u>None</u>



Visalia has a more narrow tax base than other cities

Revenue Changes

- 1992 and 1993, the State takes local government property tax
 - Visalia loses \$3 million a year in property taxes
 - 6 out of 8 Tulare County cities respond by imposing a Utility Users Tax
 - A 6% UUT would raise \$10 million for Visalia
 - In 1992, passed by City Councils.
Now requires City-wide vote



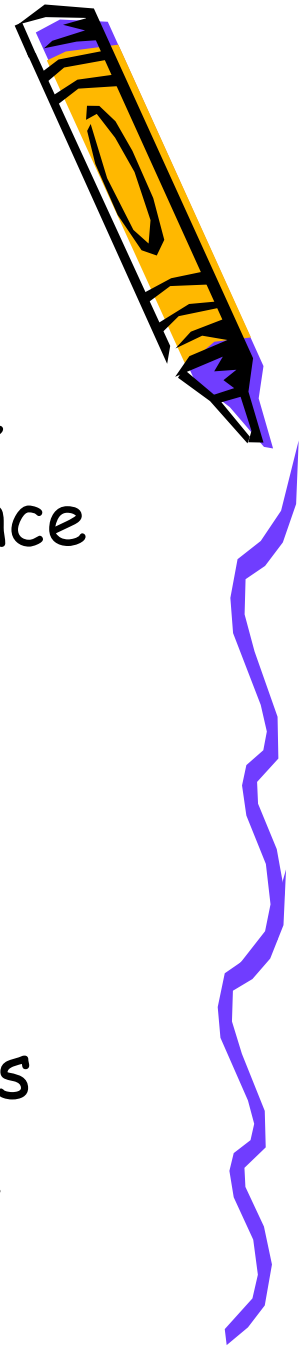
Revenue Changes

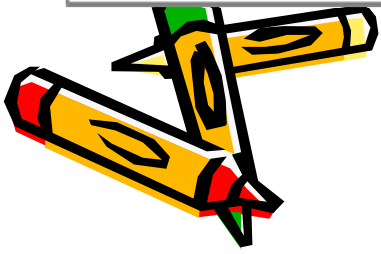
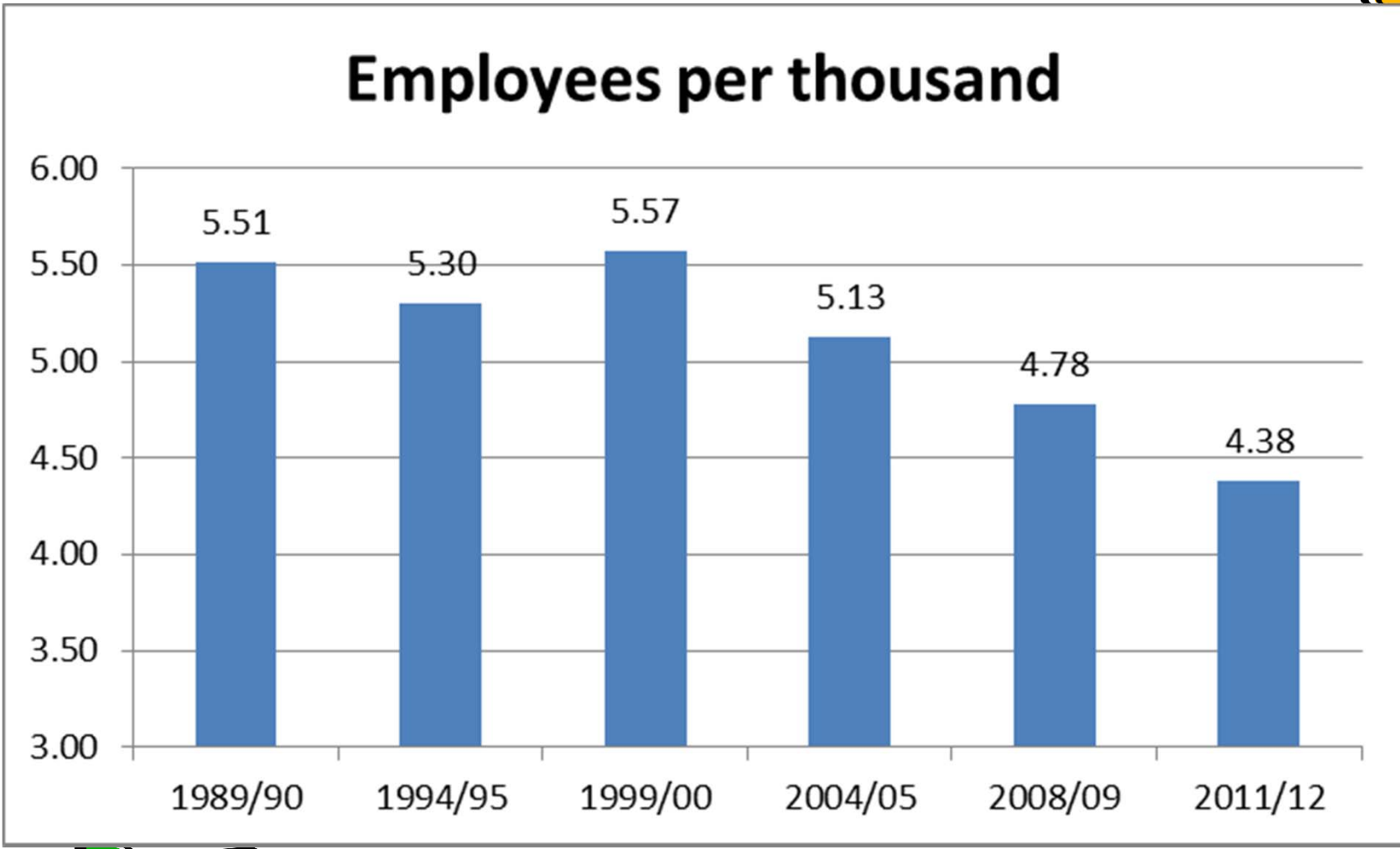
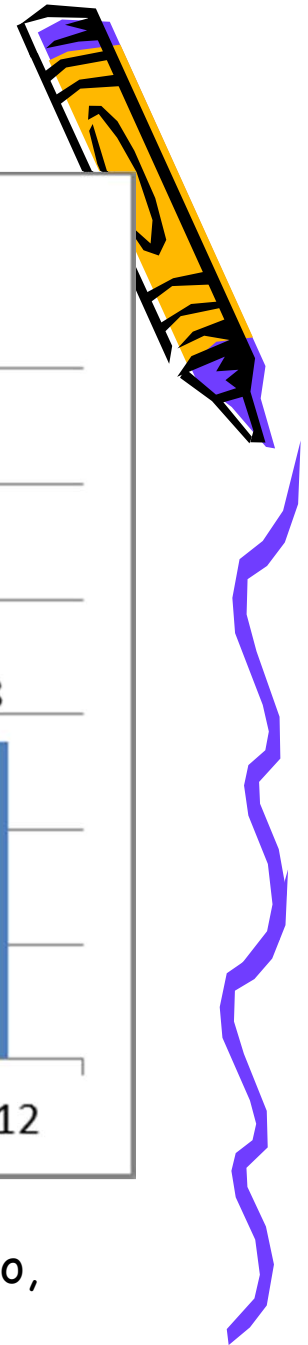
- 2004 Visalia pioneers a local option Sales Tax for operations at $\frac{1}{4}$ percent
 - Later, 5 other Tulare County cities adopt not a $\frac{1}{4}$ cent sales tax but either $\frac{1}{2}$ or $\frac{3}{4}$ percent tax
 - Another $\frac{1}{4}$ cent tax would raise \$5 million for Visalia



Revenue Issues

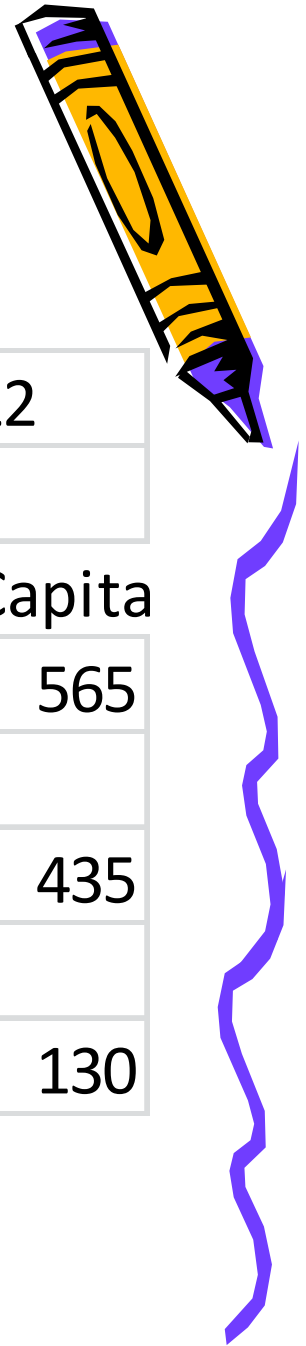
- Annual Losses:
 - \$3.2 mm Property Tax take by State
 - \$6 million in loss in sales tax dominance compared to the 1980s
- Replacements not sought
 - \$10 million in UTT
 - \$5 million in lower sales tax overrides
- (City pioneered the legislation at $\frac{1}{4}$ cent. Legislature allowed up to 1% later.)





If Visalia had the same worker ratio as 20 years ago, the City would have 120 more workers

Visalia vs Tulare

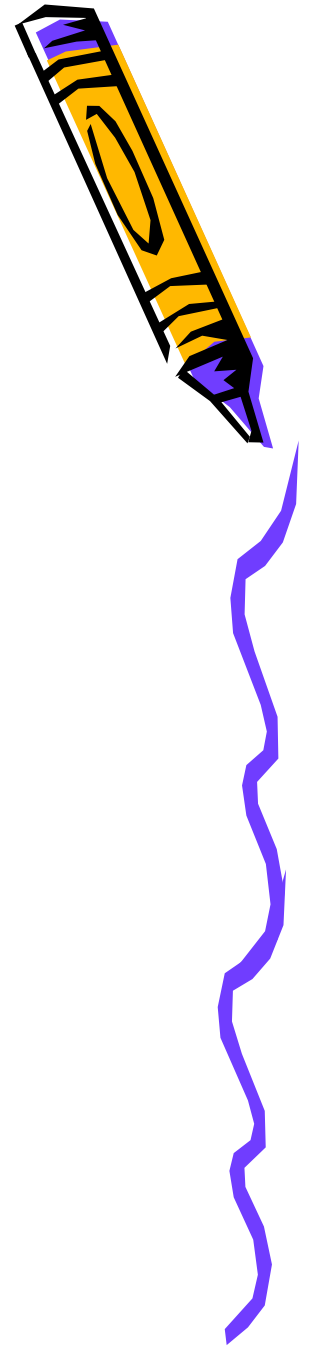


Average General Fund Spending Per Captia FY 2011/12					
	Population		GF Revenues		Per Capita
Tulare	59,089		33,379,000		565
Visalia	125,770		54,660,000		435
			Difference		130



Why the Gap: Revenues

Annual Per Capita Cost Of Revenue Alternatives	
1/4 Sales Tax	27
UUT @ 3%	40
yields about \$5mm	



Things to remember

1. Visalia's historical sales tax dominance has faded
2. With increasing emphasis on internet sales,
 - new solution will probably be on a per capita basis,
 - regaining sales tax dominance is unlikely
3. Other governments have a broader tax base:
 - Utility Users tax
 - Higher sales tax override
 - Higher property tax share
4. Other Local Governments are now receiving more per capita than Visalia



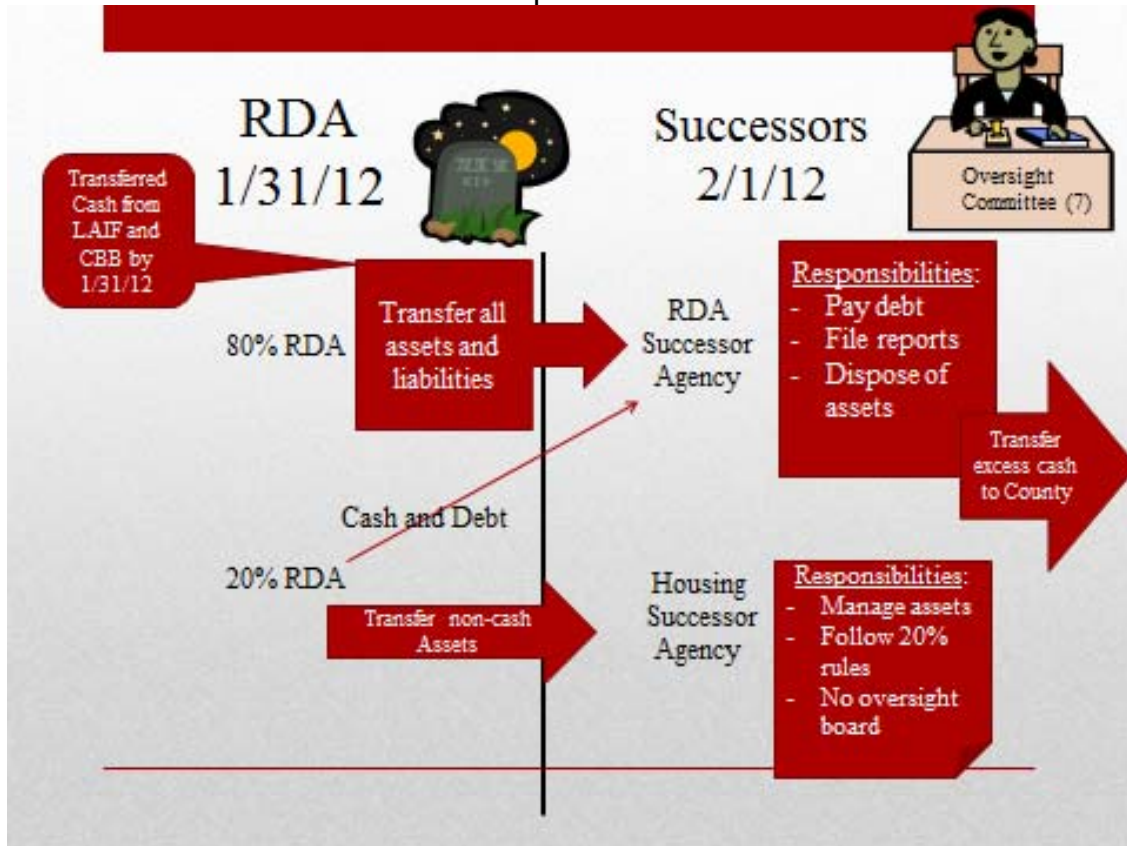
MEMORANDUM

DATE: 02/02/2012
TO: Steve S. Salomon, City Manager
FROM: Eric Frost, Administrative Services Director
SUBJECT: Redevelopment Status – Successor Agencies

As of midnight on January 31, 2012, Redevelopment in California died. The City of Visalia is now the executor of Visalia's Redevelopment's the estate.

State law ABx1 26 upheld by the California Supreme Court dissolving redevelopment in California. The City has accepted the task of being the successor agency of Visalia's redevelopment and now must exercise that role. Chart I, Redevelopment's Death, shows what to expect as we process the wind down of redevelopment.

Chart I
Redevelopment's Death



Redevelopment has been split into two parts, the 80% portion that conducted most redevelopment activities and the 20% housing portion. The two parts each have a successor agency to handle the disposition the redevelopment.

80% RDA Successor Agency. At the City Council's January 17, 2012 Council meeting, the Council approved the action for the City to be the successor agency to redevelopment. As a 2/1/2012, all 80% RDA assets and liabilities are to be transferred to the RDA Successor Agency. In addition, the cash and debt from the 20% RDA are also to be transferred to the RDA Successor Agency. As a result, the successor agency must now begin exercising its duties of:

- Paying debt,
- Disposing of assets; and,
- Making reports.

Before the end of this fiscal year, the RDA Successor Agency is to provide to the County Auditor/Controller the following:

By March 1, 2012

- a Recognized Obligation Payment Schedule (ROPS) which will be used to pay annual debt service ;
- copies documents showing required pass through payments for the period of July 1, 2011 to June 30, 2012;
- copies of all former negotiated RDA pass through agreements;
- copies of all official bond documents;

By May 1, 2012

- a resolution naming the new oversight board. This board will review the payments that the City says will need to be made each year, giving their approval to the ROPS. The County will then remit to the City property tax monies from the old RDA to make the payments.

By July 1, 2012

- administrative budgets for the City's successor agency, approved by City Council and oversight board and submitted to the County Auditor/Controller.
- excess cash from the 80% RDA Successor Agency to the County Auditor/Controller.

The immediate issue will be to develop our ROPS, which will look much like the long-term debt statement as of 6/30/11 as shown below in Table I, RDA Loans:

Table I

RDA Loans	Balance June 30, 2011
2003 East Visalia TARB 2%-4.375%	<u>\$ 3,530,000</u>
East Visalia General Fund Advance	3,416,649
2003 Downtown Stockmen's Bank Loan	911,023
2004 Central & Mooney Notes Payables, 4.300%	3,699,593
2007 Mooney Citizens Bank Loan	6,244,700
2009 Central General Fund Loan	<u>3,420,928</u>
	<u><u>\$21,222,893</u></u>

The several concerns that City has in regards to the Successor RDA are:

1. **Invalidation of City to Agency Loans.** AB 1x 26 states that loans between the City and its Redevelopment Agency are invalidated. This appears contrary to contract law which allows legal entities to make loan agreements. If these agreements are not recognized, staff would recommend seeking judicial relief.
2. **Clawback provisions in AB 1x 26.** The state law allows all actions taken by the Agency to be subject to review from 1/1/2011 to present. Thus actions which AB 1x 26 made invalid are now being applied retroactively to prior agency actions. Such actions should be contested.
3. **Creation of the oversight board.** The successor agency may only act upon approval of an oversight board made up of the following members:

1. One member appointed by the county board of supervisors;
2. One member appointed by the mayor for the city that created the redevelopment agency;
3. One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction off the redevelopment agency that is eligible to receive property tax revenues pursuant to Section 34188. This member will be from Kaweah Water Conservation District;
4. One member appointed by the county superintendent of education (TCOE, although this could be someone from VUSD);
5. One member appointed by the Chancellor of the California Community Colleges (this could be a someone from COS);
6. One member of the public appointed by the county board of supervisors; and,
7. One member representing the employees of the former redevelopment agency appointed by the mayor from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.

Staff will be sending letters shortly to these agencies requesting board members and the matter will be present to Council to select their representatives.

20% Housing Successor Agency. The City also designated itself as the successor agency for the non-cash housing assets. There are less than 10 housing parcels that the City has acquired over the years related to housing. In addition, the City has sometimes used 20% RDA assets to assist in loans to housing projects, in exchange for receiving any residual receipts the housing agency might collect each year. The cash flow from residual receipts was \$40,000 last fiscal year, but only \$20,000 the previous year. Thus, the responsibilities of the Successor Housing Agency are to:

- Manage the assets of the 20% RDA; and,
- Manage the assets according to 20% RDA rules – (maintaining affordability covenants, for example.)

There is not an oversight committee for this agency. As a result, the City Council is the housing successor agency's board. Nevertheless, there are relatively few assets which will remain with the Housing Successor Agency because all cash is transferred to the RDA Successor agency.

Summary

RDA has died. The executors of the RDA estate are the RDA Successor Agency and the Housing Successor Agency. Most of the action will be with the RDA Successor Agency which will have an oversight board to review and approve its actions beyond the City Council. But the intent of the actions is to wind down all redevelopment activity and have tax increment return to the underlying taxing agencies.

MEMORANDUM

DATE: 01/31/2012

TO: Steve S. Salomon, City Manager

FROM: Eric Frost, Administrative Services Director

SUBJECT: Major Issues Meeting with Managers and Supervisors

On December 7, 2011, 45 managers and supervisors from all the City's departments met to discuss issues they perceived were facing Visalia. The exercise was somewhat free form because the intent was to understand the concerns of City managers and supervisors. Like the Public Opinion Survey, which essentially said that residents of Visalia want good police and fire services as well as well-maintained roads, the output of the exercise was to add to the Council's view of what is occurring in the City, but this time from the perspective of their managers.

The exercise was to brainstorm and identify for the City Council major issues the City Council might consider as they develop this next budget. The group brainstormed issues and then took 2 dots each and placed them by an issue that they were most concerned about.

The group ended the day by having each of 7 tables write up an action plan for how to improve the areas of concern.

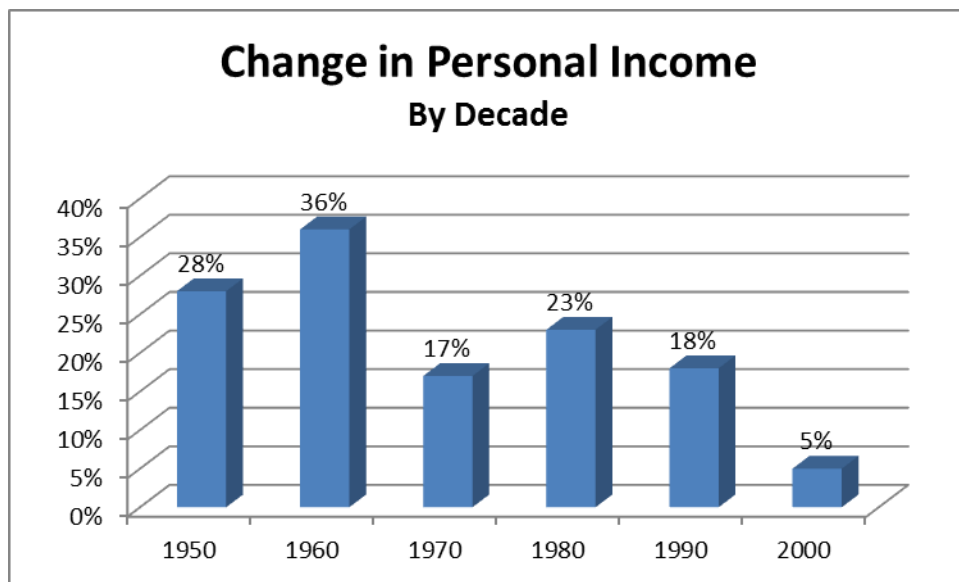
The feedback from this exercise was shared with the group and 30 members of the original group were able to review the information at a meeting on January 26, 2012. From the first meeting, it was evident that many this group did not understand how the City was funded. As part of the follow meeting, a presentation was made to educate these managers on City funding. In addition, the group was given some training on how to best use the City's purchasing procedures, another area identified by managers as being troublesome from the December meeting.

To complete the meeting on January 26, 2012, the group was given 4 dots each to vote on which action items they would recommend to Council for their consideration. The feedback from the meetings is attached. Three themes came out of the feedback from managers and supervisors, namely:

1. **Human Resources** - Employees are tired from 4 years of cutbacks;
2. **Sustainability** - There is concern about being able to sustain the services the City provides given the cutbacks that City has had to make; and,
3. **Better Tools** - If the City is to continue with limited staffing, employees need the best tools the City can afford to do their job.

Human Resources. Employees are tired from all the cutbacks. This feedback is understandable given that the City has been in a cutback mode for the last 4 years. Most people compare their situation to what occurred in their past. If they have had a difficult time personally, they personally feel battered. For City employees, their experience has been a decline in benefits and compensation. As a result, the feedback from managers and supervisors is honest; they feel less satisfied with their employment.

At the same time, what is happening to City of Visalia employees is what is happening to people everywhere. It has been a difficult 4 years. A chart published by the Wall Street Journal noted that this past decade saw the least personal income growth among Americans in the last 50 years as shown in Chart I, Change in Personal Income. City employees are no different than the populace at large.



Top 3 Potential Action Items:

- (16) Reinstatement of the Employee Gift Certificate Program to recognize those employees in different areas of the City that have gone above and beyond in their duties and want to be recognized by their supervisor(s).
 - Be consistent with requirements
 - This program should not be considered an entitlement
- (14) Evaluate current services that are provided throughout the City and additional staffing or possibly reduce the amount of services provided based on sustainability. The current services that are provided are at the capacity in relation to the amount of staff that is available to provide them.
- (10) Flex Schedule
 - 4 days/10 hours

- Coordination of the day off would still be covered by another employee
- Shift differential
 - Weekends, nights and midnight shifts

Sustainability. This theme is interesting because it focuses on the issue of a changed organization. Over the last four years, the City has shed over 60 positions and about \$10 million in cost out of a \$60 million General Fund. Although some services have been cut, most services have been left largely the same. The question is whether or not the City can continue to operate in the same manner. Managers and supervisors are suggesting that this assumption needs to be evaluated.

Top Three Action Items:

- (11) Develop a specific “Preventative Maintenance Plan” for all major infrastructure (e.g. buildings, streets, storm sewer, MIS items {software, etc.}, and miscellaneous equipment such as police radios) including budgeted funding for these costs.
- (5) Make this a Council priority, giving sustainability weight in the decision making process.
- (2) Require that sustainability be addressed in Council agenda items.

Better Tools. An unexpected theme that came out of the major issues exercise was a discussion on a need to make sure the employees the City has have good tools to work with. The discussion may have occurred because the City is in the midst of evaluating potential new software to replace the current financial software. But in any case, the group discussed this item.

Top Three Action Items:

- Most important issue: Establish Standards for each Department/Division – “Performance Based Budgeting”
 - (5) Communicate, prepare and plan for the amount of employees that there is to complete the tasks.
This will help with customer service by allowing staff a time frame to make sure work is complete. It should be reviewed annually to make sure that goals are realistic with the amount of staffing that is available. For instance, the Building Divisions determines that plans can be reviewed within 2 weeks and after an annual review, it is found that it is consistently taking 3 weeks with the number of current employees working diligently, the time frame may need to be adjusted

and the public advised when plans are submitted. This would give the public a clear view of the time frame they need to work within. The reverse of this would be that at the annual review if items are able to be completed faster than the established standard, and then other tasks that had previously not been addressed or addressed at a slower pace could be given a higher priority.

- (2) Analyze the information to prepare Department/Division standards and eliminate any inefficiency and prioritize services.
- (1) Self-Audit of the Department/Division to determine the amount of work that needs to be completed in what amount of time (i.e. issue permits, repair pothole, respond to 911 calls, conduct inspections, prepare staff report, etc.)

The exercise provided a window into the concerns of supervisors and managers and may be helpful in considering budget issues this next year. To the extent that action items were identified that do not cost money or change operational efficiency, City management will try to implement the suggestions.

Major Issues Identified – With Proposed Action Items
As submitted by COV Managers and Supervisors
At meetings on December 7th and January 26th

1. Human Resources (total of 43 “top two” votes)

- (21) Make Employees a priority!
- (8) Staffing
 - Additional staff
 - Better use of staffing
 - Taking care of who we have
 - Address Moral
 - Provide Training
 - Efficiency
 - Increase hours +1000
 - Hire full time vs. hourly
 - Allow flexing into full time position from hourly vs. recruitment lists
- (7) Employee Retention
 - Build Trust between the City and its employees
 - Invest in and support City employees
- (4) Deal with Problem Employees
- (2) Attitude/Transparency
 - See employees as an asset rather than a liability
- (1) Employee Recognition

Action Items for Human Resources (Total of 77 votes)

- Investing in Staff (*Subtotal of 24 votes below*)
 - (10) Flex Schedule
 - 4 days/10 hours
 - Coordination of the day off would still be covered by another employee
 - Shift differential
 - Weekends, nights and midnight shifts
 - (7) Reinstate 4% and COLA
 - Full time staff and hourly employees – COLA

- (5) Training
- (2) Internal department audit or review of tasks
 - Someone from another department may see a system or task in a new light, shorter, easier or less costly process
 - It allows other departments to learn about each other
 - Brings departments together
- Recognition (*Subtotal of 23 votes below*)
 - (16) Reinstate the Employee Gift Certificate Program to recognize those employees in different areas of the City that have gone above and beyond in their duties and want to be recognized by their supervisor(s).
 - Be consistent with requirements
 - This program should not be considered an entitlement
 - (6) Revive City family concept with CORE team events
 - (1) Monetary with either the employee certificate of appreciation and/or a small cost of living raise of 1%
- (14) Evaluate current services that are provided throughout the City and additional staffing or possible reduce the amount of services provided based on sustainability. The current services that are provided are at the capacity in relation to the amount of staff that is available to provide them.
- (5) Acknowledge there are inherent differences between public and private sector
- (3) Give Resources and tools to employees
 - Physical tools based upon the department needs
 - Financial System
 - CAD system
 - Time Clock
 - Stromberg – All Employees from all departments utilize this system (consistency)
- (3) Analyze the information to prepare Department/Division standards and eliminate any inefficiency and prioritize services
- (2) Communicate, prepare and plan for the amount of employees that there is to complete the tasks.
- (1) Provide equitable treatment of all employee Groups and not furlough Convention Center staff due to certain political or personal agendas.
- (1) Increase the allowable hours for hourly employees; if this is not allowed, convert hourly employees to full-time employees.
- (1) Re-establish/revise hiring standards.

2. Sustainability (a total of 29 “top two” votes)

- (22) Sustainability
 - All Resources
 - Maintenance Program
 - New CIP
 - Existing Projects and Programs
 - Establish Service Standards and Budget Accordingly

- (5) Strategic Planning
 - Project & Operation Priorities
 - Adherence to Priorities
 - Avoid “Pet” Projects

- (2) Quality VS Quantity

Action Items for Sustainability (Total of 19 votes)

- (11) Develop a specific “Preventative Maintenance Plan” for all major infrastructure (e.g. buildings, streets, storm sewer, MIS items {software, etc.}, and miscellaneous equipment such as police radios) including budgeted funding for these costs.

- (5) Make this a Council priority, giving sustainability weight in the decision making process.

- (2) Require that sustainability be addressed in Council agenda items.

- (1) Be willing to reject project/expenditures that are not sustainable, even when it means turning down a grant.

3. Better Tools (a total of 20 “top two” votes)

- (11) Analytical Tools/Resources - Better Technology
 - Increase Efficiencies
 - Facilities
 - Impact of Staff Resources

- (6) User Friendly Financial System

- (3) Internal Audit Committee (Cross Department)

Action Items for Better Tools (Total of 8 votes)

- Most important issue: Establish Standards for each Department/Division – “Performance Based Budgeting”
 - (5) Communicate, prepare and plan for the amount of employees that there is to complete the tasks.

This will help with customer service by allowing staff a time frame to make sure work is complete. It should be reviewed annually to make sure that goals are realistic with the amount of staffing that is available. For instance, the Building Divisions determines that plans can be reviewed within 2 weeks and after an annual review, it is found that it is consistently taking 3 weeks with the number of current employees working diligently, the time frame may need to be adjusted and the public advised when plans are submitted. This would give the public a clear view of the time frame they need to work within. The reverse of this would be that at the annual review if items are able to be completed faster than the established standard, and then other tasks that had previously not been addressed or addressed at a slower pace could be given a higher priority.
 - (2) Analyze the information to prepare Department/Division standards and eliminate any inefficiency and prioritize services.
 - (1) Self-Audit of the Department/Division to determine the amount of work that needs to be completed in what amount of time (i.e. issue permits, repair pothole, respond to 911 calls, conduct inspections, prepare staff report, etc.)

4. New Revenue (a total of 4 “top two” votes)

- (4) Generating New Revenue
 - Utility Users Tax
 - Incentive Funding for Conventions
 - Market Visalia
 - Highway 99 development
 - Additional Retail
 - Sporting Events/Conventions/Entertainment
 - Rawhide

No Action Items Proposed

CITY COUNCIL WORKSHOP

TO: CITY COUNCIL
FROM: TRACY ROBERTSHAW, CODE ENFORCEMENT OFFICER
HOUSING AND ECONOMIC DEVELOPMENT, NEIGHBORHOOD
PRESERVATION DIVISION
SUBJECT: TEMPORARY SIGNAGE (BANNERS AND NON-PROFIT)
DATE: 02/09/2012

SUMMARY:

The Neighborhood Preservation Code Enforcement Division has received an increase in complaints regarding non-profit signs and banners. However, the ordinance as it is currently written is ambiguous creating an enforcement issue.

BACKGROUND:

Banners: Municipal Code 17.48.040 (K) states “Signs in the form of banners shall be allowed to be displayed a maximum of total of thirty (30) days during a calendar year.”

The code does not regulate the number, content, size or location of banners. Additionally, it is unclear if it is referencing one banner per site for the year; or if multiple banners may be used as long as each is only displayed for 30 days.

Staff addresses banners when they have been placed blocking the public right of way. However, there is nothing precluding a business owner to effectively use banners as a form of permanent signage skirting the sign ordinance that would otherwise govern the parcel.

Non-profit Signs: Municipal Code 17.48.090 (G) states “Signs promoting social events of nonprofit organizations are subject to the same basic requirements as political signs.” The language that governs political signs allows signs to be placed eight-eight (88) days prior to the event and can remain for (15) days after the event. Additionally, it allows the signage to be up to sixteen (16) square feet on residential property and commercial or vacant lots may have signs up to thirty two (32) square feet. There is also an allowance for signs to be attached on trees, utility poles and fences with written permission of the property owner.



Staff has developed an application form for a Temporary Conditional Use Permit (TCUP) requiring that non-profit agencies advise of locations in an attempt to monitor signs so that they are not blocking intersections, line of site or public rights of way. However, most fail to obtain the TCUP and the locations that non-profits routinely prefer are major intersections which most often are public property.

RECOMMENDATION: Staff requests direction to revise the existing municipal code regarding banners and non-profit signage to establish specific guidelines for sign placement, size limitations, the permit process, and allocations of signs per parcel for both banners and non-profit signage.

NEXT STEPS: If the City Council directs staff to amend the sign ordinance as it relates to banners and non-profit signs, it is recommended that staff meet with the various business groups throughout the City that would be impacted by the sign change (i.e. Mooney Blvd. Merchants, Downtown Visalians, Industrial Round Table, and the Chamber of Commerce) as well as conducting community out-reach to local non-profit organizations and return to Council within three months, with an initiation of an Ordinance Amendment.

City of Visalia



*City Council
Strategic Worksession
February 10, 2012*

Electronic Animated Signage

- Subject Summary
 - City Background
 - Discussion
 - Industry and Regulatory Trends
 - Recommendation
-



Electronic Animated Signage

- ❖ Animated Electronic display features changeable lighted sign copy and motion picture graphics
 - ❖ Affordability and capabilities are increasing general popularity beyond novelty
 - Current Sign Code doesn't directly address this new technology
-

Electronic Animated Signage City Background

- Traditionally classified as prohibited “Animated” signage
 - VUSD signs not subject to City Sign Code
 - Requests from Private Schools
 - Processed as CUP before Planning Commission – Approved November 2011
 - More requests anticipated in near future
-



Electronic Animated Signage Industry Trends

- Eye Attraction of multi-colors, intensity, motion effect
 - Flexibility for changing copy and graphics
 - Increased affordability
 - Maintaining parity with competitors
-

Electronic Animated Signage Regulatory Trends

- ❖ Available Codes - Vary Widely from *Prohibitive* to Facilitating
 - Prohibitive: Safety, blight, loss of visual tranquility from competing copy and graphics
 - Facilitating: Accept new technology, convenience and enhanced capabilities for users, business and community competitiveness

Electronic Animated Signage Regulatory Tools

1. Avoiding Excessive Animation: Minimum display times (4 seconds) for words and/or graphics
2. Limit Copy Area as a Percentage of Sign Area: Limits potential copy size and recipient's eye attraction
3. Minimize Light Glare: 30 lumens at 10 feet is typical, with sharp cutoff at ROW or PL
4. Limit Copy Content: e.g. Non-commercial messages only, or Goods/Services on Site
5. Limit to Certain Zone Districts and/or Roads: e.g. Non-commercial zones, Arterial Roads

Direction from City Council and Staff Recommendation

1. **Should Animated Electronic Signs be Allowed in City?** Yes, in P and Q-P Zones
 2. **Should CUP be Required?** Yes, ability for public review and special conditions
 3. **Should Defined Standards be Adopted?** Yes, to establish desired regulatory tools to mitigate impacts
-

REMOVE MOUNT (C.V.C.D)



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**City Council Workshop
Memorandum**

To: City Council
From: Community Development Department, Planning Division
Subject: **Electronic Animated Signage**
Date: February 10-11, 2012

SUMMARY

This report presents an overview of issues and considerations regarding animated electronic signage in the City of Visalia. These types of signs differ from traditional signage in that they can feature lighted changeable word and picture copy on display screens. The animated component occurs when the lighted copy scrolls text or rapidly changes its word display, or when pictures or video graphics produce a motion picture effect.

Staff recommends that the City Council direct preparation of an amendment to the sign code that provides clarity on the location, size, and operating characteristics of electronic animated signs. Specific staff's recommendations in this regard are as follows:

1. That electronic animated signage be allowed only in the Public and Quasi-Public Zones;
2. That a Conditional Use Permit (CUP) be required for electronic animated signs; and,
3. That appropriate standards related to the characteristics and operations of these signs be included in a sign code amendment and applied as conditions to future CUP approvals.

BACKGROUND

Sign Code Provisions: Municipal Code Chapter 17.48 (Signs) regulates signage allowances and standards for all Zones and Design Districts throughout the City. The sign code sets standards for sizes, heights and other criteria to ensure that signs do not create adverse physical impacts on adjacent and nearby properties. The sign code avoids regulating signage content, which the courts have historically protected as free speech.

The sign code addresses animated electronic signage as follows:

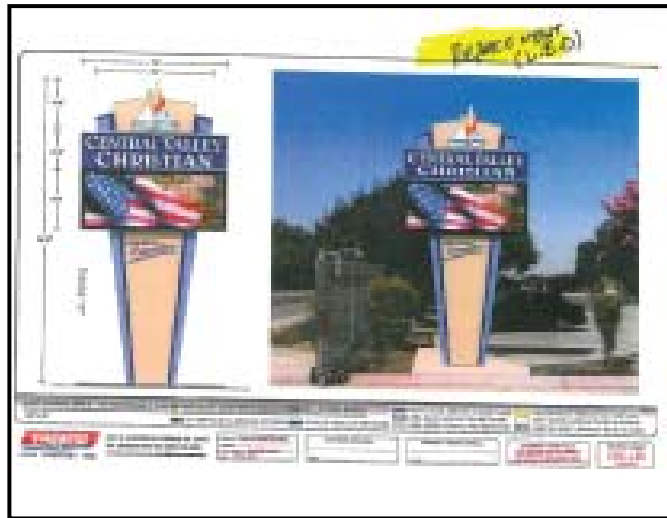
Sect. 17.48.020 (Definitions): "Animated sign" means a sign with action or motion, whether by flashing lights, color changes, wind, rotation, movement of any parts of the sign or letters or parts of the sign structure, or other motion.
Sect. 17.48.050 (Prohibited signs): D. All animated signs except public service signs, such as time and temperature units and barber poles.

Sign Code Section 17.48.040 I (General Provisions) provides some degree of latitude in permitting signage for public and quasi-public uses:

I. Signing for public and quasi-public uses of an education or religious type, public and private charitable institutions and public uses of an administrative, recreational, public service or cultural type approved through the conditional use permit procedure shall be approved as part of the conditional use permit. In the case of existing uses specified above, signing shall be reviewed and approved by the planning department. Appeals of the planning department decision shall be made to the planning commission and city council in the manner set forth in Section 17.28.050 and Section 17.28.060 of the Visalia Municipal Code.

Historically, the broad prohibition on animated signs in Section 17.48.050(D) has worked to generally preclude electronic signs throughout the City. In recent years there have been electronic reader boards erected at various Visalia Unified School District (VUSD) campuses. These were not approved by the City nor erected under City building permits, and are generally authorized pursuant to state law. Recently, private schools in the City, including Central Valley Christian (CVC), have requested similar signage. CVC is a private K-12 school located in the Q-P (Quasi-Public) Zone District.

The City Attorney's office review of aforementioned sign ordinance provisions resulted in the conclusions that CVC's request for an electronic reader board signage was within the "public service sign" exception to the animated sign prohibition in Section 17.48.050(D), and that such signage could be authorized pursuant to a CUP amendment as authorized by Section 17.48.040(I).



Recent Actions: CVC's request for an electronic animated sign was approved by the Planning Commission on December 12, 2011. Conditions of approval included extinguishing the lighting at 10:00pm nightly, restrictions on lighting intensity, and prohibition on any commercial copy.

In approving the CVC sign, the Planning Commission noted for the record its approval, as conditioned, was limited to this particular sign application. The Planning Commission discussed the limited nature of the current regulatory guidance and the advancement and use of new technology that may not have been fully contemplated by the current sign ordinance provisions, and went on to recommend that the broad subject of electronic animated signage be referred to the City Council for its policy direction.

DISCUSSION

Potential Scope and Impact of the Recent CVC Sign Approval: The City has received inquiries from other quasi-public uses, including another private elementary school and one church, regarding their desire to construct electronic animated signs. Staff anticipates there will be one or more sign permit applications filed for these uses in the near future. Further, the City will likely eventually receive requests for electronic signage from commercial uses. Staff requests clarification from the City Council regarding the application of the current sign code provisions, particularly in establishing the scope of the exceptions to the general prohibition.

Section 17.48.050(D) allows animated signs if they are “public service signs,” a term which is not defined further in the sign ordinance. The only guidance as to the scope of allowable animated public services signs is by way of two examples: “time and temperature units”, frequently seen at both commercial (eg. banks) and non-commercial (public facilities) uses, and “barber poles” (purely commercial) as two examples of the type of “public service sign” excepted from the prohibition. In addition, the animated “public services signs” exempted from the general prohibition are not limited to any particular zoning designation(s), and therefore could be presently allowed in any zone. Finally, the definition of “animated signs” does not appear to contemplate the level of technology presently seen in the sign industry, and does not differentiate current electronic media from less obtrusive forms of so-called animated signage.

Overview of Industry Trends and Municipal Regulatory Tools: Review of the available literature on this subject reveals that electronic signage for all types of uses is growing in popularity and is no longer being considered as a novelty or special purpose sign medium. Electronic signs are promoted as being advantageous to traditional static display signage for a variety of reasons including:

- The inherent eye attraction of multiple colors, variable light intensity, and motion video
- Flexibility and ease of changing written sign copy, and the potential for picture graphic display
- Significant affordability as technology improves and it becomes more price-competitive with traditional static signs.
- The perceived need to maintain parity with competitors who have opted for electronic signs.

Code Provisions: Regulations among cities that govern electronic signage vary substantially. Some cities adopt specific electronic sign regulations with the intent of restricting them outright, or limiting them to specific uses, zones or areas of the city. Cities that do so cite concern over the safety and visual effects of competition for attracting attention that would manifest itself by increased intensity and projection, and rapidly changing or flashing sign copy. These cities are most concerned about the resultant loss of visual tranquility or character of the sign’s setting, such as in a thematic corridor, historic or downtown, or near residential neighborhoods.

Conversely, other cities have adopted regulations to allow electronic signage more easily, They believe that electronic signs provide convenience and message value for users, including non-commercial users such as schools, or the municipality itself. With regard to allowing electronic signs in commercial zones, they frequently desire to foster the city's competitive edge in attracting new businesses, or for retaining the competitiveness of existing businesses.

Examples of Ways to Regulate Electronic Signage: Cities regulate animated signs in various ways:

1. **Avoiding Safety and Aesthetic Effects of Excessive Animation:** The surest form of limiting action and movement on the electronic sign is by setting a minimum length of time word or graphic copy must remain static before it can change copy, color or position on the sign. Under most state laws, including California, the minimum threshold to distinguish sign message from flashing message is four seconds. This time standard could also be applied to signs that would otherwise provide motion video in order to ensure they project a single image rather than a motion video.
2. **Setting a Maximum Area for Electronic Copy Display:** Sign area limitations work to ensure that all of a sign (eg the support base, frame, etc.) is not used for lighted sign copy display. Among the options in this regard is to limit the copy area to a size that allows for word size that is adequate for the given road size and speed limit, or simply setting a maximum percentage of the allowable sign copy area for a static sign.
3. **Minimizing Light Glare:** 30 lumens measured at ten feet from the electronic sign face, or no more than one lumen at the closest property line are recognized standards for precluding potentially unsafe or aesthetically unacceptable light projection. This also has the effect of avoiding increasing garish light projection as a means of attracting attention of one sign over another sign.
4. **Limiting Copy Content:** Some cities limit content to specific school related messaging on the premise that the sign is intended to provide a limited service and convenience to the school and its patrons. As such, commercial copy is not allowed on the sign. This premise can also be applied to other public venues, and in the case of commercial signage to limit the sign copy to goods and services provided on the site.
5. **Limiting Signs to Certain Roadway Classifications/ Zoning Designations:** Some cities limit electronic signs to highways, arterials and collector status roads. This has the effect of limiting their potential placement on local roads that are typical of residential neighborhoods.

Allowing animated electronic signs only in certain zone districts can also be used to provide an added degree of control over these types of signs. This limits the locations, and further defines the purpose and use of the electronic signage, as noted in Point 4, above. For example, the City Council could determine that electronic signage is advantageous for non-commercial public service-type announcements, but is inappropriate for commercial copy purposes due to concerns over electronic sign proliferation and its effects along commercial corridors. Consequently, the City Council could restrict the signage to Public and Quasi-Public Zone Districts the zones where such uses as schools and public facilities are primarily located.

RECOMMENDATION

Staff recommends that an amendment to the sign code is necessary to provide clarity regarding regulation of electronic animated signs. If the City Council is in agreement with this conclusion, the following questions are offered for the Council's consideration so staff can prepare the revisions appropriately:

1. Should electronic animated signs be allowed in the City (Staff recommendation is yes)? If so, should they be limited to areas with public and quasi-public zoning designation, or should they be allowed elsewhere (Staff's recommendation is to limit to public and quasi-public zoned sites, in order to facilitate the public service value of these signs while discouraging the potential adverse effects of competing electronic sign copy among commercial users)?
2. Should a conditional use permit be required before an electronic animated sign can be constructed (Staff recommendation is yes), or should a ministerial ("over the counter") permit be sufficient?
3. Should a defined set of standards be developed that limit the manner in which the display is operated, such as limits on the method of display of the electronic media (eg, limits to colors used, limits on light emissions from the screens, limits on the frequency of the change in message, limits on moving video display) (Staff recommendation is yes, to be applied as conditions to CUP approvals)?

It is anticipated that completion of a code amendment would occur within four to six months. If a qualifying permit application is received in the interim, the applicant would be advised of the pending revisions to the sign ordinance provisions, and the request would be deferred until said revisions were prepared and presented to the City Council for its determination. The proposed language would be circulated for comment to industry representatives as well as the Chamber of Commerce prior to consideration by the Planning Commission and City Council.

City Council Workshop Memorandum

To: City Council
From: Community Development Department, Planning Division
Subject: **General Plan Update Progress Report & Third Year Funding**
Date: February 10-11, 2012

SUMMARY

The City is in the final year of its three-year General Plan Update effort. In the next couple months, it is anticipated that the General Plan Update Review Committee (GPURC) will finalize a recommended Land Use Plan (Preferred Plan) and policies, which will be considered by the Planning Commission and the City Council at a joint study session. Upon City Council's acceptance, the GPURC will prepare General Plan Elements, and adoption hearings will commence for the General Plan and Program EIR. Final adoption by the City Council is anticipated in February 2013.

Key components of the General Plan include:

- Balances greenfield and infill development to accommodate a population of 178,000 in an area that is more than 1,000 acres smaller than the current 129,000 boundary
- Infills the west 198 corridor with a mix of open space preservation and development,
- Maintains Highway 99 as the westerly boundary , but allows for future regional retail development at the 99/Caldwell intersection
- Establishes the St. Johns river as the northerly boundary, but allows for future growth
- Keeps downtown as the central core of City and Mooney Blvd. as the primary regional retail area
- Allows for expansion of the Industrial District

The City allocated \$962,250 for the first two years of the General Plan Update effort, anticipating that money could be budgeted in future fiscal years to cover the remainder of the \$1,129,205 consultant contract and associated ancillary costs. Staff has submitted a CIP Request for the Fiscal Year 2012/13 for a total of \$125,000 to fund the completion of the General Plan Update.

PROGRESS TO DATE

The new General Plan will guide the City's physical development and expansion of services through 2030. The project will result in a comprehensive update of all the General Plan Elements (excepting Housing) and a new Program EIR.

Year One (2010)

The first year of the General Plan Update consisted of visioning and key issue identification exercises with City officials, community stakeholders, and the public at large. The consultant team conducted nearly 50 interviews with community leaders, City staff, and representatives from major organizations. Public outreach efforts followed, which included the distribution of a newsletter with mail-in survey, project website, and community workshop.

In addition, an inventory of information and resources was compiled to establish a base of existing conditions and any other regulations which have a bearing on the General Plan. The **Existing Conditions Report** is the culmination of this information gathering effort, and stands as the first major technical component of the General Plan Update.

Year Two (2011)

The second year of the effort revolved around reviewing existing policies, preparing new policies, and selecting a buildout scenario to serve as the framework for the new General Plan. The consultant prepared three "**Growth Concepts**" to illustrate different land use patterns for neighborhood development, employment centers, transportation, and schools. Though each Growth Concept assumed different buildout patterns, buildout populations, and annual growth rates ranging from 2.2% to 3.2%, the concepts all reflect goals and visions expressed by the community to different degrees. The Concepts were then evaluated by the GPURC and the public at-large in a series of public meetings for each City quadrant, specific target groups, and a community-wide workshop. Feedback on the process was generally positive, and helped staff and the consultants to understand issues and community priorities to be preserved in the Preferred Plan.

THEMES AND ASSUMPTIONS

The key themes of the public outreach efforts were compiled and summarized in a **Growth Concepts Evaluation Report**. Major themes included:

- Maintain orderly, concentric growth, using a continued system of tiered growth rings;
- Neighborhood centers, parks, and schools as focus of walkable neighborhoods;
- Need for new community centers that can serve diverse cultural groups;
- Retail at Highway 99 & Caldwell catering towards a specialty or unique draw;
- Preservation and enhancement of Mooney Blvd. and Downtown;
- Support for a four-year university, without consensus on a location.

The GPURC, after many presentations and discussions, settled on two important assumptions to drive the physical planning effort needed to implement these themes: the average annual population growth rate (2.6 percent) and the residential density goal (5.3 dwelling units per acre).

Growth Rate: The GPURC ultimately adopted the Existing Conditions Report's conclusion that Visalia should plan for a year 2030 population of 207,582 persons, based on projections developed by Tulare County Association of Governments. This figure translates to an average rate of 2.6% growth per year. Compared to recent growth trends in Visalia, the 2.6% growth rate falls mid-range between the average annual growth rate of 1.9% experienced in the 1990s and 3.4% experienced in the 2000s. The GPURC has periodically re-visited the subject of the anticipated growth rate during the past year and re-affirmed that the 2.6% growth rate is appropriate for long-range planning purposes. Deviations in future growth over or under that target growth rate would not invalidate the General Plan. Rather it would merely manifest itself in more or fewer years until the City reaches its buildout population (and consequently the period of time the General Plan will remain effective).

Residential Density Goal: The second major assumption that drove the physical land planning exercise was accepting a density goal of 5.3 residential dwelling units per acre in future development. This goal was driven by two factors, 1) it is consistent with the San Joaquin Valley Blueprint's stated residential density goal; and, 2) complies with the City Council's original direction to accommodate buildout growth while preserving farmland on the City's edges.

With these and other assumptions as background, the GPURC met intensively in June/July and November/December 2011 to discuss and reach consensus on key policies and design elements of the new General Plan, including emphasizing infill development, establishing an acceptable single to multi-family residential ratio, and appropriate levels of development in the Highway 198 corridor.

The Revised Preferred Plan Concept and Summary Paper of Final Policy Revisions were prepared to reflect the GPURC's land use and policy recommendations. These documents include the following highlights:

- Land use designations that accommodate a buildout population of roughly 216,000 in the 20-year horizon.
- A two-tier urban boundary system. Tier 1 would support a projected population of 181,300 and require 80% residential buildout before advancing to the Tier 2 boundary.
- A tighter urban growth footprint, wherein Visalia will utilize less outlying "greenfield" land to accommodate future growth than in the 1991 General Plan Land Use Map. Essentially, the recommended Tier 1 boundary will accommodate a population of 181,300 in an area that is over 1,000 acres less than the 1991's 129,000 population urban boundary.
- Approximately 24,600 new jobs resulting from commercial, office, industrial, and civic uses in the Plan's new growth areas.

The GPURC is currently finalizing the Preferred Plan Map and supporting General Plan Policies, including reaching consensus on key issues such as Infill development, the locations and

phasing criteria for the Urban Development Boundaries, enhancing development opportunities in Downtown and East Downtown, and Ag/Urban Interface strategies.

NEXT STEPS

The General Plan Update process is anticipated for completion in early 2013. The next steps to be taken will be the GPURC's finalization of the recommended Preferred Plan Concept and policies in February, followed by a Joint City Council / Planning Commission workshop in March to review and provide direction on the documents.

The **final major phase** will consist of preparing the actual General Plan Elements and associated Program EIR. Staff anticipates a second joint Planning Commission/City Council meeting in May 2012 to "lock down" the Preferred Land Use Plan and General Plan Elements, at which point, preparation of the Program EIR will commence.

Public Outreach: Expanded public outreach and interface will be a significant component of this phase, since it will be key to describe Visalia's approach to growth through the year 2030 to all segments of the community. The following methods are to be considered for engaging the community in understanding and responding to the Draft General Plan:

- One or more community meetings, targeted to the entire community or focus groups:
 - Non-English speaking communities;
 - Low income or minority population groups;
 - Service organizations;
 - Business, educational, social, and non-profit segments of the community.
- Press release, possibly including a copy of the Planned Land Use Map in a centerfold or insert;
- Newspaper editorials;
- Newsletter distribution to households, parents of schoolchildren, and public venues;
- Email advertisement to interested persons distribution list;
- Promotion of the Visalia General Plan Update website.

Plan Adoption:

The General Plan and EIR is tentatively scheduled to begin adoption hearings at the Planning Commission in December 2012 and the City Council in February 2013.

FUNDING

Additional funding is needed to cover the remaining the balance of the third-year consultant services and the in-house overhead expenses necessary to bring the General Plan Update effort to completion. Funds budgeted for the General Plan Update were only intended to fund the first two years of the effort, in order to evaluate available funding at a later time for the

continuation and completion of the project. A total of \$125,000 in additional funds in the 2012/13 Fiscal Year budget will be necessary to complete the project.

Funds Budgeted to Date:

- General Fund (#0011-8078): \$860,000 (from the FY 08/09 and 09/10 budgets)
- Parks & Facilities Fund (#1211-9931): \$102,250 (for the Parks & Recreation Element portion of the General Plan)
- Smart Valley Places Grant: \$200,000 (payable for specific tasks in the General Plan Update, including partial consultant funding, public outreach, and light rail transit (LRT) planning.
- Total: \$1,162,250

Project Expenses: On December 21, 2009, the City authorized professional services with Dyett & Bhatia for the preparation of a General Plan Update and Program EIR, in an amount not to exceed \$1,129,205. The Dyett & Bhatia contract was since amended five times to add \$33,038 in additional services and materials. The amendments included four minor revisions approved at the staff level and a Council-approved amendment, primarily for increased consultant participation at GPURC meetings and additional document preparation.

Outside of the consultant contract, there have been necessary in-house overhead expenses (not including in-house staff time) spent for the project but never programmed into City funds. The total in-house costs incurred since the effort began in January 2010 are about \$26,000. These costs include Convention Center rental fees for community workshops and GPURC meetings, advertising and materials costs associated with outreach efforts, and document production and printing costs.

In summary, total project expenses for the General Plan effort since January 2010 are about \$1,188,307. When budgeted funds are applied to this figure, this results in \$25,857 that is unbudgeted at this time. Additional in-house project expenses as described below are necessary to complete the General Plan Update.

Use of Additional Funding: Staff's CIP request for \$125,000 in the 2012/13 Fiscal Year budget to be applied toward the General Plan Update would apply about \$99,000 towards future necessary in-house expenses as follows:

- Additional overhead expenses including public outreach: Continued Convention Center rentals for GPURC and community meetings are foreseeable in-house project expenses. Expenses to pursue community outreach and comments on the Draft General Plan will also be budgeted. (estimated at \$40,000)
- Program EIR Peer Review: A third party peer review of the Program EIR would provide an extra safeguard against any unforeseen challenges brought up against the environmental document. (estimated at \$34,000)

- Light Rail Transit supplemental cost: Additional funding is necessary to expand the Circulation Element's scope regarding light rail corridor and route planning exploration, to complement the additional studies approved through the Smart Valley Places grant. (estimated at \$25,000)

With the additional funding, the project should maintain on the work program's current schedule and should be completed in early 2013.

Attachments:

Attachment A: January 2012 Revised Preferred Plan Concept

City of Visalia

Memo



To: City Council
From: Adam Ennis, Assist. Comm. Dev. Director
Jason Huckleberry, Eng. Services Manager
CC: Steve Salomon, City Manager
Michael Olmos, Assistant City Manager
Chris Young, Community Development Director
Date: February 6, 2012
Re: Workshop Item Downtown Development - Infrastructure

DISCUSSION

Increased development in the form of infill and higher densities in the downtown has been desired by the City for some time. Some development in these forms has occurred over the last few years, however two primary obstacles to this development have been identified, electrical service and fire protection connections. The City street system in the downtown operates well and at a good overall level of service and should continue at this level if the city's planned projects are completed per the circulation element. Some localized street improvements, connections and completions along with improvement of alternate modes of transportation and street lighting will be needed in the future. In addition, future improvements and upgrades to the City's downtown storm and sanitary systems will be needed to keep up with demand.

ELECTRICAL UPGRADES AND STREET LIGHTING

Many downtown properties are commonly found to have electrical facilities that are timeworn, out of date, and unable to accept additional electrical loading that may be necessary to service a remodel and/or expansion under current electrical codes. Often a new electrical service and exterior, above ground SCE transformer are needed. Most Downtown properties are bordered by adjacent buildings, built on property lines and alleys, and built at the minimum width necessary to accommodate solid waste and emergency vehicles and do not have an exterior space available for a transformer.

As a solution, staff has concentrated on identifying utility "nesting" areas in each Downtown block that would facilitate above ground utility upgrades. Most of these locations are identified as City owned parking lots or properties where utilities can be placed in landscape islands with minimal impact to existing parking or operations. By creating these nesting areas, property owners on each block can bring new services to their building from these central locations where the new electrical transformers can be located. A plan has been prepared indicating utility nesting sites for Downtown properties (see Exhibit 1 & 2). This plan has been shared and "adopted" by SCE and will be utilized as properties begin to move through the remodel/expansion process.

This plan ultimately costs Downtown property owners no money, other than typical construction costs, while affording them the option of further development of their properties without purchasing costly easements and/or property from adjacent owners.

The current Downtown street light system is very old and in need of replacement. A project is scheduled to begin design for replacing the current system with a new system. However, the street lighting project currently has funding for the design portion only. Funding in the range of \$3M to \$4m for the construction of the new street lighting system will need to be obtained before implementation can occur.

FIRE PROTECTION

Depending upon the proposed use and improvements, property owners and businesses expanding and/or renovating in Downtown are often required to adhere to current fire suppression requirements. Often these requirements involve new fire service lines off of the water main, fire hydrants, fire department connections, and backflow prevention systems for each property. Typically, these systems would have to extend from the water main in Main Street to the building frontages. Since these systems would be required for most property expansions/renovations, there could be many costly placement, aesthetic and possibly handicap accessibility issues created by the needed facilities.

In order to address this issue, an infrastructure development plan for Downtown fire protection services (West St to Bridge St) was developed. This composite fire protection utility plan (see Exhibit 3) would provide one common system per block rather than per property and includes fire service lines with one common backflow preventer and fire department connection "manifolds" located within fifty feet of an existing or proposed fire hydrant. On the master layout, all above ground facilities (manifolds, fire hydrants, and backflow preventers) are located in existing or proposed planters in the Downtown area.

While the master aerial/plat attempts to locate facilities in the most cost effective manner possible, this method requires a substantial investment by the first owner on a Downtown block to perform a remodel/expansion. Additional funding options are being explored to install the necessary infrastructure in advance, with owners contributing their fair share upon remodel/expansion of their property.

TRANSPORTATION SYSTEM

The downtown transportation system currently operates at a good overall level of service. Three recently completed projects have provided additional connections, widening and improved traffic flow in the downtown. These include the Santa Fe Bridge construction, the Ben Maddox Bridge Widening and the Downtown One-Way Conversion. However, there are additional connections and completions of streets that need to be made. Improvements in alternate modes of transportation are also needed in the downtown to provide for a complete and total downtown transportation system. In addition, there are many intersections that will need traffic signals in the future. A list of downtown projects currently in progress are shown in Exhibit 4.

One current project is the Downtown Transportation Study, which is currently in draft review. The analysis in the study is indicating that if the street improvements currently planned in the downtown and shown in the circulation element are completed as scheduled, the overall level of service will remain good for the next 20 years. There are a couple of specific locations that will require some additional attention to remain at a good level of service, Murray Avenue between Giddings Street and Burke Street and Santa Fe Street between Mineral King Avenue and Murray Avenue. Future projects are

planned along these corridors to address the future traffic issues. A list of upcoming and future projects is shown in Exhibit 4.

There are some improvements currently needed for alternate modes of transportation in the downtown including bicycle access/lanes, bicycle parking/lockers, increased walking space and street furniture. As can be seen on the current project list bicycle lanes and pedestrian corridor projects are scheduled to address these needs. Additional future projects will be implemented to address these needs as they continue to grow. The current City transit system is good in the downtown but will need increased service in the future. The need for shorter headway times, additional routes into the east downtown and around the future civic center and more connections to regional transit operations will continue to increase as infill and higher densities are achieved.

STORM AND SANITARY SEWER SYSTEMS

In general, the downtown storm and sanitary systems are very old and undersized for current and future needs, especially with the emphasis on infill and higher densities.

The majority of the downtown storm drain system directly discharges into Mill Creek by gravity. If Mill Creek is running full during a storm the City's storm drain system cannot drain, resulting in water standing in the streets. The streets then cannot not drain until the water level in the creek lowers. There are several options that could be implemented in the future to provide better downtown drainage such as: additional storm system to take storm runoff away from downtown and drain into basins, low impact storm drain design with increased on site runoff retention, pumping stations to allow storm water to drain without depending on lower water levels in Mill Creek. There some upcoming and future projects planned to improve isolated areas of the storm drain system. However, due to low revenues in the storm drain funds there are not many projects planned. Staff will be pursuing grant funding where possible to improve the downtown storm drain system. The storm sewer master plan will be updated once the general plan update process is complete, which will include the proposed infill and higher densities.

The sanitary sewer system downtown is currently serving the existing needs of the downtown. However, there are areas throughout the downtown where the system is at capacity and/or needs replacement/upgrade. The Mineral King Avenue Trunk Sewer Line is scheduled to be constructed this year which will provide increased trunkline capacity. This line will also serve the Kaweah Delta District Hospital needs through their next tower expansion and the implementation of the east downtown. A future sanitary sewer trunkline project in Mineral King Avenue, that will further extend the new line, will provide added capacity for full buildout of the current hospital master plan and the east downtown. As sanitary sewer needs are identified upcoming projects for replacement/upgrade will be programmed and constructed to improve the system as the needs arise. The sanitary sewer master plan will be updated once the general plan update process is complete, which will include the proposed infill and higher densities.

TO: Visalia City Council

CC: Steve Salomon, City Manager
Michael Olmos, Assistant City Manager

FROM: Ricardo Noguera, Housing & Economic Development Director

DATE: Saturday, February 10, 2012

RE: SUMMARY OF GRANT FUNDS GENERATED FOR PROJECTS IN
DOWNTOWN VISALIA

Over the past three years, there has been significant progress in securing grants to support the continued vitality of Downtown Visalia. The City and ImagineU Museum were successful in landing the grants while Kaweah Delta Healthcare District raised significant private dollars to support the expansion of their facilities. Additionally, Family Healthcare Network is pursuing a grant for the construction of a new medical and dental facility. In the event the grant funds do not come through FHCN will utilize bond funds to construct their new facility. The vast majority of grants generated by the City were derived from federal agencies. The breakdown in funds generation is as follows:

- ◆ **City of Visalia: \$3,758,930**
- ◆ **Imagine U Museum: \$5.6m**
- ◆ **Family Healthcare Network: \$6m (bond funds – pursuing a grant as well)**
- ◆ **Kaweah Delta Healthcare District: \$152m (raised more than \$9.5m in private funds)**

It should be noted that the funds were raised and work completed during a recession. The City focused its' monies on infrastructure and park improvements while the two medical facilities have focused on expansion of their services in Downtown and the children's museum will be utilizing its funds to acquire and construct a new museum.

DOWNTOWN GRANT PROJECTS AWARDED AND PROPOSED

PROJECT	DESCRIPTION	FUNDING AND STATUS
1.Future Civic Center Park	As part of the East Downtown expansion and future Civic Center, the City is pursuing grant funds to construct a new civic center linear park along Mill Creek.	Have not been approved to date on the State Park 84 Funds.
2.Rec Park Improvements	The City has utilized CDBG funds to install a security gate around the perimeter of the skateboard park and security cameras to deter graffiti and vandalism. The City has also reserved CDBG funds to retrofit the playground equipment and irrigation system.	CDBG Funds – \$84,037 for Fence/Camera completed project CDBG Funds – \$79,035 Amount reserved for planned improvements
3.Center Avenue Improvements	Infrastructure project consisted of providing bulb cuts at intersections between crosswalks and angled parking spaces and provided truncated domes on the existing sidewalk handicap ramps. Projects provided a safer pedestrian access, calming traffic along the corridor, and separation between cars parking and pedestrian.	CDBG- Recovery Act funding- \$193,200
4.Jefferson Park Improvement- CDBG- Recovery Act & CDBG	-safety related improvements in the park area within the Washington School neighborhood. Improvements included lighting for the softball field, perimeter path to encourage walking and jogging, new basketball court with additional lighting for the court.	CDBG-Recovery Act funding- \$90,000 CDBG \$63,000
5. Parking Structure Lighting Upgrades	Upgrade the lighting in the two downtown parking structures to energy efficient bi-level T5 fluorescent. Install LED lighting on the roof levels.	Energy Efficiency & Conservation Block Grant (ARRA funds through DOE) - \$333,566. Planned install first half of 2012.
6.Fox Theater Project	Funds supported Historical Preservation efforts through	CDBG- \$30,000

	rehabilitation (external painting) of the Fox Theater	
7.ImaginU Museum	State of California Proposition 84, Nature Education Facilities program grant of \$5.6 million was awarded in April 2011. The grant will be used to build the 13,000 square foot state-of-the-art facility on property the city donated located in Downtown Visalia at Tipton and Douglas.	\$5.6 million from State Prop 84 Nature Education Facilities grant.
8.Transit Expansion	The Transit Center expansion consisted of 12 additional bus bays with shelters, covered walkways, public plaza, fountains and street lighting, solar powered high efficiency site lighting, storm drain cleansing at bus lanes, and ground water recharging for pedestrian area storm water.	FTA – American Recovery and Reinvestment Act (ARRA) funds \$1,795,376
9.Family Healthcare Network Expansion	Plan to break ground on a 2-story 22,000 sf building directly north of the existing building located on Oak Avenue between Santa Fe and Bridge streets.	Pursuing a grant but will utilize bond funds to support construction of the new medical facility in the event the grant does not materialize. The total cost projected is \$6m.
10.Santa Fe Pedestrian Corridor	The purpose of this grant is to improve pedestrian access along Santa Fe Street from Main to Murray Street.	This is a Transportation enhancement Grant totaling \$150,716.
11.Mineral King Signal Synchronization	Plan is to synchronize the signals from West to Giddings Street.	Congestion Mitigation Air Quality Grant: \$31,000
12.Santa Fe New Signals and Synchronization Corridor	City is pursuing grants to construct new signals along Santa Fe at Murray Avenue, Center Avenue, Main Street and Acequia Avenue and synchronize from Murray to Noble Avenue.	Congestion Mitigation Air Quality Grant: \$909,000 request
13.Kaweah Delta Healthcare District Expansion	Constructed 6-story expansion of the hospital totaling more than 230,000 s.f. and began raising funds for a new heliport.	Total Cost for Hospital Expansion: \$152m and raised \$9m through private funds. Have already raised \$500k to fund the heliport.

Business Activity (2009-Present)

Business and Development Activities Since 2009

1. Razzari building (mixed use)
 - a) Family Healthcare Network Corporate Headquarters
 - b) Provost & Pritchard Engineering
2. Buckman Mitchell Insurance Company (new construction)
3. Suncrest Bank (renovation)
4. Opperheimer Funds (former Buckman Mitchell Building)
5. Sensations Retail (renovated space)
6. Omni Means Engineering (former Buckman Mitchell Building)
7. Crescent Valley Public Charter School (former Buckman Mitchell Building)
8. Tulare County Workforce Investment Board (former Buckman Mitchell Building)
9. Smitty's Hotdogs
10. Lunch Box
11. Gourmet Desserts
12. The Frosted Muffin
13. East to West Hair Aristocracy
14. Clay Café
15. Acequia Medical Office Building (renovation)
16. Kaweah Delta Healthcare District (new construction)

New and Projected Activities

1. Main Street Promenade (mixed use & new)
 - a) Keller Williams Realty
 - b) The Crepe Bar
 - c) Wells Fargo Advisors
2. Los Portales Professional Building (renovation)
3. Transit Center Expansion
4. Family Healthcare Network (new building)
5. Tulare County Probation Department (renovation)
6. Tulare County Association of Governments (renovation)
7. El Mejor Bakery
8. The Club Deli
9. Sage Salon Suites
10. Jimmy John's Sandwiches
11. India Curry House
12. Valley Bible Church on the Big Screen
13. Simply Chic Boutique
14. Togni Building (renovation)
 - a) Raisin Dough Bakery Co.
 - b) Griffin, Sanchez, & Parker Insurance
15. Chase Bank (renovation)
16. Former Copelands Lumber Yard (owned by City)
17. Playground Renovation at Recreation Park
18. Acquisition of Blighted Building-Demolished

TO: Visalia City Council

CC: Steve Salomon, City Manager
Michael Olmos, Assistant City Manager

FROM: Ricardo Noguera, Housing & Economic Development Director

DATE: Saturday, February 10, 2012

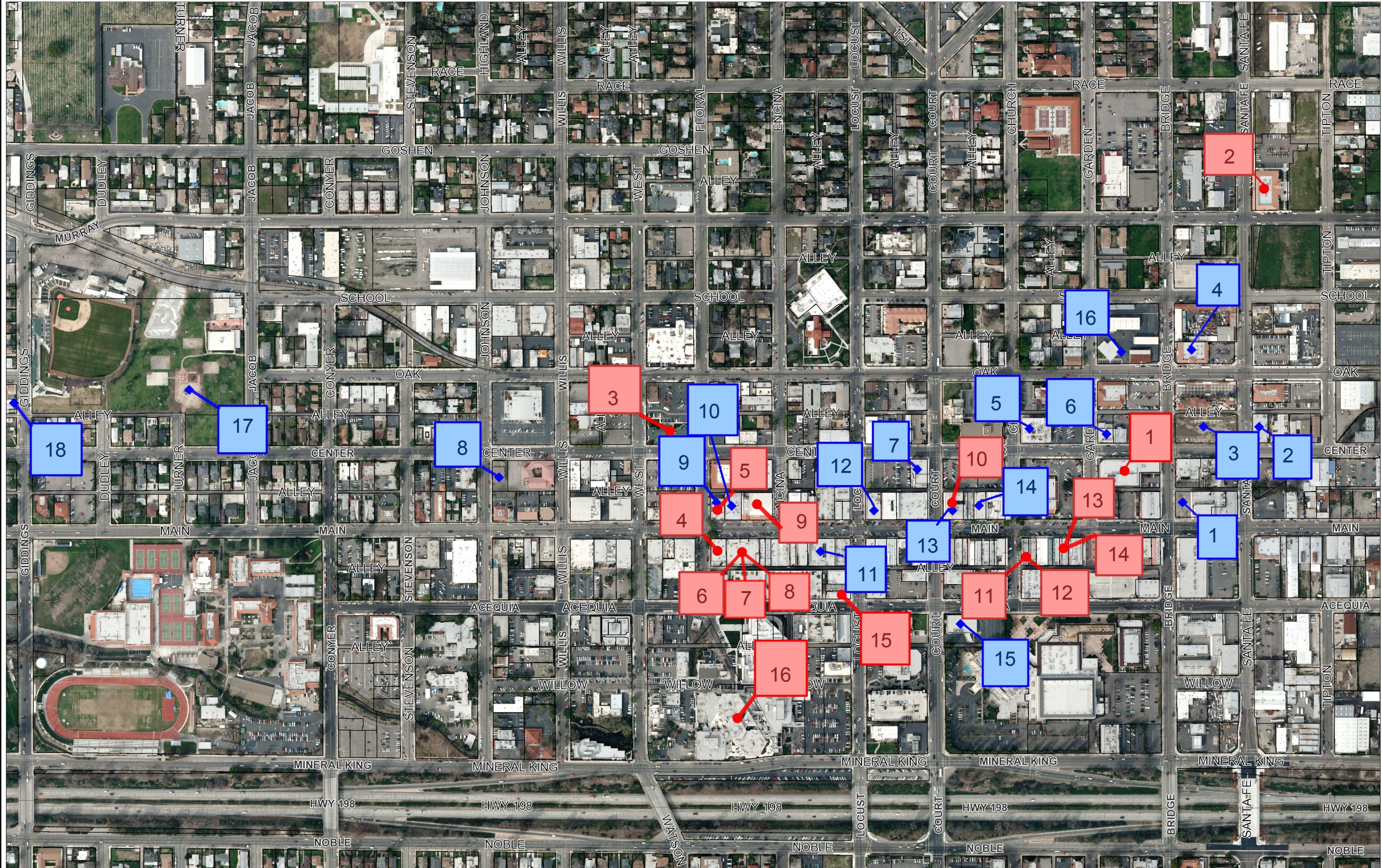
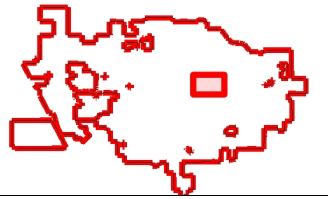
RE: SUMMARY OF DEVELOPMENT AND BUSINESS ACTIVITIES WHICH HAVE
TAKEN PLACE IN DOWNTOWN VISALIA SINCE 2009

Despite the recession, Visalia has fared well over the past few years. The attached table and aerial provide highlights on recent, new and projected development and business activity for Downtown Visalia. Since 2009, both the hospital and Buckman Mitchell added significant new construction Downtown. Additionally, there were significant renovations of existing buildings including the former Buckman Mitchell Building, where four new tenants replaced the insurance company which relocated to its new office building on Santa Fe. Family Healthcare Network continued to expand and relocated its headquarters to the renovated Razzari Building to share with Provost & Pritchard Engineering which moved to Downtown Visalia. Suncrest Bank established a new branch in a former funeral parlor on Center Street completing a major renovation of the building. Approximately, seven new businesses moved downtown including two restaurants and two bakeries.

Looking ahead, development and business activity looks very positive. Recently, the City celebrated the addition of the new Main Street Promenade and major renovation of the Togni Building. The addition of the Promenade drew three new tenants to Downtown including the arrival of Keller Williams Realty with more than 200 hungry realtors to support downtown businesses and reduce the need to drive for lunch, etc. during the day. The Togni Building renovation allowed a bakery to locate downtown and take advantage of walk-by traffic along Main Street. Two county offices moved downtown from the South Mooney County Complex which will be positive news for local businesses. Additionally, the City expanded the Transit Center with federal grants. Santa Fe Street continues to develop as an office/medical district with the rezoning strategy by city planners and the conversion of a former restaurant to a medical office. Several new businesses including restaurants, cafes and financial institutions are projected to open later this year taking advantage of the continued vitality which Downtown Visalia has to offer.



Downtown Business Activity (2009-Present)



- Legend**
- Streets
 - City Limits
 - Railroad
 - PARCELS
 - Major Street Names

1: 4,879



813.2 0 406.60 813.2 Feet

NAD_1983_StatePlane_California_IV_FIPS_0404_Feet
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Map By :
A. Nunez
2/7/2012
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Notes
Red: Activities since 2009
Blue: New and projected activities