

# Visalia City Council Agenda



For the regular meeting of: Monday, May 15, 2006

Location: City Hall Council Chambers

Mayor: Jesus J. Gamboa  
Vice Mayor: Greg Kirkpatrick  
Council Member: Greg Collins  
Council Member: Donald K. Landers  
Council Member: Bob Link

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All items listed under the Consent Calendar are considered to be routine and will be enacted by one motion. If anyone desires discussion on any item on the Consent Calendar, please contact the City Clerk who will then request that Council make the item part of the regular agenda.

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**Special Presentation:** Recognition of Mark & Connor Fisher by Visalia Police Department.

## **WORK SESSION AND ACTION ITEMS (as described)**

**4:00 p.m.**

### **Public Comment**

1. Update on the groundwater overdraft projects being discussed between the City of Visalia, California Water Company and Kaweah Delta Water Conservation District (KWDCD.)
2. Southeast Area Master Plan update and consideration to authorize City Manager to modify existing Contract for Services with consulting firm Moule & Ployzoides to allow changing the Master Plan to a Specific Plan at an added cost of \$90,000.
3. Review of select FY2006-08 Capital Improvement budgets and future Capital Improvement Program (CIP) requests: Airport (4011); Wastewater Treatment Plant (4311); Wastewater Trunk Line Construction (1231); Solid Waste (4411); Transit (4511); North East Capital Improvement (1711). *(This item may be reviewed further at the end of the Regular Session.)*

*\*Any items not completed prior to Closed Session may be continued to the evening session at the discretion of the Council.*

## **ITEMS OF INTEREST**

### **CLOSED SESSION**

**6:30 p.m. (Or, immediately following Work Session)**

4. Conference with Real Property Negotiators  
Property: Approximately 12.0 acres located south of Hillsdale Avenue, west of Neeley Avenue Alignment  
Under Negotiation: Price, terms, conditions of purchase  
Negotiators: Steve Salomon, Andrew Benelli, Visalia Auto Plaza Associates, LLC

## **REGULAR SESSION**

**7:00 p.m.**

### **PLEDGE OF ALLEGIANCE**

**MOMENT OF SILENCE** – In memory of Visalia Police Officer Ryan Bernasconi

**INVOCATION** – Terry Moore, Faith Family Church

### **SPECIAL PRESENTATIONS/RECOGNITION**

Visalia Host Lions Check Presentation to City of Visalia & Visalia Parks & Recreation Foundation Donation is \$25,000 for Picnic Arbor to be built at Visalia Riverway Sports Park.

Swearing in of new Chief of Police Bob Carden.

**BREAK** (est. 10 minutes)

**CITIZENS REQUESTS** - This is the time for members of the public to comment on any matter within the jurisdiction of the Visalia City Council. This is also the public's opportunity to request that a Consent Calendar item be removed from that section and made a regular agenda item for discussion purposes. Comments related to Regular or Public Hearing Items listed on this agenda will be heard at the time the item is discussed or at the time the Public Hearing is opened for comment. The Council Members ask that you keep your comments brief and positive. Creative criticism, presented with appropriate courtesy, is welcome. The Council cannot legally discuss or take official action on citizen request items that are introduced tonight. In fairness to all who wish to speak tonight, each speaker from the public will be allowed three minutes (speaker timing lights mounted on the lectern will notify you with a flashing red light when your time has expired). Please begin your comments by stating and spelling your name and providing your address.

### **CHANGES TO THE AGENDA/ITEMS TO BE PULLED FOR DISCUSSION**

5. **CONSENT CALENDAR** - Consent Calendar items are considered routine and will be enacted by a single vote of the Council with no discussion. For a Consent Calendar item to be discussed, or voted upon individually, it must be removed at the request of the Council.

a) Authorization to read ordinances by title only.

b) Request authorization to award a contract to Dunn's Sand Inc. for \$170,073.75, of budgeted Federal HOME funds, for the installation of subdivision improvements for four residential lots on a private street located at 1631 N. Encina Street, for an affordable housing project that will be constructed by Habitat for Humanity, and another \$60,000 of HOME funds for utility installation in the subdivision.

c) Request authorization to file a Notice of Completion for the following:

1. Sunrise Park subdivision, containing 19 lots, located at the southwest corner of Pinkham St. and "K" Ave.

2. The Ranch Unit No. 4, containing 33 lots, located at the southwest of the Houston and Chinowth intersection.
  
6. REGULAR ITEM - Authorize the transit division to extend the current Bus Operations & Maintenance Contract with MV Transportation through the first three-year option ending August 31, 2009 at the various negotiated rates included as Amendment 1.

*The following is Work Session Item 3 which is listed on the evening portion of this Agenda if continued discussion and review is required:*

7. REGULAR ITEM – Continued review of select FY2006-08 Capital Improvement budgets and future Capital Improvement Program (CIP) requests: Airport (4011); Wastewater Treatment Plant (4311); Wastewater Trunk Line Construction (1231); Solid Waste (4411); Transit (4511); North East Capital Improvement (1711).

#### REPORT ON ACTIONS TAKEN IN CLOSED SESSION

#### REPORT OF CLOSED SESSION MATTERS FINALIZED BETWEEN COUNCIL MEETINGS TO BE REPORTED OUT AT THE END OF THE MEETING BY THE CITY ATTORNEY'S OFFICE:

Buyer	Seller	APN	Address	Closing Date	Reason for purchase	Project Manager
Proteus	City of Visalia	3 parcels: 2 portions of 094-042-010 & portion of 094-053-009	7.55 acres in Community Campus	5/8/2006	Development of Community Campus	Sharon Sheltzer (RDA)

#### Upcoming Council Meetings

Monday, May 22, 2006 Special Meeting, Visalia Convention Center

Monday, June 5, 2006

Monday, June 12, 2006 tentative Special Meeting, Visalia Convention Center

Monday, June 19, 2006

Monday, June 26, 2006 tentative Special meeting, Visalia Convention Center

Work Session 4:00 p.m.

Regular Session 7:00 p.m.

City Hall Council Chambers  
707 West Acequia Avenue

In compliance with the American Disabilities Act, if you need special assistance to participate in meetings call (559) 713-4512 48-hours in advance of the meeting. For Hearing-Impaired - Call (559) 713-4900 (TDD) 48-hours in advance of the scheduled meeting time to request signing services.

## City of Visalia Agenda Item Transmittal

**Meeting Date:** May 15, 2006

**Agenda Item Number (Assigned by City Clerk):** 1

**Agenda Item Wording:** Update on the groundwater overdraft projects being discussed between the City of Visalia, California Water Company and Kaweah Delta Water Conservation District (KWDCD)

**Deadline for Action:** none

**Submitting Department:** Public Works

**Contact Name and Phone Number:**

David Jacobs, 713-4492  
Andrew Benelli, 713-4340  
Phil Mirwald, California Water Co. 624-1620  
Bruce George, KDWCD 747-5601

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.): 3 min.

**Department Recommendation and Summary:**

The City's groundwater recharge program has two components. The first component deals with an agreement with Tulare Irrigation District (TID) and Kaweah Delta Water Conservation District (KDWCD) and involves a \$0.35 per month per equivalent single family residential water connection. This component of the groundwater recharge collects approximately \$180,000 per year from the water users of the City. The second component is the Groundwater Overdraft Mitigation Fee Ordinance (Ordinance 2005-09) which established fees for new development and municipal water suppliers.

Tulare Irrigation District Agreement (TID)

In 1998 TID started a process to line their main intake canal (the canal runs through the southeast portion of the City) to reduce water loss. The City of Visalia filed suit against TID to prevent the lining because of the detrimental effects the lining would have on the City's groundwater. In 2001, the City entered into agreements with TID and KDWCD. In the agreements TID agreed not to line their main intake canal in return for compensation by KDWCD for seepage loss and the City agreed to pay KDWCD \$100,000 (adjusted annually) for groundwater recharge. In order to fund the payment to KDWCD the City Council, on December 17, 2001, adopted Resolution 2001-09 which added a fee of \$0.35 per month per equivalent single family residential water connection. This fee generates approximately \$180,000 per year. The portion of the fee that is not sent to KDWCD is used by the City for groundwater recharge projects.

The agreement with KDWCD is to maintain existing water rights, acquire additional water supplies and water rights, construction of facilities necessary for groundwater recharge, and to

provide a funding mechanism for such services. Per the agreement, a management team of City, KDWCD, and TID staff was setup to decide how the money would be spent. This management team meets annually to discuss the groundwater management plan. The management team decided the funds from the agreement would be spent as follows: 70% construction, 20% water acquisition, and 10% water rights acquisition. To date some of the construction money has been spent on designing check structures on Cameron Creek which is expected to be constructed in 2006. Other projects that have been discussed include check structures on Packwood Creek and St. Johns River. The water acquisition portion was used in 2005 to purchase \$60,000 of water for groundwater recharge. The water was used in St. Johns River and in the Oaks basin. The water rights acquisition money has not been used to date. The money over the \$100,000 in this fund has been used to purchase water for groundwater recharge (\$76,000 in 2005) and to fund the City's portion (\$115,000) of the Oaks Basin construction.

### Groundwater Overdraft Mitigation Fee

The Groundwater Mitigation Fee Ordinance was adopted in 2005 and is expected to generate approximately \$430,000 per year. The ordinance established fees for new development (\$950 per acre) and providers of municipal water supplies (\$14.00 per acre foot) to fund programs to mitigate the groundwater overdraft. The City has been meeting on a monthly basis with KDWCD and the California Water Service Company (Cal Water) to discuss the groundwater overdraft mitigation ordinance and potential projects that could be undertaken to lessen the groundwater overdraft. Some of the discussions points have been:

- Monitoring wells
- Injection wells
- Location of City facilities that can/could be used for groundwater recharge
- Surface water supply opportunities
- KDWCD facilities that can/could be used for groundwater recharge
- Groundwater modeling project.

City Council on February 21, 2006 approved spending \$187,400 of this fund for a groundwater model. Staff is currently working on an agreement with KDWCD to get this study underway.

**Prior Council/Board Actions:** 8-15-05 adopted Ordinance 2005-09, Authorized groundwater modeling project 2-21-06

**Committee/Commission Review and Actions:** None

**Alternatives:** None

**Attachments:**

**City Manager Recommendation:**

Copies of this report have been provided to:

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

***Environmental Assessment Status***

**CEQA Review:**

Required? Yes No x

Review and Action: Prior:  
Required:

**NEPA Review:**

Required? Yes No x

Review and Action: Prior:  
Required:

## City of Visalia Agenda Item Transmittal

**Meeting Date:** May 15, 2006

**Agenda Item Number (Assigned by City Clerk):** 2

**Agenda Item Wording:**

Southeast Area Master Plan update and consideration to authorize City Manager to modify existing Contract for Services with consulting firm Moule & Polyzoides to allow changing the Master Plan to a Specific Plan at an added cost of \$90,000.

The site is located along the south side of Caldwell Avenue, to Avenue 272, between Santa Fe Street and Lovers Lane.

**Deadline for Action:** None.

**Submitting Department:** Community Development - Planning

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.): 30

**Contact Name and Phone Number:** Andrew J. Chamberlain, AICP 713-4003  
Fred Brusuelas, AICP 713-4364

**Department Recommendation and Summary:** Staff recommends that the City Council authorize the City Manager to execute a modification to the existing Contract for Services (\$667,000) for the Southeast Area Master Plan, with the consultants, Moule & Polyzoides, to add a Specific Plan component (\$90,000) to this decision making document.

In summary, adoption of a Specific Plan is highly useful for large projects such as the 850 acre southeast planning area. An adopted Specific Plan will establish certainty of street alignments, block sizes, utility locations, land uses and land use development criteria. The details of the Specific Plan will result in a predetermined framework design to facilitate long term decision making, cost efficiencies, and reductions in processing time for entitlement applications. This certainty benefits property owners, developers, financial institutions, utility companies, governmental agencies, city decision makers and the buyers and sellers of land.

The certainty of having a predetermined physical design framework for the project area will eliminate guess work of adjoining street connectivity and infrastructure locations. It will also improve the certainty and quality of physical land use relationships. The certainty of descriptive policy in the Specific Plan will make clear the goals and objectives for all those involved in the 850 acre project area. In addition, the Specific Plan detailed development standards will guide the ultimate build out of the project as it was envisioned by the decision makers.

The certainty of these factors will also result in streamlined review and permit processing. A residential project that is consistent with the Specific Plan will be exempt from CEQA. Subdivisions and parcel maps consistent with the Specific Plan will be quickly processed.

Preparation of a Specific Plan requires more analysis and development details than a Master Plan. As the name implies, a Specific Plan has a level of specific details, engineering standards, and requirements that are predetermined. The Specific Plan approach will result in the reduction or elimination of further project review and decision making at the project development level.

The material change from the current contract to prepare the Southeast Area Master Plan (*comprising multiple documents*) is that the “detailed” Specific Plan will replace the “framework” Master Plan as the means to accomplish the vision.

In conclusion, adoption of a Specific Plan will establish a high degree of certainty that the 850 acre planning area will be implemented as envisioned and the Specific Plan will serve as a tangible commitment to the long term vision of a quality and sustainable urban environment in the city’s southeast quadrant.

### **Review of Consultant Actions:**

On March 15, 2006, the Moule & Polyzoides consultants conducted a one day Discovery Workshop to prepare for the Charrette. The Southeast Area Master Plan Charrette was conducted from Sunday April 9<sup>th</sup> through Friday April 14<sup>th</sup>, 2006.

As a result of participating, viewing and discussing the charrette work product in mid-April, the City Council and Consultant raised the issue of making the proposal a Specific Plan rather than a Master Plan. The question of Specific Plan or Master Plan is an issue of having development design predetermined and more planning prepared up-front. The Master Plan is more of a planning framework for decision makers. The Master Plan requires more review and decision making at a later time as projects are proposed.

A Specific Plan is more detailed and therefore requires more analysis and work to be prepared for policies and standards. The Specific Plan also requires a higher level of commitment and implementation than a Master Plan framework.

### **Master Plan vs. Specific Plan:**

The Master Plan is a “framework document” comprising a moderate level of policy and design implementation for decision makers as the basis for reviewing and approving development projects. The Master Plan may be easily amended or modified on a project by project basis. The Master Plan, due to its inherent flexibility and lack of commitment over a long term period, could be modified to the extent that it does not achieve the goals or objectives of the original vision. The Master Plan is an effective method of providing direction and guidance for physical development of the city at only a slightly higher level than the adopted General Plan. In addition, the Master Plan will not achieve the level of detail that may be desired as a final outcome the vision.

The Specific Plan is a “precise document” comprising a high level of policy and design implementation for decision makers. The Specific Plan is typically adopted by ordinance as a “regulatory document” that establishes development regulations which may include types of uses, design standards, and density requirements. Specific plans may be amended as often as deemed necessary by the decision making body. Amendments, however, require substantive analysis and findings to justify the Specific Plan changes. The nature of the Specific Plan is that the policies, goals and objectives are comprehensive and integral to the surrounding land within the planning area. The Specific Plan, over a long term period, will more effectively achieve the original vision because it has a higher level of detail implementation.



## **Change in Scope of Work**

The attached memorandum from the consultant, Exhibit "A", outlines the proposed change in the scope of work. Chapter Three of the table of contents is where most of the specific plan enhancements would occur for economics and infrastructure, along with Chapter One. The cost estimate is \$90,000.00 which is a preliminary estimate, the consultant has indicated that a more detailed estimate should be available by the time of the Council meeting.

Preparation of a Specific Plan requires more detailed analysis and preparation of policy, development standards, details and drawings. Changing the Master Plan to a Specific Plan requires the addition of plan components and added detail to the infrastructure (plan for municipal and utility services), plan strategies and financing options to complete the plan. The consultants would also be identifying the plan consistency with the general plan, wherein how the plan meets the intension of, and carries out the goals, objectives, and policies established in the general plan. Exhibit "B" is the proposed table of contents for the Southeast area Plan. Exhibit "C" is the California Government Code sections related to the establishment of a specific plan.

## **Specific Plan Deliverables**

The component Specific Plan deliverables will comprise: (1) Environmental Impact Report, (2) Specific Plan Document, (3) General Plan Amendment, and (4) Zoning Ordinance Amendment. These are the same deliverables as the Master Plan except as follows:

(1) The Environmental Impact Report will be modified to incorporate the Specific Plan description, project components and necessary environmental analysis. (2) The Master Plan will be upgraded to a Specific Plan document. This will result in a substantial level of detail related to land use, circulation, sustainability, parking, infrastructure costs, and financing strategies. The Specific Plan document will also incorporate numerous implementation measures into the document. This will entail identification of the economic strategies, plan-wide policies, infrastructure, civic initiatives, phasing and financing necessary to carry out the plan. The main emphasis of the Specific Plan is to explicitly address the relationships between the design, financing and sequencing to assure its successful implementation. (3) The city's 2020 General Plan will be amended to incorporate the Specific Plan document and establish consistency with the General Plan. (4) The Zoning Ordinance will be amended to coordinate the Visalia Municipal Code with the new Southeast Area Plan "Form Based Code".

*The following sections provide a basic comparison of master and specific plans for this type of action.*

1. What is the final deliverable per the existing contract? The contract calls for a final "turn-key" plan which includes a Master Plan Document with a TND (Traditional Neighborhood Development) Form Based Code. It would also include the General Plan Land Use Element enabling language, Zoning Ordinance amendments for all applicable standards of the Master Plan Document, and an EIR for the Plan Area amendments as described in the Master Plan. The Master Plan enables (encourages) development to follow the pattern established in the Master Plan, however as a Master Plan, following the plan precisely is not required.

2. What will the change to a Specific Plan provide which is not already in the Master Plan?  
The Specific Plan will be similar to the Master Plan with the following exceptions:

- The Master Plan is a “guideline document” that may be adopted by resolution. The Specific Plan is a “precise document” that may be adopted by ordinance. This will result in the establishment of the Specific Plan as a regulatory commitment. Development of the 850 acre planning area must be consistent with the plan over the long term. This elevates Specific Plan amendments to a higher level of commitment similar to zoning changes.
- The Specific Plan will be expanded to include additional detailed information on the infrastructure required to accomplish the plan and its vision. This reduces ambiguities and provides a definitive infrastructure framework upon which to implement the plan.
- The Specific Plan will be expanded to include an Economic Component which describes strategies matched to the plan area which are intended to help accomplish the plan. These strategies may include incentives to develop in the area. Some incentives may be provided by virtue of having many of the plan area details already provided. This will reduce developer planning costs and time, and will result in a more streamlined process for permitting of plans which are consistent with the Specific Plan.

While the Specific Plan is more detail oriented than the Master Plan, both plans provide a basic *form based code* which can typically be utilized on areas directly adjacent to the subject site with very little problem. Since the Plan Document and codes are developed for a subject site, using them in other areas of town is possible, but other locations may need a Plan Document and codes tailored to that particular area and its site specific needs. This may be a different approach to the commercial areas or other varieties of street sections and neighborhood design styles.

In conclusion, the Specific Plan provides the best method for completion of the plan. As witnessed in the design Charrette, the comprehensive plan is based upon creating an urban fabric with high quality, desirable amenities, comfortable streets and public spaces that are used formally and informally by the neighborhood. With parking in the rear and street trees as a predominant feature, the goal is to produce a friendly, safe walking environment, to provide basic amenities within walking distance of housing and creating opportunities to get people out of their cars. This plan is best realized when all of the components are predetermined and commitments are established to implement the plan. A Master Plan does not provide the long term commitment necessary to accomplish the vision. Creating new urban spaces of this type is a long term commitment which is best served as a Specific Plan.

Much of aforementioned planning concept discussion relates to the Project Strategies which were used at the Discovery Workshop and Charrette, along with the Traditional Neighborhood Principles provided with the strategies Exhibit “D”.

#### **Prior Council/Board Actions:**

On July 13, 2005, the City Council awarded the contract for the Southeast Area Master Plan, authorized the City Manager to execute a contract with the consulting firm of Moule and Polyzoides.

#### **Committee/Commission Review and Actions:**

The southeast Area Master Plan Task Force met during the day on May 15<sup>th</sup> to consider the proposed change to a specific Plan.

**Alternatives:**

None recommended.

**Attachments:**

- Exhibit “A” – Consultant Work Outline for Specific Plan
- Exhibit “B” – Proposed Table of Contents for the Plan
- Exhibit “C” – California Government Code Section for Specific Plans
- Exhibit “D” – Project Strategies and Traditional Neighborhood Principals

**City Manager Recommendation:**

**Recommended Motion:** I move to amend the existing Contract for Services with Moule & Polyzoides, and to authorize the City Manager to execute a supplemental contract for the addition of a “Specific Plan” component to the existing Southeast Area Master Plan, whereby the planning action shall become the Southeast Area Specific Plan, at an added estimated cost of \$90,000.

***Financial Impact***

**Funding Source:**  
Account Number: \_\_\_\_\_ (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$	Lost Revenue: \$
New funding required: \$	New Personnel: \$
Council Policy Change: Yes_____ No_____	

Copies of this report have been provided to:

***Environmental Assessment Status***

**CEQA Review:**

Required? No  
Review and Action: Prior:  
Required:

**NEPA Review:**

Required? No  
Review and Action: Prior:  
Required:

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**



## City of Visalia Agenda Item Transmittal

**Meeting Date:** May 15, 2006

**Agenda Item Number (Assigned by City Clerk):** 3

**Agenda Item Wording:** Review of select FY2006-08 Capital Improvement budgets and future Capital Improvement Program (CIP) requests.

**Deadline for Action:** June 30, 2006

**Submitting Department:** Administration / Finance Division

**Contact Name and Phone Number:**

Eric Frost x4474  
Renee Nagel x4375

**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.):** 1 Hr

### Department Recommendation

That the City Council accepts this first presentation of the City's Capital Improvement Project (CIP) report and provide direction as appropriate. The Council is scheduled to act upon the CIP budget at the end of June.

### Discussion

This is Council's first opportunity to review a portion of the coming FY2006-08 Capital Improvement Program (CIP). Several work sessions will be scheduled between now and June 2006 to review the Capital Improvement Program. Staff will schedule funds together for Council's review in manageable groupings. Multiple work sessions have worked well for Council in the past allowing a thorough review prior to budget adoption.

The Capital Improvement Program presents the 2006/07 and 2007/08 fiscal years for adoption and appropriation. Four additional years are presented for planning purposes. This allows Council to plan future projects and consider the near term impacts of those decisions. However, only the first two years are proposed for adoption and deserve the greater scrutiny.

It is recommended that Council review and tentatively approve or direct changes to the attached proposed Capital Improvement Program (CIP) budgets for the selected funds. No formal action is required at this time. Staff will return with funds that need to be amended or will make changes to the Capital Improvement Program as Council directs. A final Capital Improvement Program document will be prepared, after the review process is completed, to be adopted with the City's Operating Budget on June 19<sup>th</sup> or June 26<sup>th</sup>.

All funds to be reviewed today are independent of the General Fund and their revenues can only be used as designated in each fund. In General, dollars not used for operating is available

for capital projects. The proposed capital expenditures are consistent with the operating budgets which will be presented to Council in June 2006. The Funds to be discussed in today's Work Session include:

Table 1: Proposed Funding

Fund Name (Number)	Fund #	Proposed 2006-07	Proposed 2007-08
Airport	4011	7,139,000	1,490,000
Wastewater Treatment Plant	4311	2,873,650	3,193,100
Wastewater Trunk Line Construction	1231	125,000	1,065,000
Solid Waste	4411	2,303,400	2,634,000
Transit	4511	4,129,000	2,590,000
North East Capital Improvement	1711	300,000	100,000
<b>Total Projects</b>		<b>\$ 16,870,050</b>	<b>\$11,072,100</b>

**Fund Analysis:**

Below is a detailed description of the Funds and their revenue sources:

**Airport, Fund 4011:** This fund receives money from the Federal Aviation Administration Airport Improvement Program (FAA-AIP) and various grants. This money can only be used for approved capital projects. This fund also receives revenues from airport user fees, such as hangar rentals and fuel sales. They are to be used for operations, improvements, and vehicle and equipment acquisitions. These revenues are also used for the Airport's 5% match on FAA and grant funded projects.

The Airport Fund has a total of 14 projects in its capital plan and 9 projects will require funding in the two-year budget.

In FY 06/07, staff recommends the City to negotiate to acquire parcels adjacent and south of the Airport. As part of the Airport Master Plan, the Airport would acquire approximately 400 acres. The property will give the Airport sufficient land to build a runway extension as well as obtain control over all property located within the airport's approach zone.

City and County development is increasingly moving towards the airport. All property located to the south of the airport is located in the County and the Airport has no control over the types of development allowed in these areas. Purchase of this land would preserve airport control of the property located within the Runway Approach Zone. This zone is established to maintain an approach path that is clear of any obstructions. This zone does not allow any structures and minimal ground operations can be conducted in that area. Once purchased, the land can be leased back for agricultural purposes, thereby creating additional operating revenue.

**Wastewater, Fund 4311:** This fund is derived from Sanitary Sewer user fees and rates. Funds are to be used only for operations, maintenance, and improvements, including vehicle and equipment acquisitions related to collection and disposal of wastewater.

The Wastewater Fund has a total of 36 projects in its capital plan and 22 require funding in the two-year budget. The majority of the projects proposed in the Wastewater Fund are for on going maintenance of the plant. A detailed description of each treatment plant operation is

described in Appendix B to understand how the treatment plant works and why staff is requesting these capital projects.

**Wastewater Trunkline Construction, Fund 1231:** This fund's revenues are derived from Sanitary Sewer and Trunk Line Connection Fees. Funds are to be used only for new sanitary sewer trunk line construction, and not for operation and maintenance.

The Wastewater Trunkline Construction Fund has a total of 9 projects in its capital plan and 5 will require funding in the two-year budget. Listed below is a major project that will require funding in the two-year budget.

In FY 07/08, staff recommends to replace Mineral King trunk line from east of Tipton Street to Burke Street (approximately 630 ft); and Burke Street trunkline from Mineral King to approximately Willow Street (320 ft north). The existing line is deficient, as shown in the master plan, and will need to be replaced or a parallel line will need to be installed to manage growth in the downtown area. The estimated total cost of this project is \$290 thousand.

**Solid Waste, Fund 4411:** This fund is derived from refuse collection fees. Cash for capital replacements has been set aside for improvements and vehicle and equipment acquisitions related to collection and disposal of solid waste. Depreciation will continue to be used for capital replacements.

The Solid Waste Fund has a total of 31 vehicle replacements in its capital plan and 18 require funding in the two-year budget. The Solid Waste trucks have a life of approximately 9 years and are evaluated and approved by the Fleet Maintenance Division for replacement.

All proposed Solid Waste trucks replacements will be alternative fueled vehicles as mandated by the State. Under Title 13, California Code of Regulations, Section 2021.2; all 2006 and older diesel powered Solid Waste trucks are to be retrofitted with a diesel particulate traps or be replaced with an alternative fueled vehicle. The schedule requires the City to either replace vehicles with alternative fueled trucks or retrofit 50% of it diesel engine vehicles by December 31, 2006 and all of its diesel powered vehicles by December 31, 2007.

As of the end of this calendar year, the City's Solid Waste Fleet will have 50 vehicles and 13 will be alternative fueled vehicles. Of the 37 remaining diesel powered vehicles, 24 trucks will be retrofitted by December 31, 2006, exceeding the 50 percent goal by 10 vehicles. The Solid Waste Enterprise is proposing to replace the remaining 13 refuse trucks with Compressed Natural Gas powered trucks over the next two years to be in full compliance with the State.

In addition, the Department is proposing to add 3 new trucks in the two year budget. Typically, a new residential truck is needed for every 1,700 residential accounts and a commercial truck is needed for every 600 commercial accounts. The Solid Waste Department is requesting 3 trucks to cover growth in the new two year budget.

**Transit, Fund 4511:** This fund includes monies from State Transportation Funds, Federal grants, user fees, and other revenues from advertisements and rents. They are to be used for transit operating and capital expenditures, such as buses and bus shelters. State and Federal grant funds are to be used for major projects such as the operations and maintenance facility.

The Transit Fund has a total of 8 projects in its capital plan and all require funding in the two-year budget. Listed below is a major project that will require funding in the two-year budget.



In FY 06/07, staff recommends to purchase land and construct a parking lot for the transit center. Parking is at a premium and may be lost to future development. This project is 80% funded with Federal Transit Administration and Local Transportation Funds covering the 20% required match. The project is estimated to cost \$900,000.

**North East Capital Improvement, Fund 1711:** This fund is derived from fees paid by developers, builders, and subdividers for projects located in the Northeast Specific Plan Area to fund the construction of storm drain facilities, parks, bike paths, medians, block walls, landscaping, and amenities identified in the Northeast Specific Plan.

In FY 06/07, staff recommends to purchase and develop a 6 acre neighborhood park/basin in the area of Goshen Avenue and Virmargo Street. The park/basin will serve the area within Lovers Lane, Ben Maddox, Mineral King, and Houston. This project will be acquired and constructed in the following phases: (06/07) acquisition & basin construction; (09/10) complete basin and construct park. This project will cost approximately \$2.2 million. (Multi-funded: Park & Rec Facilities Fund / Storm Sewer Fund / N/E Capital Improvement Fund)

**Summary:**

The City's CIP details a six-year plan for the expenditure of funds and the completion of projects. Council is also able to review the anticipated schedule for the next four years through 2009-10. These out-years are provided for information only and will be revised, updated, and adopted in two year increments.

The attached spreadsheets summarize each fund and also provide a detailed list of the proposed projects. The fund title and number are followed by a brief explanation of the revenue source and general purpose of the fund. Each fund summary shows the beginning cash, operating revenue, operating expenditures, proposed CIP expenditures, and ending cash balance for each of the six years. The next section contains a detailed listing of the proposed CIP projects and a map reference for Appendix A. The map reference refers to one of 4 maps of the City of Visalia which divides the City into four quadrants along Demaree and Highway 198 as follows:

Map Quadrants  
Using Mooney and 198 as Axis Lines

Northwest	Map A
Northeast	Map B
Southwest	Map C
Southeast	Map D

The first letter of the map reference refers to a specific map and projects are then numbered sequentially within the map. CIP Project Managers will be available to address Council's questions during the Work Session on any of the proposed projects.

Below is a list of Funds that will be reviewed by Council during future Work Sessions:

Table 3: Capital Funds to be reviewed by Council in future Work Sessions

<i>Fund #</i>	<i>Fund Title</i>	<i>Fund Manager</i>	<i>Review Date</i>
1221	Storm Sewer Construction	Doug Damko	05/22/06
1222	Storm Sewer Deficiency	Jim Funk	05/22/06
1224	Underground Water Recharge	David Jacobs	05/22/06
4812	Storm Maintenance	Jim Ross	05/22/06
4211	Golf Course	Mario Cifuentez	06/05/06
1211	Park & Recreation Facilities	Don Stone	06/05/06
1251	Waterways	Don Stone	06/05/06
1121	Police Sales Tax	Chuck Hindenburg	06/05/06
1122	Fire Sales Tax	Danny Wristen	06/05/06
1051	Police Impact Fund	Chuck Hindenburg	06/05/06
1061	Fire Impact Fund	Danny Wristen	06/05/06
1931	Central Redevelopment District	Fred Brusuelas	06/05/06
0012	Motor Vehicle In-Lieu	David Jacobs	06/12/06
1111	Gas Tax	David Jacobs	06/12/06
1241	Transportation Impact	David Jacobs	06/12/06
1611	Transportation	David Jacobs	06/12/06
1613	Traffic Congestion Relief	David Jacobs	06/12/06
5111	Information Services	Mike Allen	06/19/06
5011	Fleet Maintenance	Mike Morgantini	06/19/06
5012	Fleet replacement	Paul Shepard	06/19/06
0011	General Fund	Eric Frost	06/19/06
0013	General Fund Designation -Civic Center	Eric Frost	06/19/06
0014	General Fund Designation -Sports Park	Don Stone	06/19/06
1043	Civic Center Impact	Eric Frost	06/19/06
1045	Corp Yard Impact	Eric Frost	06/19/06
4131	Convention Center	Wally Roeben	06/19/06

**Prior Council/Board Actions:** The CIP budget is adopted every year in conjunction with the City’s operational budget. This is the first work session to discuss the proposed FY2006-08 CIP budget.

**Committee/Commission Review and Actions:**

**Alternatives:** Amend the proposed CIP budget as appropriate.

**Attachments:** Selected CIP spreadsheets  
Appendix A: Map of projects

***Financial Impact***

**Funding Source:**

Account Number: \_\_\_\_\_ (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$	Lost Revenue: \$
New funding required: \$	New Personnel: \$
Council Policy Change: Yes _____ No _____	

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):**

No formal action is required at this time. Staff will return with funds that need to be amended or will make the changes that Council directs. At the conclusion of the CIP review process, Staff will prepare a comprehensive agenda item adopting the entire CIP budget. This item is tentatively scheduled for June 19, 2006 or June 26<sup>th</sup>.

Copies of this report have been provided to:

***Environmental Assessment Status***

**CEQA Review:**

Required? Yes No

Review and Action: Prior:  
Required:

**NEPA Review:**

Required? Yes No

Review and Action: Prior:

**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)*

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** May 15, 2006

**Agenda Item Number (Assigned by City Clerk):** 5b

**Agenda Item Wording:** Request authorization to award a contract to Dunn's Sand Inc. for \$170,073.75 of budgeted Federal HOME funds, for the installation of subdivision improvements for four residential lots on a private street located at 1631 N. Encina Street, for an affordable housing project that will be constructed by Habitat for Humanity, and another \$60,000 of budgeted HOME funds for utility installation in the subdivision.

**Deadline for Action:** None

**Submitting Department:** Community Development

**Contact Name and Phone Number:**

Steve Salomon, City Manager, 713-4312  
Michael Olmos, Director of Community Development, 713-4332  
Fred Brusuelas, Assistant Community Development Director,  
713-4364  
Sharon Sheltzer, Project Manager, 713-4414

**Department Recommendation and Summary:**

Staff recommends that:

1. City Council authorize City Manager to execute a contract with Dunn's Sand Inc. for \$170,073.75 of budgeted HOME funds, for the installation of subdivision improvements for four residential lots on a private street located at 1631 N. Encina Street, for an affordable housing project that will be constructed by Habitat for Humanity, and
2. Authorize the expenditure of up to \$60,000 of budgeted HOME funds for utility installations for subdivision improvements including but not limited to:
  - A. California Water Service Company
  - B. Southern California Edison
  - C. The Gas Co.
  - D. Comcast Cable Company
  - E. SBC/ATT

Background

In December of 1993 the City of Visalia purchased a 28,316 square foot parcel located at 1631 N. Encina Street, with CDBG funds. The original intention was to develop this parcel into a transitional housing development in cooperation with the Good News Center. The Good News Center later chose not to build this project due to a change in focus towards providing medical services. A joint partnership involving Visalians Interested in Affordable Housing (VIAH) and

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.):   2  

This document last revised:

By author: Sharon Sheltzer

File location and name:

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05/12/2006

Habitat for Humanity of Tulare County came forward with the project to develop 4 affordable housing units on the site.

This new development includes subdivided lots for four single family affordable homes. As an approved Community Housing Development Organization (CHDO) for the CITY, VIAH is acting as Developer for the land improvements which include the construction of Harold Court and Floral Court for lot access, and the installation of utilities, sidewalk, fencing and lighting. Habitat will purchase the improved lots from the City with HOME funds that have been budgeted by the City for this purpose, and build four affordable homes that comply with the requirements and covenants required by Federal HOME funds. The funds received by the property sale will reimburse the original CDBG expenditure for property acquisition, and will be available for use as program income for future projects. The cost of property development, Developer management fees (VIAH), and utility contracts will also be financed with budgeted HOME funds.

### Bidding and Project Scope

The project was publicly bid and two bids were received on April 7, 2006:

1. Dunn's Sand, Inc., Visalia- \$170,073
2. Lee's Paving, Inc., Visalia- \$325,289

As the low bidder, Dunn's Sand references were checked and the company received good reviews. Dunn's Sand recently successfully completed the City project Cherry Meadow Park. This project was completed within the expected time frame with minimal change orders. The Encina project is exempt from Prevailing Wage requirements as stated in Section 24 CFR 92.354 of the Code of Federal Regulations.

The Scope of Work will include:

- Clearing and grubbing
- Grading
- Demolition of fencing, concrete slab debris and shrub removal
- Construction of Harold and Floral Courts (street improvements)
- Handicap ramps
- Sidewalks
- Street signs
- Striping
- Storm drain system
- Sanitary sewer system
- Chain link fence and wood retaining wall
- Coordination with SCE, SBC/ATT, the Water Company, Comcast Cable, and the Gas Company for installation of services

The Scope of Work with Dunn's Sand Inc. will not include:

- Installation of utilities by The Water Co., The Gas Company, SCE, SBC/ATT (phone), and Comcast Cable Company

The City may elect to request a proposal from Dunn's Sand, Inc. after the requirements of all the utilities are determined, to dig the joint utility trench.

### **Prior Council/Board Actions:**

This document last revised:  
By author: Sharon Sheltzer  
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05/12/2006

1993- City Council approved purchase of lots

April 5, 2004- Approval of Construction Management Agreement with VIAH for development of 1631 N. Encina Street

**Committee/Commission Review and Actions:**

April 14, 2006- Submitted to Site Plan Review and received a Revise and Proceed

October 4, 2004- Planning Commission adoption of CUP No. 2004-27 by Resolution No. 2004-93

**Alternatives:** NA

**Attachments:**

Aerial site map

Tentative Parcel Map

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):**

1. City Council authorize City Manager to execute a contract with Dunn's Sand Inc. for \$170,073.75 of budgeted HOME funds, for the installation of subdivision improvements for four residential lots on a private street located at 1631 N. Encina Street, for an affordable housing project that will be constructed by Habitat for Humanity, and

2. City Council authorize the expenditure of up to \$60,000 of budgeted HOME funds for utility installations for these subdivision improvements including but not limited to:

A. California Water Service Company

B. Southern California Edison

C. The Gas Company

D. Comcast Cable

E. SBC/ATT

***Financial Impact***

**Funding Source:**

Account Number: 1831-63653-670050

**Budget Recap:**

Total Estimated cost: \$230,073	New Revenue:	\$
Amount Budgeted: \$405,620	Lost Revenue:	\$
New funding required:\$0	New Personnel:	\$
Council Policy Change: Yes___	No__x__	

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By author: Sharon Sheltzer

File location and name:

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05/12/2006

Page 3

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***Environmental Assessment Status***

**CEQA Review:**

Required? Yes                      No    x

Review and Action:    Prior:  
Required:

**NEPA Review:**

Required? Yes    x                      No

Review and Action:    Prior:                      Environmental Assessment 2003-05: Categorical  
Exclusion

Required:

**Tracking Information:**

Send out Notice of Award and Notice to Proceed to contractor.  
Implement contracts with utility companies.

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**



**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** May 15, 2006

**Agenda Item Number (Assigned by City Clerk):** 5c(1)

**Agenda Item Wording:** Request authorization to file a Notice of Completion for Sunrise Park subdivision, containing 19 lots, located at the southwest corner of Pinkham St. and "K" Ave.

**Deadline for Action:** May 15, 2006

**Submitting Department:** Public Works Department

**Contact Name and Phone Number:** Andrew Benelli 713-4340,  
Dave Bruce 713-4638

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.): 1 Min.

**Department Recommendation and Summary:** The recommendation is that City Council give authorization to file a Notice of Completion as all the necessary improvements for this subdivision have been completed and are ready for acceptance by the City of Visalia. The subdivision was developed by Jackson Development & Construction, Inc., and has submitted a maintenance bond in the amount of \$29,212.00 as required by the Subdivision Map Act to guarantee the improvements against defects for one year.

**Prior Council/Board Actions:** Final Map recording was approved at Council meeting of March 7, 2005.

**Committee/Commission Review and Actions:** The tentative subdivision map for Sunrise Park Subdivision was approved by Planning Commission on January 12, 2004.

**Alternatives:** N/A

**Attachments:** Location sketch and vicinity map.

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):**

I hereby authorize filing a Notice of Completion for Sunrise Park Subdivision.

**Financial Impact**

**Funding Source:**

Account Number: \_\_\_\_\_ (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$	Lost Revenue: \$
New funding required: \$	New Personnel: \$
Council Policy Change: Yes_____ No_____	

Copies of this report have been provided to:

**Environmental Assessment Status**

**CEQA Review:**

Required? Yes No  
Review and Action: Prior: Environmental finding completed for tentative subdivision map.  
Required:

**NEPA Review:**

Required? Yes No  
Review and Action: Prior:  
Required:

**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)*

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** May 15, 2006

**Agenda Item Number (Assigned by City Clerk):** 5c(2)

**Agenda Item Wording:** Request authorization to file a Notice of Completion for The Ranch Unit No. 4, containing 33 lots, located at the southwest of the Houston and Chinowth intersection.

**Deadline for Action:** May 15, 2006

**Submitting Department:** Public Works Department

**Contact Name and Phone Number:** Andrew Benelli 713-4340,  
Norm Goldstrom 713-4638

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.): 1 Min.

**Department Recommendation and Summary:** The recommendation is that City Council give authorization to file a Notice of Completion as all the necessary improvements for this subdivision have been completed and are ready for acceptance by the City of Visalia. The subdivision was developed by Ennis Homes, Inc. Ennis Homes, Inc. has submitted a maintenance bond in the amount of \$23,873.70 as required by the Subdivision Map Act to guarantee the improvements against defects for one year.

**Prior Council/Board Actions:** Final Map recording was approved at Council meeting of August 2, 2004.

**Committee/Commission Review and Actions:** The tentative subdivision map for The Ranch Unit No. 4 was approved by Planning Commission on August 9, 1999.

**Alternatives:** N/A

**Attachments:** Location sketch and vicinity map.

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):**

I hereby authorize filing a Notice of Completion for The Ranch Unit No. 4.

**Financial Impact**

**Funding Source:**

Account Number: \_\_\_\_\_ (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$	Lost Revenue: \$
New funding required: \$	New Personnel: \$
Council Policy Change: Yes_____ No_____	

Copies of this report have been provided to:

**Environmental Assessment Status**

**CEQA Review:**

Required? Yes No  
Review and Action: Prior: Environmental finding completed for tentative subdivision map.  
Required:

**NEPA Review:**

Required? Yes No  
Review and Action: Prior:  
Required:

**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)*

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

## City of Visalia Agenda Item Transmittal

**Meeting Date:** May 15, 2006

**Agenda Item Number (Assigned by City Clerk):** 6

**Agenda Item Wording:** Authorize the transit division to extend the current Bus Operations & Maintenance Contract with MV Transportation through the first three-year option ending August 31, 2009 at the various negotiated rates included as Amendment 1.

**Deadline for Action:** The current three-year contract ends August 31, 2006.

**Submitting Department:** Administration, Transit Division

**Contact Name and Phone Number:**

Monty Cox, Transit Manager, 713-4591  
Leslie Caviglia, Deputy City Manager, 713-4317

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.): 10

**Department Recommendation:**

Authorize the transit division to extend the current Bus Operations & Maintenance Contract with MV Transportation through the first three-year option ending August 31, 2009 at the various negotiated rates included as Amendment 1.

**Summary:**

The current contract with MV is in its 3<sup>rd</sup> year. As allowed under federal, state and local regulations, this contract included two tree-year extensions at the City's discretion. There are three specific transit services that are provided under this contract, Fixed Route, Dial-A-Ride, and the Downtown Trolley. Important factors that the City should consider in deciding whether to extend the current contract, or to conduct a new competitive procurement, include the following:

1. Service Quality – The drivers, mechanics and dispatchers should be properly trained and given the tools to provide safe, timely, and courteous service. This is best measured by periodic customer surveys and regular review of customer complaints. Although there is always one or two isolated incidents, it is estimated that over 90% of the customers indicate the drivers and dispatchers are courteous. All complaints are handled individually by MV management and followed through to resolution.
2. On-time performance – Although the level of on-time performance has fluctuated from month to month for all the services, Fixed Route, Dial-A-Ride and the Downtown Trolley, the trend has been in a positive direction averaging much higher than prior to MV's contract. Moreover, when issues are identified MV takes proactive steps to correct scheduling or staffing levels so that they are not repeated.
3. Turnover Process - Unless the City is experiencing a high volume of complaints or poor on-time performance, or is unable to negotiate a competitive rate, it is customarily not cost effective to change contractors very often. The process involved in a bus operations

turnover from one contractor to another often takes the better part of a year, results in a higher cost generally, is very disruptive to the customers, and can result in lingering issues, legal or otherwise, that can take years to resolve.

4. Cost – If the City is able to negotiate reasonable rate increases for the extended years this will typically save the City money by not going through a new procurement process. In addition to the cost of the procurement process itself, this will typically result in increased market driven rates. The current recommended rate increases reflect increases due to the expanded service the City has implemented, reasonable staff wage increases as well as consistency with increases in the Consumer Price Index (CPI).

The following details the negotiated new rates as they compare to the current rates:

	<u>FY 2006*</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Monthly Rate	\$99,268	\$106,849	\$110,024	\$113,294
Hourly Rate	\$15.08	\$15.593	\$16.372	\$17.191
Mileage Rate	\$0.296	\$0.314	\$0.323	\$0.333
Contract Total	\$2,823,070	\$2,998,120	\$3,114,732	\$3,236,195
Percent Increase		6.20%	3.89%	3.90%

\* Current Year

The increases are consistent with cost increases experienced within the transit industry and the Visalia area. The increases for the first option year 2007 also include some catching up of sorts due to exceptionally low rates paid for the first three years of the contract for specific line items discussed below. The requested increases can be justified on the following grounds:

1. MV has added maintenance and dispatch staff to handle increased demand related to the expansions implemented during the last few years.
2. MV has increased the skill level requirements for some of the mechanic positions to a higher level resulting in about \$3/hr wage difference.
3. These wage related increases are consistent with the industry as well as other sector wage increases for our area.
4. The result of these increases will contribute to maintaining a higher level of customer service and reliability by reducing employee turnover for dispatchers and mechanics.
5. The increased staffing is consistent with the increase in bus ridership that has occurred during the contract term. Ridership has increased by over 14% which results in increased phone calls, customer issues, requests for information, etc.
6. Increased mechanic needs are consistent with the increase in service hours in the evening, Sundays and on new routes such as to Farmersville & Exeter.
7. Our operating costs per hour, mile and passenger are lower than the average for systems our size as listed in the following table.

	<u>Cost per Hour</u>	<u>Cost per Mile</u>	<u>Cost per Pass.</u>
Visalia	47.42	3.21	2.47
Ave of Similar Systems	61.66	3.93	3.08

**Discussion:**

Since the beginning of transit service in Visalia the City has contracted with the private sector to operate and maintain the City bus services. The City has always elected to purchase the buses directly and provide them to the contractor to operate, although, we could have the contractor provide vehicles as well. This option is good for controlling capital acquisitions as well as keeping operating costs as low as possible.

In 2003 the City of Visalia changed bus operations & maintenance contractors from Laidlaw Transit to MV Transportation. The current contract, which began September 1, 2003, includes two three-year extensions to be implemented at the City's discretion. Some of the highlights of the transit service that MV has assisted the City with during the last two and one-half years include the following:

1. Completed a smooth transition into our new Transit Center.
2. Completed the design of a new bus operations & maintenance facility currently under construction.
3. Started a new bus route that became our fastest growing route ever helping to contribute to our highest monthly ridership ever.
4. On-time performance improved from 72% to over 90%.
5. Various route & schedule improvements were completed.
6. Improved maintenance and reduced breakdowns.
7. New Sunday and evening service.
8. Several successful special events at our convention center and throughout the city.
9. Double digit ridership increases for over a year.

MV has taken a very positive approach in becoming a partner with the City in improving the transit services. They have assisted the City in addressing challenges with the Fixed Route schedules as well as the Dial-A-Ride policies, both of which have received positive feedback from the community.

The City can expect to continue getting a cost effective contracted bus service with the proposed adjustments. In addition to the competitive rates, MV continues to make their corporate resources available to the City for assistance in several projects. MV has installed DriveCam equipment on the buses that helps monitor driver performance as well as document incidents. They provide route planning and facility design assistance as well. Below is a table showing some of the significant statistics since MV began providing the transit services:

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
Passengers	1,172,761	1,153,258	1,316,884	1,535,487
Operating Cost per Passenger	2.67	2.79	2.86	2.33
On-time-performance	71%	80%	84%	90%

\* Projected

**Prior Council/Board Actions:** Since the initiation of Visalia City Coach transit service in 1981, the City has contracted for operation and day-to-day management of the system. Contract services were provided by Trans West Specialties from 1981 through 1992, by Mayflower/Laidlaw Transit from 1993 to 2003, and by MV Transportation from 2003 to present.

**Committee/Commission Review and Actions:** The Transit Advisory Committee recommends approval of the three-year extension of the Operations & Maintenance Contract with MV Transportation at the negotiated term and rates.

**Alternatives:**

The Council could direct staff to conduct a competitive procurement process.

**Attachments:** The proposed Amendment to MV's Contract.

**City Manager/Executive Director Recommendation:**

**Recommended Motion (and Alternative Motions if expected):** I move to authorize the transit division to extend the current Bus Operations & Maintenance Contract with MV Transportation through the first three-year option ending August 31, 2009 at the various negotiated rates included as Amendment 1.

***Financial Impact***

**Funding Source:**

Account Number: 4511-5535-45451 (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue:	\$ 0
Amount Budgeted: \$	Lost Revenue:\$	
New funding required: \$	New Personnel:	\$ 0
Council Policy Change: Yes _____	No <u>X</u> _____	

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

Copies of this report have been provided to: MV Transportation

***Environmental Assessment Status***



**CEQA Review:**

Required? **No**

Review and Action: Prior:  
Required:

**NEPA Review:**

Required? **No**

Review and Action: Prior:  
Required: