

# Visalia City Council Agenda

For the regular meeting of: MONDAY, June 16, 2008

Location: City Hall Council Chambers, 707 W. Acequia, Visalia CA 93291

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

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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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## **SWEARING IN CEREMONY**

- **Fire Chief Mark Nelson**

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

**5:00 p.m.**

### **Public Comment on Work Session and Closed Session Items -**

5:05 p.m.

1. Accept the Final Parks & Infrastructure Master Plan for East Downtown.

5:45 p.m.

2. Receive recommendations for response for proposals submitted to the Federal Department of Transportation for Commercial Essential Air Service in Visalia (proposals received in Washington D.C. on June 13, 2008 with comments due by June 20, 2008.) *(No written materials to be distributed in advance of meeting. Staff report will be made available at the meeting)*

*The time listed for each work session item is an estimate of the time the Council will address that portion of the agenda. Members of the public should be aware that the estimated times may vary. 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**

**6:00 p.m. (Or, immediately following Work Session)**

3. Conference With Real Property Negotiators (G.C. §54956.8)  
Property: 404 E. Center Street (APN: 094-285-008)  
Under Negotiation: Authority to negotiate terms and conditions  
Negotiating Parties for City: Steve Salomon, Leslie Caviglia, Monty Cox  
Negotiating Parties for Lessees: Hammad Taha and Ohammad Taha
4. Conference with Legal Counsel - Existing Litigation (Subdivision (a) of 54956.9 GC)  
Name of Case: Elliot Farms LTD v. City of Visalia TCSC No. 08-228038

## REGULAR SESSION

7:00 p.m.

### PLEDGE OF ALLEGIANCE

INVOCATION – Pastor Randy Janzen, Neighborhood Church

### SPECIAL PRESENTATIONS/RECOGNITION

**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 street name and city.

5. **PUBLIC HEARING** – Proposed funding changes, amendment, and assessment increases of balloted Landscape and Lighting Maintenance Assessment Districts. *(Upon completion of the public hearing, staff will open and tabulate the ballots. The results will be reported at the end of the meeting).*

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

6. **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) Receive Planning Commission Action Agenda for the meeting of June 9, 2008,
  - c) Acknowledge receipt of letter dated June 3, 2008, from Wilson F. Wendt, attorney with Miller Starr Regalia representing the Imperial Group. This is a request for continuance on the appeal filed for CUP 2007-50; Social Security Administration's proposed relocation to 1337 S. Lovers Lane to Monday, August 18, 2008.
  - d) Authorization to file a Notice of Completion for Parcel Map 2006-22 (PM 4849), located at the Northeast corner of Demaree Street and Riggan Avenue.
  - e) Authorize the City Manager to execute an agreement with the College of Sequoias that provides for the City's participation in the Federal Work Study Program for the 2008/2009 fiscal year.

f) Authorization for the City Manager to execute an FAA Grant Agreement in the amount of \$938,771 to fund the Marking of Runway 12/30 and add lighting for Declared Distances; installation of a security access gate; and design for connecting taxiway construction at the Visalia Municipal Airport.

**7. PUBLIC HEARING**

a) **General Plan Amendment No. 2007-09:** A request by Jeff Manquen (Jesus Gutierrez, agent) to change the General Plan land use designation from RLD (Residential Low Density) to PA (Professional Administrative Office) on 0.21 acres. The site is located at 501 South Court Street, on the southwest corner of Court Street and Olive Avenue. APN: 097-033-002 **Resolution 2008-33 required.**

b) **Introduction of Ordinance for First Reading of Change of Zone No. 2007-10:** A request by Jeff Manquen (Jesus Gutierrez, agent) to change the zoning from R-1-6 (Single-Family Residential, 6,000 sq. ft. minimum lot size) to PA (Professional Administrative/Office) and inclusion in Design District C on 0.21 acres. The site is located at 501 South Court Street, on the southwest corner of Court Street and Olive Avenue. APN: 097-033-002. **Ordinance 2008-05 required.**

**8. PUBLIC HEARING** and Overview of the 2008/09-2009/10 budget

- Analysis of the General Fund and Enterprises

**9. Adjourn regular meeting to Monday, June 23, 2008, 7:00 p.m. at the Visalia Convention Center, 303 E. Acequia for the following items: (*Motion required*)**

- Measure T recertification
- Proposition 4 Expenditure Limit Report
- Redevelopment Budget
- Continued PUBLIC HEARING Budget 2008/09-2009/10 and potential adoption
- Award bid #07-08-23 "Cape Seal Various City Streets" and negotiated additions

**REPORT ON ACTIONS TAKEN IN CLOSED SESSION**

**REPORT OF CLOSED SESSION MATTERS FINALIZED BETWEEN COUNCIL MEETINGS**

Buyer	Seller	APN Number	Address	Purpose	Closing Date	Project Manager
City of Visalia	Razzari, Timothy and Billie	APN 094-285-008	404 E. Center	Close proximity to Transit Center	6/6/08	Monty Cox

**Upcoming Council Meetings**

- Monday, June 23, 2008, Special Session 5:30 p.m., Joint City Council and Kaweah Delta District Hospital Board - 400 W. Mineral King, Blue Room (Basement Conference Room)
- Monday, June 23, 2008, Adjourned Regular Meeting from June 16, 2008, 7:10 p.m. Convention Center, 303 E. Acequia.
- Monday, June 23, 2008, Special Meeting (immediately following adjourned Regular Meeting) Convention Center, 303 E. Acequia.
- Monday, July 14, 2008, Work Session 4:00 p.m. Special Session 7:00 p.m. - Convention Center 303 E. Acequia

*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.*

*Any written materials relating to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the Office of the City Clerk, 425 E. Oak Street, Visalia, CA 93291, during normal business hours.*

# City of Visalia Agenda Item Transmittal

**Meeting Date:** June 16, 2008

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

**Agenda Item Wording:** Accept the Final Parks & Infrastructure Master Plan for East Downtown.

**Deadline for Action:** June 16, 2008

**Submitting Department:** Housing & Economic Development

**Contact Name and Phone Number:** Ricardo Noguera, Housing & Economic Development Director (x4190)

**Department Recommendation:** Accept the Final Parks & Infrastructure Master Plan prepared by EDAW, Inc..

**Summary/background:** This master plan represents one of two to be considered by Council (the other is the Civic Center Master Plan) within the next several weeks. These two plans come as a result of the 2005 East Downtown Strategic Plan which set the stage for future planning and development within a 180-acre area.

The Parks & Infrastructure Master Plan has been prepared by EDAW, Inc.; a San Francisco-based consulting firm. The plan encompasses approximately eighty (80) acres of land primarily owned by the City and Redevelopment Agency of Visalia. The boundaries extend from Ben Maddox to Tipton Street (east-west) and from Goshen/Murray to Mill Creek (north-south). (See attached map for details.)

**Community Outreach:** over the course of approximately eighteen (18) months, the City hosted several workshops, focus groups and community meetings to maximize input from the Visalia community in shaping the master plan. The Council also formed a task force to work with staff and the consultant team on the preparation of the plan.

**Key Components of the Plan:** This plan covers approximately eighty (80) acres of land but focuses primarily on the parks and infrastructure components while Race Studios' plan focuses on the Civic Center. The Plan includes the following key components:

1. **Civic Center Park:** Approximately three (3) acres of open space fronting the new public safety building and city hall. This park will be situated just north of Mill Creek and just east of Tipton to Burke Street. The Plan includes options for the eventual relocation of the creek as well

**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.

as it remaining in its' present location. This park will primarily serve as a central gathering place to host ceremonies, music, and events. It may include a small amphitheater, trail, picnic tables and other amenities. In the future, a more detailed plan will be completed with construction to follow.

2. **Central Park:** This will be the major park which follows the meandering Jennings Ditch which is eventually planned to contain water year round. The park will stretch from Goshen to the corner of Oak and Burke streets. It also maintains the existing oak trees and will include the addition of a possible amphitheater, picnic tables, playground and lawn area. This park is not projected to be developed within the next 3 to 5 years.

3. **Roads & Infrastructure for Civic Center Block:** Currently, Oak Avenue terminates at the intersection of Burke Street. School Street is planned to be extended from its' current terminus (100 feet east of Tipton Street to Burke Street and across and over to Ben Maddox Avenue. Provost & Pritchard was retained in February 2008 to prepare construction drawings for the Civic Center block. This will include consideration of two routes for the School Street extension. Additionally, both wet and dry utilities will be designed for.

4. **Infrastructure & Roads for area between Burke and Ben Maddox:** There will also be new roadways and infrastructure designed and constructed between Burke and Ben Maddox. The majority of the design and construction will not occur for the first five years. This will be dependent upon market conditions.

**Funding:** The Parks & Infrastructure Master Plan has been funded through a combination of sources: Public Safety Funds, Park Funds, Bike & Waterways Funds. The implementation of the plan will rely on a combination of funding sources including: Measure R, Rule 20A/20B funds (to support undergrounding of utilities), Public Safety and Parks funds.

#### **Key Activities Affecting the Implementation of the Plan:**

- The City will soon embark on a Programmatic EIR which encompasses 180 acres of East Downtown and should be completed by Fall 2009;
- The City has engaged the services of Brown and Caldwell, a Brownsfield consulting firm to test and remediate portions of East Downtown (primarily within the Civic Center block). Work is underway;
- Extension of School Street. This involves completion of an environmental document currently underway. It may also involve acquisition of land from the Gas Company. The design work is being completed by Provost & Pritchard, a local engineering firm retained in February 2008;
- Extension of Oak Avenue. The City is currently working with the Public Utilities Commission (PUC), Union Pacific, and San Joaquin Railroad Authority to complete design and improvements to the railroad right-of-way along Oak Avenue between Tipton to Burke streets. This will include building out Oak Avenue from Tipton to Burke Street. The design is underway and will require PUC approval. Construction should commence by Summer 2009;
- Undergrounding of utilities along Burke Street. This will extend northward from Mill Creek to Goshen Avenue. The City is currently exploring the use of either Rule 20A or 20B funds from the Southern California Gas Company. This process should take eighteen (18) months to complete.

#### **Comments from the Parks & Recreation Commission**

This document last revised: 6/13/08 12:40:00 PM

File location and name: H:\(1) AGENDAS for Council\2008\061608\Item 1 PARKS INFRASTRUCTURE MASTER PLAN.doc

On May 20, 2008, the Commission met to receive a presentation from EDAW, Inc. on the Parks & Infrastructure Master Plan. The Commission unanimously approved a motion to Council that the overall concept for the park and open space was outstanding with the following additional comments:

1. The Plan lacked sufficient grass area in Central Park for active play;
2. The plan lacked space for playground equipment;
3. The concept of including circulating water in Jennings Ditch on a year round basis was an important element;
4. There is an opportunity to recognize our former war heroes in either the Civic Center or Central Park. This space could be developed during the development of construction documents in coordination with local veteran groups. These groups could also assist in fundraising efforts towards a memorial project;
5. There was concern expressed over the budget and funding for the park area.

Staff have reviewed the letter (attached) and offer the following responses:

1. The two parks were never intended to accommodate ball playing. However, there is ample space in Central Park to support picnicking and leisure time;
2. There will be opportunities to explore the installation of playground equipment in both parks once the specific design elements of the park are commenced;
3. The water circulation element will be pursued as part of the development of the Central Park;
4. This is an opportunity for the Parks & Recreation Commission to work with local veteran groups on the establishment of a heroes memorial;
5. Specifics with respect to the budget for the buildout of the parks will be addressed once the City moves toward the design and development of each park.

**Time-Lines to Consider:**

The Programmatic EIR and design work for the roads and infrastructure should be completed by Fall 2009. This only covers a limited section of the 180-acre East Downtown; approximately 80 acres of land. The attached site map contains the boundaries of both the 180-acre East Downtown Strategic Planning Area and the Parks & Infrastructure Master Plan area (80 acres). The construction of roads and infrastructure will take another one to two years to complete. The new public safety building and civic center park can also be designed during this period. It is estimated that construction of roads, infrastructure, public safety building and the civic center park can commence in early 2010 with completion by Spring 2012.

**Prior Council/Board Actions:**

- December 2006 Council approved contract with EDAW, Inc. to complete the Parks & Infrastructure Master Plan.
- December 18, 2007 Council received an Update on Activities in East Downtown

**Committee/Commission Review and Actions:**

- East Downtown Task Force (April 17, 2008)
- Parks/Recreation Commission (May 20, 2008)

**Alternatives:** None

**Attachments:**

- Site Map illustrating the Parks & Infrastructure Master Plan

- Letter from Parks & Recreation Commission

**Recommended Motion (and Alternative Motions if expected):** Accept the Final Parks & Infrastructure Master Plan prepared by EDAW, Inc..

***Environmental Assessment Status***

**CEQA Review:** A Programmatic EIR will be completed for the entire East Downtown area. Development of parks and other activities will require further more detailed environmental analyses.

**NEPA Review:** If federal dollars are utilized or if the City decides to relocate Mills Creek then NEPA review will be required as well.

**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 Agenda Item Transmittal

**Meeting Date:** June 16, 2008

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

**Agenda Item Wording:** Approve a letter to the Department of Transportation making comments and a recommendation regarding the Essential Air Service proposal from Great Lakes Aviation.

**Deadline for Action:** June 20, 2008

**Submitting Department:** Administrative Services - Airport

**Contact Name and Phone Number:** Mario Cifuentez 713-4480

**Department Recommendation:**

Staff recommends that Council submit a letter to the Department of Transportation in support of Great Lakes Aviation as the provider of Essential Air Service for Visalia and the Central Valley. The City of Visalia has previously submitted a letter of support for Great Lakes, however, Great Lakes was forced to seek a rebid of the service in order to be compensated for the increase in fuel costs since the time that the original proposal was submitted. In the most recent proposal, Great Lakes has proposed service to Las Vegas or Ontario or a combination of the two hubs at their discretion.

**Summary/background:**

The purpose of this work session is to present Council with an overview of the most recent Essential Air Service Process and provide highlights of the proposal received by Great Lakes Aviation.

Effective May 29, 2008, the Department of Transportation (DOT) issued an Order Requesting Proposals from airlines interested in providing air service to Visalia, Merced, and Ely NV. The rebid for the three (3) communities came at the request of the communities. Based on discussions with Great Lakes, the DOT and representatives of Merced and Ely, the communities respectfully requested that the Department issue an expedited Request for Proposals to allow air carriers, including Great Lakes Aviation, an opportunity to submit a bid more representative of the actual costs facing air carriers in today's environment. The goal was to ensure that whichever carrier was ultimately chosen will commence service to our communities on firm financial footing

**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.): 20

**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.

Under the guidelines established by the DOT, interested carriers were allowed to propose whatever service they felt would best serve the communities needs. The DOT served the Order on approximately thirty (30) different air carriers. The proposal by Great Lakes was the sole bid submitted. Great Lakes has once again proposed service to Las Vegas' McCarran International Airport, with the addition of an option to provide service to Ontario CA.

Great Lakes continues to try work out the issues that they are facing in Las Vegas in hopes of providing service to McCarran. Historical passenger totals show that the Visalia market has 700-800 passengers traveling back and forth to Las Vegas each month. With that level of demonstrated demand for service, it makes the most sense to continue pursuing long-term hub service through Las Vegas. However, with the departure of Air Midwest from the market, both Great Lakes and the communities realize the importance of commencing service sooner rather than later and Great Lakes has determined that they may have the ability to start service to Ontario much sooner than they could to Las Vegas

Pursuant to the Order and corresponding EAS regulations, the DOT will subsidize service at Visalia based on the prior year passenger totals. Calculating the prior year totals of 13,015 passengers, the proposal of \$1,494,319 for Visalia, contains an updated subsidy request that is well below the maximum allowable subsidy available of \$2,603,000.

Throughout all of the past proposal periods, Great Lakes has demonstrated a commitment to working with our community to build our air service and constantly seeks the input of City officials. Additionally, even in troubling times for air carriers, they have a proven ability to grow service in similar markets and have transitioned several communities to subsidy free service over the past few years. Based on the aforementioned qualifications, staff is recommending that Council submit a "Letter of Support" to the DOT in favor of Great Lakes Aviation.

**Prior Council/Board Actions:**

August 5, 2005 – Council Submitted comments to the DOT in support of Scenic Airlines as the provider of Essential Air Service to Visalia. Scenic Airlines was chosen by the DOT as the only viable proposal, on the basis that the Great Lakes proposal exceeded the subsidy available at the time.

April 4, 2006 - Council authorized the formal recognition of the Air Service Sub-Committee, comprised of City Staff and Council members Link and Kirkpatrick, and authorized that committee to submit comments to the Department of Transportation conveying the community's position on the proposals.

July 31, 2006 – Council Submitted comments to the DOT in support of Great Lakes Aviation as the provider of Essential Air Service to Visalia. Air Midwest was ultimately selected by the DOT to provide the service to the six (6) communities that were part of the RFP process.

September 4, 2007 – Council authorized the submission of comments to the DOT conveying the community's support for Great Lakes Aviation as the provider of Essential Air Service for Visalia.

**Committee/Commission Review and Actions:**

The Airport Advisory Committee continues to support of Great Lakes Aviation as the provider of Essential Air Service at Visalia.

**Alternatives:**

**Attachments:** Proposal from Great Lakes Aviation

**Recommended Motion (and Alternative Motions if expected):** Move to submit comments to the Department of Transportation conveying the community's support for Great Lakes Aviation as the provider of Essential Air Service for Visalia with the recommendation that Great Lakes be allowed to choose whichever destination would result in the soonest commencement of service.

***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:

Before the United States Department of Transportation

Washington, DC

June 13, 2008

Essential Air Service at:

MERCED, CALIFORNIA  
VISALIA, CALIFORNIA  
ELY, NEVADA

under 49 U.S.C. 41731 et.seq.

Docket OST-1998-3521  
Docket OST-2004-19916  
Docket OST-1995-361

This contains Great Lakes Aviation, LTD. response to Order Requesting Proposals 2008-5-42.

Great Lakes Aviation, Ltd. is pleased to submit this proposal to provide essential air transportation at these points in California and Nevada.

In accordance with the instructions in the order to provide a "final and only" proposal, Great Lakes has provided a description of the proposed service and alternative hubs for each of these Essential Air Service points.

Great Lakes will provide service at these Essential Air Service points in a similar fashion as is offered in Denver and utilize our interline agreements and our United and Frontier Code share agreements.

All proposals contemplate the use of 19 seat Beechcraft 1900D airliner equipment.

Questions and comments may be referred to:

Michael O. Matthews  
Chief Financial Officer  
Great Lakes Aviation, Ltd.  
1022 Airport Parkway  
Cheyenne, WY 82001  
(307) 432-7000

**Table of Contents:**

<b>Proposal Number</b>	<b>Service Point(s)</b>	<b>Hub(s) Served</b>	<b>Round Trips</b>	<b>Equipment</b>	<b>Subsidy Requirement</b>	<b>Passengers Forecast</b>	<b>Average Fare</b>
1	Merced, California	Las Vegas or Ontario or a combination of the two hubs at Great Lakes discretion	2	1900D	<b>\$1,541,365</b>	15,000	\$129.15
2	Visalia, California	Las Vegas or Ontario or a combination of the two hubs at Great Lakes discretion	2	1900D	<b>\$1,494,319</b>	14,000	\$121.10
3	Ely, Nevada	Las Vegas non-stop or Denver one-stop or Salt Lake non-stop or a combination of two hubs at Great Lakes discretion  One-stop Denver service may be served over Rock Springs, WY or Vernal, UT or Moab, UT or Grand Junction, CO at Great Lakes discretion	2	1900D	<b>\$1,864,717</b>	5,500	\$139.97

# Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

Merced, California

Two Round Trips - B1900

98.0% completion factor

Departures:							1,431
Operating Revenues:							
Passenger:	MCE	15,000	psgrs at	\$129.15	\$1,937,250		
Other:	(at 0.62% of passenger revenue)				\$12,011		
Total Operating Revenues:							\$1,949,261
Operating Expenses:							
Direct:	Aircraft and Hull Insurance				\$180,750		
	Fuel and Oil				\$1,409,370		
	Flying Operations				\$348,017		
	Maintenance				\$468,603		
Total Direct Expenses:							\$2,406,740
Total Indirect Expenses:							<u>\$917,666</u>
Total Operating Expenses:							\$3,324,406
Operating Loss							(\$1,375,145)
Profit Element (5.0% of Total Operating Expenses)							\$166,220
<b>Annual Compensation Requirement:</b>							<b>\$1,541,365</b>

Representative Schedule supplied from previous selection case for comparative purposes

Flt #	Freq	Flow	Schedule	Block Time	Miles	ASMS	Equip
71	1234567	MCE-LAS	0730-0900	90	308	5852	BE1
72	1234567	LAS-MCE	1000-1130	90	308	5852	BE1
75	1234567	MCE-LAS	1230-1400	90	308	5852	BE1
76	1234567	LAS-MCE	1930-2100	90	308	5852	BE1

# Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

Visalia, California

Two Round Trips - B1900

98.0% completion factor

Departures: 1,431

Operating Revenues:

Passenger: VIS 14,000 psgrs at \$121.10 \$1,695,400

Other: (at 0.62% of passenger revenue) \$10,511

Total Operating Revenues: \$1,705,911

Operating Expenses:

Direct: Aircraft and Hull Insurance \$180,750  
Fuel and Oil \$1,185,213  
Flying Operations \$348,017  
Maintenance \$468,603

Total Direct Expenses: \$2,182,583

Total Indirect Expenses: \$865,255

Total Operating Expenses: \$3,047,838

Operating Loss (\$1,341,927)

Profit Element (5.0% of Total Operating Expenses) \$152,392

**Annual Compensation Requirement: \$1,494,319**

Representative Schedule supplied from previous selection case for comparative purposes

Flt #	Freq	Flow	Schedule	Block Time	Miles	ASMS	Equip
51	1234567	VIS-LAS	0730-0900	90	237	4503	BE1
52	1234567	LAS-VIS	1000-1130	90	237	4503	BE1
55	1234567	VIS-LAS	1230-1400	90	237	4503	BE1
56	1234567	LAS-VIS	1930-2100	90	237	4503	BE1

# Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

Ely, Nevada

Two Round Trips - B1900

98.0% completion factor

Departures:							1,226
Operating Revenues:							
Passenger:	ELY	5,500	psgrs at	\$139.97		\$769,835	
Other:	(at 0.62% of passenger revenue)					\$4,773	
Total Operating Revenues:							\$774,608
Operating Expenses:							
Direct:	Aircraft and Hull Insurance					\$180,750	
	Fuel and Oil					\$1,059,466	
	Flying Operations					\$298,393	
	Maintenance					\$401,655	
Total Direct Expenses:							\$1,940,264
Total Indirect Expenses:							<u>\$573,379</u>
Total Operating Expenses:							\$2,513,643
Operating Loss							(\$1,739,035)
Profit Element (5.0% of Total Operating Expenses)							\$125,682
<b>Annual Compensation Requirement:</b>							<b>\$1,864,717</b>

Representative Schedule supplied from previous selection case for comparative purposes

Flt #	Freq	Flow	Schedule	Block Time	Miles	ASMS	Equip
20	12345 7	ELY-LAS	1000-1130	90	222	4218	BE1
27	123456	LAS-ELY	1400-1530	90	222	4218	BE1



**City of Visalia**  
**Agenda Item Transmittal**

**Meeting Date:** June 16, 2008

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

**Agenda Item Wording:** Public Hearing to discuss proposed funding changes, amendment, and assessment increases of balloted Landscape & Lighting Maintenance Assessment Districts. (Upon completion of the public hearing, staff will open and tabulate ballots. The results will be reported in Regular Session.)

**Deadline for Action:** None

**Submitting Departments:** Finance

**Contact Name and Phone Number:**

Eric Frost - 713-4474, Jason Montgomery - 713-4425

**DEPARTMENT RECOMMENDATION:**

That City Council:

- 1) Conduct a Public Hearing to receive ballots and public testimony on the proposed funding changes, amendment, and assessment increases for the maintenance of balloted Landscape and Lighting Maintenance Assessment Districts (Districts).
- 2) Allow staff to open and tabulate ballots.
- 3) Direct staff to implement the proposed changes for the Districts if approved by the ballot vote.

**PUBLIC HEARING:**

The Public Hearing is being held for the purpose of taking public input on the proposed funding changes, amendments, and assessment increases to the balloted Districts and, if passed by the voters, to approve and implement those changes.

**BALLOTING PROCESS:**

Proposition 218 requires that increases to a property based assessment not previously agreed to, be subject to a ballot vote of all the affected property owners. Assessment votes are conducted on the amount of the assessment. Since these assessments are all of equal value, authorization is determined by a simple majority of the returned ballots.

On May 1, 2008, the City mailed 910 ballot letters to three Districts with deficit cash balances requesting property owners to approve an increase in the benefit assessment and the inclusion of a standard benefit assessment increase allowance for the Districts. These Districts consisted of Lisendra Heights (452 ballots), Los Rios/Casablanca (446 ballots), and Country Akers III (12 ballots). The approval of the standard benefit assessment increase allowance will allow the City to make small changes in the assessment fee to balance the District's finances without having to ballot the Districts.

**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.): 5

**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.

Also on May 1, 2008, the City mailed out 22 ballots covering District #05-06 requesting property owners to approve an amendment for the addition of a ponding basin located within the District as part of the District and to include the cost of maintaining the ponding basin as part of the District benefit assessment. The ponding basin serves as a specific benefit to the property owners by providing a common drainage area for each lot. The additional annual cost for the District for maintenance of weed control for the ponding basin would be \$75 for each property.

An Informal Public Meeting was held by the City on May 22, 2008 in the main conference room of City Hall West from 5:30pm to 6:30pm, for District owners to come and discuss any questions or concerns with City staff. Each ballot letter contained information on the date, time, place and nature of this meeting. One property owner attended this informal meeting. The property owner had questions as to who the current contractor was for his District (Los Rios/Casablanca), how the standard benefit assessment increase allowance worked, and who maintained the property across from his residence. Staff was able to answer these questions that evening and with a follow up call to the property owner the following week.

Upon completion of the public hearing, staff will open and tabulate the ballots, of which the results will be reported at the end of tonight's Regular Session. If the recommended inclusion of the standard benefit assessment increase allowance passes, the approved District(s) assessments for the 08-09 County Tax Roll will be increased by up to 10%. If it fails, staff will evaluate the District(s) to determine the best course of action including cost containments and possible future balloting.

#### **BALLOTTED DISTRICTS WITH DEFECIT BALANCES:**

This discussion refers to the three balloted Districts with deficit cash balances and the Landscape and Lighting Maintenance Assessment Districts that benefit these real property owners. These Districts maintain common area improvements (e.g. turf, shrubs, trees, walls, and irrigation equipment) around participating subdivisions, with each parcel sharing equally in the annual cost.

- **ASSESSMENT ADJUSTMENT PROGRAM (Program)**

The 3 Districts balloted were being asked to approve an increase in their benefit assessment and to include the Assessment Adjustment Program to their District. The Assessment Adjustment Program includes:

1. Incorporating a Standard Annual Allowance for Increase: An annual automatic allowance for assessment increases (Allowance) was incorporated into the formation of ALL District's starting in December 1994. The Allowance is included in the Engineers Report which initially estimates the District's costs for maintenance and utilities, and is the basis for the first year's benefit assessment. The Allowance allows for cumulative increases of 5% per year with a maximum increase of 10% in single year. This annual increase can be done without balloting of the property owners for approval. To increase an assessment on a District formed before Dec. 1994 currently requires balloting.

2. Implementing Cost Containment Measures: Staff will implement various measures to reduce expenses to those Districts that are projected to remain in a cash deficit position.

- reduce the amount of work currently being contracted for (e.g. reduce watering, mowing frequency, and other services being provided).
- replace or remove improvements that requires a higher level of maintenance and replace them with improvements that require little or no maintenance (groundcover).

3. Operating and Capital Reserve: Staff recommends maintaining a cash balance for each district that would equal **1.5 year's worth of operating expenses** (not to include sinking fund items such as street maintenance), but no less than **\$10,000** for capital repairs or replacements.

• **FINANCIAL CONDITION**

Table 1, Estimated Ending Cash Balances, shows the financial condition of the three Districts that were balloted. These figures are estimates for the fiscal year ending June 30, 2008.

**Table 1**  
**Estimated Ending Cash Balances**  
**For Period July 1, 2007 - June 30, 2008**

<b>L&amp;L District #</b>	<b>Description</b>	<b># of Parcels</b>	<b>Beginning 2008 Cash Balance</b>	<b>2008 Revenues</b>	<b>Estimated 2008 Expenses</b>	<b>Estimated 2008 End Cash Balance</b>
9302	Lisendra Heights	452	(6,822)	30,447	(33,494)	(9,869)
9205	Los Rios	446	(3,885)	22,505	(26,426)	(7,806)
8905	Country Akers III	12	(3,201)	3,339	(3,785)	(3,647)

As the table represents, these Districts are continuing to fall into a more negative cash position. The inclusion of the standard benefit assessment increase allowance will help staff to fiscally manage these Districts more effectively.

**BALLOTTED DISTRICT #05-06:**

Table 2, Existing Annual Cost and Assessment Data, shows the current breakdown of annual expenses and assessments for District #05-06. Table 3, Proposed Annual Cost and Assessment Data, shows the proposed annual expenses and assessments with the addition of the ponding basin.

**TABLE 2**  
**Existing Annual Cost and Assessment Data**

<u>Description</u>	<u>Unit</u>	<u>Amount</u>	<u>Unit Price</u>	<u>Total Cost</u>
Street Lights	Each	5	\$ 105.00	\$ 525.00
Chip Seal (15 year cycle)	Sq. Ft.	71450	\$ 0.190	\$ 905.03
Crack Seal (8 year cycle)	Sq. Ft.	71450	\$ 0.02933	\$ 261.98
Reclamite (6 year cycle)	Sq. Ft.	71450	\$ 0.0211110	\$ 251.40
Overlays (10 year cycle)	Sq. Ft.	71450	\$ 0.65	\$ 4,644.25
Project Management Costs	Lots	22	\$ 18.00	\$ 396.00
<b>TOTAL</b>				<b>\$ 6,983.66</b>
10% Reserve Fund				<b>\$ 698.37</b>
<b>GRAND TOTAL</b>				<b>\$ 7,682.03</b>
<b>COST PER LOT</b>				<b>\$ 349.18</b>

**TABLE 3**  
**Proposed Annual Cost and Assessment Data**

<u>Description</u>	<u>Unit</u>	<u>Amount</u>	<u>Unit Price</u>	<u>Total Cost</u>
Street Lights	Each	5	\$ 105.00	\$ 525.00
Chip Seal (15 year cycle)	Sq. Ft.	71450	\$ 0.190	\$ 905.03
Crack Seal (8 year cycle)	Sq. Ft.	71450	\$ 0.02933	\$ 261.98
Reclamite (6 year cycle)	Sq. Ft.	71450	\$ 0.0211110	\$ 251.40
Overlays (10 year cycle)	Sq. Ft.	71450	\$ 0.65	\$ 4,644.25
<b>Ponding Basin</b>	<b>Sq. Ft.</b>	<b>57909</b>	<b>\$ 0.0259</b>	<b>\$ 1,499.84</b>
Project Management Costs	Lots	22	\$ 18.00	\$ 396.00
<b>TOTAL</b>				<b>\$ 8,483.50</b>
10% Reserve Fund				<b>\$ 848.35</b>
<b>GRAND TOTAL</b>				<b>\$ 9,331.85</b>
<b>COST PER LOT</b>				<b>\$ 424.18</b>

**ACCOUNTING AND ADDITIONAL INFORMATION**

Landscape & Lighting Districts were created to facilitate the collection of benefit assessments, paying for the maintenance of the Districts real property improvements on behalf of property owners. Since the first District was created in 1987, each District's individual revenues and expenses have been separately accounted for. This accounting reflects the annual financial condition over the years and the resulting trends in assessment revenues and expenses, which is the basis for either increasing, decreasing, or for maintaining the amount of the District's annual benefit assessment. Assessment amounts are initially based on an Engineers Report estimating the maintenance costs at the time of formation

Generally, all contiguous phases of a residential development are in an individual District. The maintenance of the District's is provided by private landscapers that bid to contract for maintaining given areas. The City's Urban Forestry Supervisor manages these contracts, ensuring contractor performance and also handles complaints from District property owners.

All property owners within a District share equally in the maintenance costs, based on the number of parcels in the District. Overhead costs, not specific to an individual District, are allocated to all of the Districts parcels equally. District property owners have an assessment placed on their Tulare County Property Taxes each year by the City in August. The process begins in April and usually in June a Public Hearing is held for any increases or other changes that require public input. Districts fall under provisions of the Landscape & Lighting Act of 1972, and since the assessments are a property related fee, they are subject to Proposition 218 requirements.

**Prior Council/Board Actions:** On June 2, 2008, City Council approved the placing of the Landscape and Lighting District Assessment on the 2008-09 Tulare County secured property tax roll.

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

Attachment 1 - Sample Ballot

**City Manager Recommendation:**

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

- 1.) Move to open the Public Hearing to receive public input on the proposed funding changes, amendment, and assessment increases to the balloted Landscape & Lighting Maintenance Assessment Districts.
- 2.) If passed, move to approve the recommended funding changes, amendment, and assessment increases of the balloted Landscape & Lighting Maintenance Districts and place the increases on the 2008-09 Tulare County property tax roll.

Copies of this report have been provided to:

**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)*

City of Visalia  
707 W, Acequia  
Visalia, CA 93291

May 1, 2008

John & Jane Doe

100 Anywhere Street  
Visalia Ca 93277



Subject: To maintain common landscape and lighting in your neighborhood, the City is asking you to approve a Benefit Assessment Increase Allowance for the Lisendra Heights District.

Dear John & Jane Doe:

This letter includes a ballot. The City is asking you to consider a change in how common landscaping and lighting is funded in your neighborhood. You will be asked to either approve or disapprove the proposal.

The City maintains common landscape and lighting in your neighborhood, funded by a benefit assessment. The maintained landscaping and improvements visually enhance your neighborhood, add value to the surrounding properties and increase your quality of life.

To fiscally manage your district and maintain the landscape's appearance in your neighborhood, the City of Visalia is proposing to include a standard Benefit Assessment Increase Allowance for your District. The City is requesting you consider and return the enclosed ballot indicating your choice, either approving or disapproving a Benefit Assessment Increase Allowance. The approval of the allowance will allow the City to make small changes in the assessment fee to balance the district's finances.

**Proposal:** Provide a Benefit Assessment Increase Allowance which limits changes in benefit assessments to the lesser of: 1) cost; 2) a 5% per year cumulative increase (from the year the District was created); or, 3) 10 % of the current assessment, WHICHEVER IS THE LEAST.

Please consider the enclosed documents, which include a ballot form, an informational page about the Lisendra Heights District, a detailed overview of this process, and a return envelope.

If you have questions or concerns, please attend an informational meeting on May 22, at the City Council Chambers at 707 W. Acequia from 5:30 to 6:30 pm, or if you prefer, you may contact Jason Montgomery, Financial Analyst at 713-4425. Thank you for your time and consideration.

City of Visalia City Clerk's Office  
425 E. Oak Ave., Suite 301  
Visalia, CA 93291

April 19, 2007

City of Visalia City Clerk's Office  
425 E. Oak Ave., Suite 301  
Visalia, CA 93291

Attn: **Lisendra Heights,93-02** District ballot

## BALLOT INSTRUCTIONS

### Completion and Return Instructions:

1. Fill out the ballot at the bottom of this page. Be sure to print your name, mark your choice, sign, and date the ballot (the ballot will not be counted without your signature)
2. Fold this page so the addresses above are visible.
3. Insert this page into the provided return envelope so the Clerk's address is visible through the window of the envelope.
4. Place appropriate postage on the return envelope and mail it.
5. In order to be counted, the ballot must arrive at the above address (City Clerk's Office) on or before 5:00pm, June 16, 2008.
6. ALTERNATIVE DELIVERY: you may also hand deliver the ballot to the City Clerk's office at 425 E. Oak Ave., Suite 301 Visalia, CA., on or before 5pm on June 16, 2008. If delivered in person, the ballot **must** be in a sealed envelope, or it cannot be accepted.

**If you have any question or concerns about the ballot process or Benefit Assessment Increase Allowance, please attend the information meeting being held May 22, at the City Council Chambers at 707 W. Acequia Ave. from 5:30 to 6:30 pm, or if you prefer, contact Jason Montgomery, Financial Analyst at (559) 713-4425.**

### BALLOT

**Proposal:** Provide a Benefit Assessment Increase Allowance which limits changes in benefit assessments to the lesser of: 1) cost; 2) a 5% per year cumulative increase (from the year the District was created); or, 3) 10 % of the current assessment, WHICHEVER IS THE LEAST.

John & Jane Doe, owning property located at 100 Anywhere Street in the Lisendra Heights Landscape & Lighting Assessment Maintenance District:

(Check one)

APPROVES

DISAPPROVES

\_\_\_\_\_  
(Property Owner Signature)

\_\_\_\_\_  
(Date)

## DISTRICT LISENDRA HEIGHTS, 93-02 INFORMATION

The City is proposing an automatic Benefit Assessment Increase Allowance in order to keep up with maintenance costs for the common areas in your District, **work toward eliminating a current outstanding deficit cash balance of \$(6,822)** and to eventually create a small reserve (10% of annual maintenance costs) to help offset any future unexpected maintenance costs. Keeping the landscaping and improvement common areas maintained helps to keep neighborhoods looking good and helps to increase property values. Currently your district is comprised of 452 lots, with current year benefit assessments at \$30,447 and last year's expenses of \$30,200, detailed as follows:

<b>Annual Benefit Assessment Revenue</b>	<b>\$30,447</b>
<b>Fiscal Year 2005/06 actual expenses</b>	
Contract Services (Landscape Contractors, etc.)	(\$14,246)
Electricity	(\$681)
Water / Refuse / Sewer	(\$10,031)
Project Management Costs	(\$5,242)
<b>Total Current Annual Expenses</b>	<b>(\$30,200)</b>

**Adding the annual maintenance costs to the current negative cash balance for your District brings the current total outstanding costs to (\$6,575).** If approved, the proposed Assessment Increase Allowance calculation would cap the maximum allowable increase the annual assessment for your district to \$33,492 this year (from the existing \$30,447 assessment). Consequently, your contribution to keeping the maintenance up in your District would be **an additional \$6.74 per year, or \$0.56 per month.** You would see this as an increase in the Property Benefit Assessment included on your County of Tulare real property tax bill.

On the previous page is a ballot which gives you, the property owner, certain options:

1. **Yes, I approve of the proposed Automatic Benefit Assessment Increase Allowance.** If a majority of the returned ballots select this option, it will allow the City to secure funding from your District for the increased costs of maintenance, and over a period of time will repay any outstanding deficit cash balance. It will also allow the City to provide full maintenance effort to your district (versus a reduced maintenance effort due to a shortage of adequate funds).
2. **No, I do not approve of the proposed Automatic Benefit Assessment Increase Allowance.** If a majority of the returned ballots select this option, it will cause the City to re-evaluate the level of maintenance provided to your District, and likely will result in reduced maintenance, such as reduced watering and/or reduced frequency of mowing and trimming of the common areas.

### Public Hearing and Informational Meeting

An informal question and answer meeting will be held on May 22, at City Council Chambers at 707 W. Acequia Ave. from 5:30 to 6:30 pm. Citizens affected by this proposal will have the opportunity to discuss their questions and any concerns with City staff at this *informal* meeting.

The Public Hearing for this proposal will be held on Monday, June 16, 2008, in the City Council Chambers at 707 W. Acequia, Visalia CA., and is scheduled at the beginning of the City Council Regular Session, at approximately 7:00pm. The ballots will be counted and the results delivered to Council at the end of the Regular Session of the City Council Meeting that same evening. At this meeting, affected citizens will have an opportunity to speak to Council, and may also change their ballot vote if desired.

# Benefit Assessment Increase Allowance

## Why is the Benefit Assessment Increase Allowance Needed?

Most of the older Districts do not generate enough revenue funding through their Benefit Assessments to pay the costs of the maintenance and upkeep of their improvement areas. Historically the City has only occasionally asked for small increases (never more than 10%) from these Districts, through a required ballot process. However, the ballot process is costly and not always successful, so if funds from Benefit Assessments are not enough to cover maintenance costs and an increase is not approved, the City of Visalia must make the difficult decisions to decrease the District's level of maintenance, in an effort to contain the maintenance costs to the amount of Benefit Assessments received. Decreased maintenance efforts have included reduced watering and mowing frequency, replacing labor intensive plantings with a ground cover that requires very little or no maintenance, and other less visually enhancing options. Some districts are already experiencing some or all of these cost saving measures.

## How will it Work?

With a Benefit Assessment Increase Allowance, each District is reviewed annually to determine if an increase to the Benefit Assessment is needed. If total costs are greater than the annual assessment being received, a standardized calculation would be used to determine the allowable increase for that year. **If an increase is warranted it would be limited to either the amount of total costs, a 5% per year cumulative increase (from the year the District was created), or 10% of the current assessment, WHICHEVER IS THE LEAST. Only if total costs are greater than the Benefit Assessment revenue received, will the automatic benefit assessment increase allowance be used.** In no case would any increase be more than 10% of the current assessment in any given year, without balloted approval by the property owners. This is the same automatic allowance process that is already being used in districts created after 1994. If approved the automatic allowance will:

- Decrease the costs incurred by the Districts from repetitive balloting.
- Allow the City to better fiscally manage the individual districts, and to more closely match benefit assessment revenue to the actual costs incurred.
- Reduce the need for cost reduction measures, and improve neighborhood appearances throughout the City, particularly in the older Districts.
- 

## Do assessments ever decrease?

Yes they do. Decreases do not require a ballot vote, so are done automatically. The City's goal is to match District maintenance costs to the benefit assessment revenue as closely as possible, so Districts are evaluated for both increases and decreases.

## Example of a Benefit Assessment Allowance Increase Calculation:

5% cumulative increase calculation = (base year assessment) x  $1.05^{(N-1)}$  (Where N = number of years District has existed).

Example:

**A District's base year Benefit Assessment was \$8,000. The 2<sup>nd</sup> year it was increased 5%, and no increase in the 3<sup>rd</sup> year. The existing assessment is therefore \$8,400. There are 90 properties in the District, so the existing assessment equals \$93.34 per property per year:**

In year 4 after the District was initially created, the costs are \$9,600, and there is \$300 outstanding from the prior year to repair a brick wall, **so total costs are \$9,900.** The calculation to determine what the assessment increase can be is:

5% cumulative (using base year assessment)  
 $\$8,000 \times 1.05^{(N-1)} = \mathbf{\$9,261.00}$

Or

10% single year (using current Year assessment)  
 $\$8,400 \times 1.1 = \mathbf{\$9,240.00}$

The **lesser** of the two maximum allowances is \$9,240.00 which is also less than the total costs, **so the total assessment increase would be limited to \$9,240 or \$102.67 per property (an increase of \$9.33 per year, or about \$0.78 a month for each property).** The \$660 of excess costs would be carried over to the next year. Had the total costs been less than \$9,240, the increase would have been limited to the actual amount of total costs.



# ACTION

## PLANNING COMMISSION AGENDA

CHAIRPERSON:  
Vincent Salinas



VICE CHAIRPERSON:  
Lawrence Segrue

COMMISSIONERS PRESENT: Sam Logan, Adam Peck, Larry Segrue, Terese Lane

MONDAY JUNE 9, 2008; 7:00 P.M., CITY HALL WEST, 707 WEST ACEQUIA, VISALIA CA

- |                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7:00 TO 7:00                                                                                                                                               | 1. THE PLEDGE OF ALLEGIANCE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 7:00 TO 7:01<br>No one spoke                                                                                                                               | 2. CITIZEN'S REQUESTS - The Commission requests that a 5-minute time limit be observed for requests. Please note that issues raised under Citizen's Requests are informational only and the Commission will not take action at this time.                                                                                                                                                                                                                                                                            |
| 7:01 TO 7:01<br>No comments                                                                                                                                | 3. CITY PLANNER AGENDA COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 7:01 TO 7:01<br>No changes                                                                                                                                 | 4. CHANGES TO THE AGENDA –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 7:01 TO 7:02                                                                                                                                               | 5. CONSENT CALENDAR - All items under the consent calendar are to be considered routine and will be enacted by one motion. For any discussion of an item on the consent calendar, it will be removed at the request of the Commission and made a part of the regular agenda. <ul style="list-style-type: none"> <li>• Finding of Consistency for Conditional Use Permit No. 2006-32</li> <li>• Time Extension for Four Creeks Estates II Tentative Subdivision Map and Conditional Use Permit No. 2004-07</li> </ul> |
| 7:02 TO 7:34<br>Approved as recommended Segrue, Logan) 5-0<br>Open: 7:09<br>Close: 7:18<br>Spoke:<br>1. Sam Sciacca<br>2. Jesse Davis<br>3. Mike Fistolera | 6. PUBLIC HEARING – Presented by Paul Bernal<br><br>Conditional Use Permit No. 2008-17: A request by Sam and Marlene Sciacca to allow a mixed commercial and residential use in an existing 4,100 sq. ft. building in the P-C-DT (Planned Central Business District Retail) zone. The site is located at 114 East Main St. APN: 094-291-007                                                                                                                                                                          |
| 7:34 TO 8:30<br><br>Approved as recommended with the adjustment to amend condition #5, pertaining to the LLD and adding condition No. 10,                  | 7. PUBLIC HEARING –Presented by Paul Bernal<br><br>a. Conditional Use Permit No. 2008-04: A request by Habitat for Humanity to create three attached residential units without public street frontage on a 6,540 sq. ft. lot in the R-M-3 (Multi-family Residential, 1,500 sq. ft. of lot area per unit) zone. The project is                                                                                                                                                                                        |

pertaining to Oak Tree protection \*\*\*

(Logan, Peck)  
5-0

Open: 7:57  
Close: 8:17

Spoke:

1. Betsy Murphy
2. Ricardo Noguera
3. Larry Simonetti

proposed as an affordable housing project. The site is located at 1029 W. Goshen Ave. APN: (093-242-030)

- b. Tentative Parcel Map No. 2008-02: A request by Habitat for Humanity to divide a 6,540 sq. ft. parcel into three multi-family residential lots and one common lot in the R-M-3 (Multi-family Residential, 1,500 sq. ft. of lot area per unit) zone. The project is proposed as an affordable housing project. The site is located at 1029 W. Goshen Ave. APN: (093-242-030)

\*\*\*Condition #10: Prior to issuance of a building permit for Unit A, the applicant(s) shall obtain a pruning permit pursuant to the Oak Tree Preservation Ordinance Section 12.24.060 "Notice of Intent to Prune", and Section 12.24.130 "Building Permits" of the Visalia Municipal Code.

8:30 TO 8:40

8. DIRECTOR'S REPORT/PLANNING COMMISSION DISCUSSION:
  - Senate Bill (SB) 375 Summary

The Planning Commission meeting may end no later than 11:00 P.M. Any unfinished business may be continued to a future date and time to be determined by the Commission at this meeting. The Planning Commission routinely visits the project sites listed on the agenda.

For the hearing impaired, if signing is desired, please call (559) 713-4359 twenty-four (24) hours in advance of the scheduled meeting time to request these services. For the visually impaired, if enlarged print or Braille copy is desired, please call (559) 713-4359 for this assistance in advance of the meeting and such services will be provided as soon as possible following the meeting.

**HE NEXT REGULAR MEETING WILL BE HELD ON MONDAY, JUNE 23, 2008  
CITY HALL COUNCIL CHAMBERS, 707 WEST ACEQUIA**

8:30 To 8:30

Motion to Adjourn (Segrue, Peck) 5-0



**MILLER STARR  
REGALIA**

1331 N. California Blvd.  
Fifth Floor  
Walnut Creek, CA 94596

T 925 935 9400  
F 925 933 4126  
www.mslegal.com

Wilson F. Wendt

June 3, 2008

**VIA EMAIL MBAHR@DHLAW.NET**

Matthew F. Bahr, Esq.  
Dooley, Herr, Peltzer & Richardson  
100 Willow Plaza, Suite 300  
Visalia, CA 93291

Re: Visalia Imperial, Inc./Continuance of Hearing on Denial of Conditional Use  
Permit

Dear Matt:

I have spoken with my clients and they are in agreement that in light of the substantial progress that has been made toward establishing another location, the subject appeal hearing should be continued. You indicated in your email that Monday, August 18, is an available date and that date is fine with us. Let me know if you need any other communications or information.

Very truly yours,

MILLER STARR REGALIA

*Wilson F. Wendt*

Wilson F. Wendt

WFW:jj  
cc: Craig Metz

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** June 16, 2008

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

**Agenda Item Wording:** Request authorization to file a Notice of Completion for Parcel Map 2006-22 (PM 4849) Phase 1, located at the Northeast corner of Demaree Street and Riggins Avenue.

**Deadline for Action:** None

**Submitting Department:** Public Works Department

**Contact Name and Phone Number:**

Andrew Benelli – 713-4340  
Jason Huckleberry – 713-4259

**Department Recommendation:**

The recommendation is that City Council give authorization to file a Notice of Completion for Phase 1 as all the necessary improvements for this Parcel Map phase have been completed and are ready for acceptance by the City of Visalia. Phase 2 consists of median landscape improvements and is not ready for acceptance at this time.

**Summary/background:**

The parcel map was developed by Westland Development. Lowes Inc. has built a new store in this shopping center and several other stores and restaurants are planned. Westland Development has submitted a maintenance bond in the amount of \$55,548.00 as required by the Subdivision Map Act to guarantee the improvements against defects for one year.

**Prior Council/Board Actions:** The tentative Parcel Map 2006-22 was approved for recordation by City Council on August 20, 2007.

**Committee/Commission Review and Actions:** The tentative Parcel Map 2006-22 was approved by Planning Commission on October 23, 2006.

**Alternatives:** N/A

**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.

**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.

**Attachments:** Vicinity map.

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

I hereby authorize filing a Notice of Completion for Parcel Map 2006-22 Phase 1.

***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  
Agenda Item Transmittal**

**Meeting Date:** June 16, 2008

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

**Agenda Item Wording:** Authorize the City Manager to execute an agreement with the College of Sequoias that provides for the City's participation in the Federal Work Study Program for the 2008/2009 fiscal year.

**Deadline for Action:** June 16, 2008

**Submitting Department:** Administrative Services – Human Resources

**Contact Name and Phone Number** Janice Avila, Human Resources Manager, 713-4417

**Department Recommendation and Summary:**

Authorize the City Manager to execute an agreement with the College of the Sequoias that provides for the City's participation in the college's Federal Work Study Program. The main objectives of this program are:

- To develop employment and learning opportunities that will improve low-income students' skills and readiness for the transition from school to work.
- To increase the low-income college students' awareness of employment opportunities within public service.
- To provide for ongoing cooperative efforts between the College of the Sequoias and the City by creating opportunities for low-income disadvantaged college students to become involved in Visalia, both as a community and as an organization with diverse employment opportunities.

**Summary / background**

For the past eight years, the City has had the opportunity to participate in this federally-funded program that provides low-income disadvantaged students an opportunity to work in a part-time job while attending college. Through this program, the City of Visalia and College of the Sequoias have been able to develop a successful partnership that has allowed the City to provide part-time employment and learning opportunities for eligible students.

**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.

Because of the success in the past, we are interested in participating in the program again this year. The students who participated in last year's program were assigned to Administration, Convention Center, Recreation, Housing & Economic Development, Community Development and Transit.

The Federal Work Study Program is funded by the fiscal year July 1 through June 30. The students are placed into the part-time "student worker" positions with the City. The student workers are paid as employees of the College of Sequoias (as such, the College of Sequoias assumes all liability for social security, workers compensation, unemployment insurance, and any other mandated employment benefit).

The total number of hours each student may work is determined by the amount of the student's Federal Work Study award. The City will be notified of the total number of work hours available for each student worker. Each student worker will be paid minimum wage. When a student worker's accumulated gross earnings are reached, the student must end his/her participation in the Federal Work Study Program.

As in previous years, the College of the Sequoias will be charging a twenty-five (25%) administration fee for each participant in the program. This administration fee will be based upon the wages earned by each student worker. The college will send a monthly invoice to the City. The administration fee will be divided among the City's departments who have a student worker assigned.

Eligible students will receive a work study award for a value up to \$2,500 for the 2008/2009 fiscal year. This dollar award equates to approximately 312 hours of work at the anticipated minimum wage of \$8.00 per hour. Assuming the student works approximately 15 hours per week, the student will be able to work for approximately 20 weeks. In the example, the administrative cost to the City for the student worker will be \$625.00. It is estimated that approximately six (6) students will be placed through this program which would cost the City an estimated \$3,750 for the year long program. The costs for participating in this program have been included in the FY 2008/2009 budget for hourly employees.

NOTE: The amount of each student's work study award will vary based on the student's financial need. If the student's award is less than the amount shown in the example, then the student will be eligible for fewer hours of work.

All departments are encouraged to consider participation in this work study program. This program requires a commitment from the department to provide a meaningful part-time employment opportunity. The supervisors of these students will be required to provide on-the-job training and be a mentor to the students.

**Prior Council/Board Actions:** June 25, 2007

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:** College of the Sequoias Work Study Agreement between the College of the Sequoias and the City of Visalia

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

I move to authorize the City Manager to execute an agreement between the City of Visalia and the College of the Sequoias that provides for the City's participation in the Federal Work Study Program for the 2008/09 fiscal year.

**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:



**Federal College Work Study (FCWS)  
&  
CalWORKs Work Study (CWWS)  
Agreement  
(Off-Campus/Non-Profit Organizations)**

THIS AGREEMENT, is entered into as of JULY 1, 2008, between College of the Sequoias Community College District, hereinafter known as the Institution and CITY OF VISALIA hereinafter known as the Organization, for the purposes of providing work to students eligible to participate in the Federal and CalWORKs Work Study Programs:

1. Institution has received Federal Title IV Work Study and CalWORKs Work Study funding for the 2008-2009 academic year.
2. Institution is requested by the California Student Aid Commission, the Community College Chancellor's Office and the U.S. Department of Education, to use a portion of its Work Study funding to place students in Work Study positions with public agencies, educational institutions, private non-profit corporations, and private for-profit corporations in the Institution's service area.
3. Organization is willing to accept and supervise Federal Work Study and CalWORKs Work Study student workers pursuant to the terms and conditions of this Agreement.

**ACCORDINGLY, IT IS AGREED:**

- I. TERM: This Agreement, when executed, shall be effective as of the date specified above, and shall continue in effect until June 30, 2009.
- II. INSTITUTION RESPONSIBILITIES: Institution shall:
  1. Refer students to the Organization for participation in Work Study employment;
  2. Provide compensation to students for work performed pursuant to this Agreement;
  3. Make all payments due as an employer's contribution under State or local workers' compensation laws, under federal or State social security laws, or under other applicable laws;
  4. Provide Student Agreement forms to be signed by an authorized official of the Organization, and Job Description Forms, which will set forth the names of the students employed under this Agreement, their hourly rates of pay, description of duties, and maximum gross earnings per student. These forms are considered part of this agreement. Utilize matching employer-contribution funds towards administrative costs;
  5. Be and remain the employer of all Work Study students. Institution has the ultimate right to control and direct the services of the students for the Organization. It also has the responsibility to determine whether the students meet the eligibility requirements for employment under the Federal Work Study, CalWORKs Work Study, to assign students to work for the Organization, and to determine that the students do perform their work in fact. The Organization's right is limited to direction of the details and means by which the result is to be accomplished;

III. ORGANIZATION RESPONSIBILITIES: Organization shall:

1. Interview and select students for Work Study assignments;
2. Provide Work Study positions for students furnished by Institution who are eligible to participate in the Federal and CalWORKs Work Study Programs, and who are qualified as determined by the Institution, and who are acceptable to the Organization; students may be removed from work on a particular assignment or from the Organization by the Institution, either on its own initiative or at the request of the Organization;
3. Instruct students as to the Organization's rules and regulations to be adhered to while performing Work Study services hereunder;
4. Direct the details and means by which the work result is to be accomplished subject to Institution's superseding right to control and direct the services of the students of the Organization;
5. Maintain accurate records of student attendance. Time reports indicating the total hours worked each one month period in clock time sequence, and containing the Organization supervisor's certification as to the accuracy of the hours reported and that work was performed in a satisfactory manner, will be provided to the Institution each month by the Organization at a time agreed upon;
6. Provide overall working conditions that meet the requirements of all applicable federal, state and local laws, rules and regulations pertaining to health, safety and employment, and which will otherwise not endanger the health, safety or welfare of the students;
7. Complete and provide evaluations of the students' work which shall be shared with Institution and the Work Study students;
8. Allow monitoring visits from the Institution to ensure the Federal Work Study and CalWORKs Work Study Programs are being properly carried out;
9. Pay to the Institution an amount equivalent to twenty-five (25%) percent of the salaries of Federal Work Study and CalWORKs Work Study students furnished by Institution and supervised by the Organization. Billings to the Organization will be made at the end of each quarter;
10. Monitor student's earnings to ensure earnings do not exceed award limit and
- 11 Not assign a student to lift an object in excess of 30 lbs.;
- 12 Ensure a student performs only the daily duties listed on his/her Job Description Form;
- 13 Not allow a student to perform volunteer work while employed under the Federal Work Study and CalWORKs Work Study Programs;
- 14 Provide proper training for student to work efficiently for the Organization;

IV. CONDITIONS OF WORK STUDY ASSIGNMENTS BY ORGANIZATION: The parties agree to and understand that work to be performed under this agreement is to be in the public interest, and which:

1. Will not result in the displacement of employed workers or impair existing contract for services; placement of student will not be in a position previously held by an employee of the Organization within the last 12 months;
2. Will be governed by such conditions for employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region and proficiency of the employee and as mutually agreed by the Institution and the Organization; compensation will be paid at the minimum wage rate set by the State of California or by the Federal Minimum Wage; if the State minimum wage is less;
3. Does not involve the construction, operation, or maintenance of so much of any

facility as is used, or is to be used, for sectarian instruction or as a place of religious worship; and

4. Does not involve any partisan or nonpartisan political activity associated with a candidate, or contending faction or group, in an election for public or party office.
  
- V. ASSURANCES OF NON-DISCRIMINATION: Organization expressly agrees that no student will be denied work or subjected to different treatment under this Agreement on the basis of any characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.
  
- VI. LIMITATION ON HOURS OF WORK: During periods of regular enrollment, CalWORKs Work Study students employed under this Agreement may work no more than thirty-two (32) hours per week. Federal Work Study students may work no more than nineteen (19) hours per week during enrollment. All students may work up to forty (40) hours per week during summer, winter and spring breaks. When a student's accumulated gross earnings reach his/her Federal and CalWORKS Work Study award limit, (s)he must stop working under this Agreement. Supervisors, designated by the Organization, must keep track of the student's earnings. If the total earnings exceed the student's award, the Organization will be responsible for compensating the student for the overage(excess) within 30 days of time sheet submission. Students will have varying schedules. The Institution shall determine the maximum hours available for each student. If a student is permitted to work over forty (40) hours per week or over eight (8) hours per day, the Organization will be responsible and will compensate the student for overtime wages within 30 days of time sheet submission.
  
- VII. TRANSPORTATION: Transportation for students to and from their work assignments will be provided by the students at their own expense and in a manner acceptable to the Institution. Neither the Institution nor the Organization will be responsible for any means of transportation for those student employees. The Institution does not authorize any student to operate a vehicle, either the student's or the Organization's, in the course of his/her daily work hours.
  
- VIII. HOLD HARMLESS: Institution and Organization each agree to hold harmless, defend and indemnify the other from and against any claims, actions, costs, losses, damages or liability for injury, including death to any person or damage to any property arising out of their duties, acts or omissions, or those of their respective officers, employees or agents, pursuant to this Agreement, including any negligent or intentional acts on their part. This obligation shall continue in full force and effect notwithstanding the expiration of the term of this Agreement. A completed/signed Agreement does not guarantee the referral or placement of a Federal and CalWORKs Work Study student within an Organization. The award for Work Study can be adjusted by the Institution at anytime. It is the Institution's responsibility to notify the Organization of the change in a Work Study award.
  
- IX. SIGNATURE: The Institution and the Organization each warrants and represents that the signature affixed below has been authorized by appropriate action of its governing body.

Organization: CITY OF VISALIA

Authorized Representative: \_\_\_\_\_  
Steve Salomon, City Manager

Date: \_\_\_\_\_

Organization: \_\_\_\_\_

Authorized Representative: \_\_\_\_\_

Date: \_\_\_\_\_

Institution: College of the Sequoias Community College District

Authorized Representative: \_\_\_\_\_  
Linda Fontanilla, Ed.D  
Dean, Student Services

Date: \_\_\_\_\_

Authorized Representative: \_\_\_\_\_  
William T. Scroggins  
Superintendent/President

Date: \_\_\_\_\_

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** June 16, 2008

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

**Agenda Item Wording:** Authorization for the City Manager to execute an FAA Grant Agreement in the amount of \$938,771 to fund the Remarketing of Runway 12/30 and add lighting for Declared Distances; installation of a security access gate; and design for connecting taxiway construction at the Visalia Municipal Airport.

**Deadline for Action:** June 16, 2008

**Submitting Department:** Administrative Services - Airport

**Contact Name and Phone Number:** Mario Cifuentez, II  
713-4480

**Department Recommendation**

City Staff recommends that Council authorize the City Manager to execute this FAA Grant Agreement in the amount of \$938,771. This grant is being awarded as one of the airport's annual Entitlement grants. This grant will fund all lighting and striping necessary for the implementation of Declared Distances on Runway 12/30 and the installation of a security access gate. These projects have already been approved as part of the City's Capital Improvement Program for the Airport.

**Summary/Background**

The Federal Aviation Administration (FAA) has made a grant offer to the Visalia Airport in the amount of \$938,771 for the above referenced projects at the airport. Pursuant to the FAA's policy of funding 95% of eligible projects, the airport's financial responsibility is \$46,939, which comes from airport revenues and has already been allocated to the airport's capital improvement program.

In 2006, the FAA conducted a Runway Safety Action Team (RSAT) inspection of all commercial service airports in the Western-Pacific Region. Based on the findings from that inspection, the FAA determined that the runway safety area (RSA) on the approach end of Runway 12, did not meet FAA requirements. This grant will provide the funding necessary to displace the threshold on Runway 12 beyond the location where it now exists and implement Declared Distances. Declared distances are a means of obtaining a standard safety area by reducing the usable runway length. A mathematical method is used to determine runway length available taking into account all usable pavement and overruns. By implementing Declared Distances and being able to utilize the existing clearways at each end of the Runway, the airport will actually realize an increase in takeoff distance available of almost 300 feet. This grant will

**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

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** N/A  
(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.

also fund new striping, lighting and a new Precision Approach Path Indicator to replace the FAA owned visual approach aid on Runway 12.

This project will also include the construction of a security access gate to provide access into the hangar development area located midfield, South of Mill Creek. Currently, the only vehicle access to the hangar in that area is via an access road that parallels the safety area. Due to the proximity of the road to the aircraft operations area, it is safer for both aircraft and vehicles to provide a separate access point off of Hangar Drive.

Initially, this year's grant offer was to be substantially higher and fund construction of the Westside development area already approved by Council in the Airport's Capital Improvement Program. However, with the FAA currently funded by a continuing resolution, there was not sufficient funding available to fund the entire project. As such, the FAA has included funding, in this grant, to cover the design work for the Westside development area and will make a grant offer next year for the construction of the project if the FAA funding bill is passed.

**Prior Council/Board Actions:**

Council has routinely authorized the acceptance of annual FAA grant agreements in the same manner.

**Committee/Commission Review and Actions:**

The Airport Advisory Committee recommends that the City Council approve the agreement with Great Lakes Aviation to allow the new service to begin.

**Alternatives:** Not authorizing the City Manager to accept the agreement would lead to the cancellation of the grant offer and the loss of the allocated funding.

**Attachments:** Grant Offer & FAA Terms and Conditions for acceptance of Grant Agreements

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

Move to Authorize the City Manager to accept the Federal Aviation Administration Grant Agreement for AIP 23 funding the implementation of Declared Distances; a security access gate; and design costs for connection taxiway construction at the Visalia Municipal Airport.

***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)*

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** June 16, 2008

**Agenda Item Number (Assigned by City Clerk):** 7

**Agenda Item Wording:**

Public hearing for:

**a. General Plan Amendment No. 2007-09:** A request by Jeff Manquen (Jesus Gutierrez, agent) to change the General Plan land use designation from RLD (Residential Low Density) to PA (Professional Administrative Office) on 0.21 acres. The site is located at 501 South Court Street, on the southwest corner of Court Street and Olive Avenue. (APN: 097-033-002) **Resolution No. 2008- 33 required.**

**b. Introduction of Ordinance for First Reading of Change of Zone No. 2007-10:** A request by Jeff Manquen (Jesus Gutierrez, agent) to change the zoning from R-1-6 (Single-Family Residential, 6,000 sq. ft. minimum lot size) to PA (Professional Administrative/Office) and inclusion in Design District C on 0.21 acres. The site is located at 501 South Court Street, on the southwest corner of Court Street and Olive Avenue. (APN: 097-033-002) **Introduction of Ordinance 2008-05 required.**

**Deadline for Action:** None

**Submitting Department:** Community Development - Planning

**Contact Name and Phone Number:**

Brandon Smith, AICP, Senior Planner 713-4636  
Paul Scheibel, AICP, Planning Manger 713-4369

**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 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.

**Department Recommendation:**

The Planning Commission recommends approval of the applicant's request for the General Plan Land Use and Zoning map amendments. This recommendation is based upon the Commission's findings as follows:

- The proposals are consistent with the policies of the City's General Plan and Zoning Ordinance.
- The changes in land use and zoning provide for an office compatible with surrounding residential uses and the continued preservation of a historic structure.

This recommendation is also supported by the Historic Preservation Advisory Committee, who reviewed the amendments along with the request for office conversion.

**Summary/Background:**

This document last revised: 6/13/08 12:43:00 PM

File location and name: H:\(1) AGENDAS for Council\2008\061608\Item 7 GPA-COZ 501 South Court.doc



The proposed General Plan Amendment and Zone Change will allow for a parcel with an existing single-family residence to be converted into a professional office improved with a parking lot and handicap-accessible ramp.

On May 27, 2008, the Planning Commission, by a 3-0 vote (Segrue, Logan – Absent), approved Resolutions Nos. 2008-32 and 33, recommending that the City Council approve GPA No. 2007-09 and COZ No. 2007-10. In conjunction with these two actions, the Commission approved Variance No. 2007-09 (Resolution No. 2008-31) for the proposed parking behind the residence. The Variance allowed for a reduction in required parking spaces from twelve to ten, and a reduction to required landscape setbacks. No additions or demolitions to the residence are proposed with this project.

### **Analysis:**

**Land Use Consistency:** Currently the site contains a single-family residence. The surrounding lots to the west, south, and east are a residential neighborhood containing a mixture of single-family homes, duplexes, and apartments. Properties north of Olive Avenue between Watson and Bridge Streets are zoned Professional and Administrative Office (PA). Most properties in the designation have been built or converted to offices, though some properties still remain residential. The block immediately north of the site contains a parking lot with drive approaches on Olive Avenue and a single office conversion facing Locust Street.

The subject site is inside a historic district and is listed on the City's Local Register of Historic Structures as a Bungalow-style structure with a focus classification (a focus structure is defined as having significant historical / cultural, architectural, archeological, or aesthetic value and should be protected and retained).

The Planning Commission concluded that the site possessed several strong attributes and opportunities that would favor a change in land use and zoning designation to Professional Office. A number of these attributes support objectives found in the Land Use Element regarding Office Land Development and Land Use:

- Allowing an office development in an area where it can be effectively integrated with the surrounding area (Land Use Element Objective 3.6.A),
- Allowing an older historic structure to be converted for office use (Objective 3.6.B), and
- Strengthening the Core Area as the primary area for professional office development (Objective 3.6.E).

The proposed site plan (Exhibit "A") demonstrates the site can be improved for an office conversion similar to other requests processed by the City and aesthetically retain the character of a single-family residence. The site plan also shows that vehicular access to the parking lot will be from Olive Avenue, a two-block street which already carries a mix of residential and commercial traffic given its proximity to commercial uses and State Highway 198. Access to the parking lot from Olive Avenue results in less potential traffic impacts on nearby major streets and to the surrounding residential neighborhood.

The Planning Commission also recommends that the design district map be amended to include the site in Design District "C". Design District "C" would be most appropriate since it is adjacent to the subject site on the north and will result in consistent development standards.

**Consideration to expand zone change area:** When the request first came to the City for Site Plan Review, staff initially considered the merits of expanding the boundaries of the land use

and zone changes beyond the single parcel. The area is in very close proximity to the downtown medical district and one block away from other medical offices along Noble Avenue. The neighborhood also contains several single-family residences that are local register structures or in the historic district. An expansion would therefore be a logical extension to the PA zoning designation and would help to further preserve these historic structures.

The applicant was encouraged to contact surrounding property owners that could benefit from an expansion of the PA land use and zoning. Letters were sent to parcels along the south side of Olive Avenue. Presently, none of the other property owners have expressed interest in joining the land use and zoning amendment.

Staff still found that it could support the change for the single parcel particularly because the conversion could be made compatible with surrounding properties. Furthermore, successful conversion of this property to office use could inspire other property owners on the block to follow suit.

The upcoming General Plan Land Use Element Update will provide an opportunity for Core Area residential districts located south of Noble Avenue to be studied comprehensively as future office conversion areas. At this time broader issues including parking availability, property owner participation, and projected demand would be analyzed.

**Future Parking District Expansion:** As more professional and medical office uses seek to locate south of Highway 198 near the downtown and medical districts, the need for additional parking facilities in these areas will increase. The City could decide in the future to implement a parking in-lieu district in this area to help offset the cost of providing off-site parking facilities.

A condition of the Variance approved by the Planning Commission ensures the property's inclusion in a future parking district if and when the City proposes one for this area. The applicant spoke in favor of this condition during the Planning Commission's public hearing for the item.

Another condition was approved with the project's variance in the event that the subject property converts to a medical office or other land use with a more intensive parking requirement. The condition states that the variance to allow two parking spaces less than the 12-space requirement shall only apply towards professional office uses. If an alternative land use with more intensive parking requirements is sought, the project should be reanalyzed taking into account other changes in land use or parking facilities that have occurred after the project is developed.

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

In 1985 the City Council amended the land use and zoning plans to re-designate properties along Noble Avenue between Willis and Santa Fe Streets from Highway Commercial to Professional Office.

In 1986, General Plan Amendment No. 727-E and Change of Zone No. 732 changed the General Plan land use and zoning designations from R-1-6 to PA at 515 S. Locust Street, one block west of the subject site. This action approved the only office designation in the PA-zoned area between Willis and Santa Fe Streets that is south of the Olive Avenue alignment.

Since 1990 there have been four variances to on-site parking requirements approved in the PA-zoned area between Willis and Santa Fe Streets south of Noble Avenue. The most recent of these was in 2008, which allowed the office conversion located at 502 S. Willis Street to support medical office uses.

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

On May 16, 2007 the Historic Preservation Advisory Committee held a formal review of the GPA, COZ, Variance, and exterior alterations (parking lot, handicap ramp, and sign). The Committee unanimously supported the applicant's request for the entitlements and office conversion based on the proposed site plan in Exhibit "A". The Committee supported staff's findings that allowing the zone change will help the long-term preservation of a focus structure while retaining the residential character of the structure. The conversion of this structure also helps to further preserve the immediate neighborhood which includes the Hyde House (a National Register Structure) immediately across the street at 500 S. Court Street.

On May 27, 2008, the Planning Commission, by a 3-0 vote (Segrue, Logan – absent), approved Resolutions Nos. 2008-32 and 33, recommending that the City Council approve GPA No. 2007-09 and COZ No. 2007-10. In conjunction with these two actions, the Commission approved Variance No. 2007-09 (Resolution No. 2008-31) to allow a reduction in required parking spaces and the required landscape setbacks in the proposed parking lot behind the residence. During the public hearing for the item, only the applicant and the representing agent spoke to the item.

**Alternatives:**

1. Deny the project by finding the proposed General Plan land use and Zoning Map amendments are not consistent with the General Plan; or
2. Continue the matter to a future City Council hearing.

**Attachments:**

- Ownership Disclosure Statements
- Resolution for approval of GPA 2007-09
- Ordinance introducing Change of Zone 2007-10
- Exhibit "1" – Site Plan
- Planning Commission Staff Report with site plan exhibit
- Maps (General Plan Land Use, Zoning, Aerial, Location)

**Recommended Motion:** I move to approve General Plan Amendment No. 2007-09, and introduce the ordinance approving Change of Zone No. 2007-10.

### ***Environmental Assessment Status***

**CEQA Review:** The project is considered Categorical Exempt under Section 15301 of the Guidelines for the Implementation of the California Environmental Quality Act (CEQA), as amended. This section includes minor alterations of an existing private structure, including the conversion of a single family residence for office use.

**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)*

Anticipated schedule of review: If approved, the Change of Zone would require a second reading. If denied, resolutions denying portions or all of the components of the requested action will be returned to the City Council at a later date.

Copies of this report have been provided to:

RESOLUTION NO. 2008-33

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA APPROVING GENERAL PLAN AMENDMENT NO. 2007-09, A REQUEST BY JEFF MANQUEN (JESUS GUTIERREZ, AGENT) TO CHANGE THE GENERAL PLAN LAND USE DESIGNATION FROM RLD (RESIDENTIAL LOW DENSITY) TO PA (PROFESSIONAL ADMINISTRATIVE OFFICE) ON 0.21 ACRES. THE SITE IS LOCATED AT 501 SOUTH COURT STREET, ON THE SOUTHWEST CORNER OF COURT STREET AND OLIVE AVENUE. (APN: 097-033-002)

**WHEREAS**, General Plan Amendment No. 2007-09 is a request by Jeff Manquen (Jesus Gutierrez, agent) to change the General Plan land use designation from RLD (Residential Low Density) to PA (Professional Administrative Office) on 0.21 acres. The site is located at 501 South Court Street, on the southwest corner of Court Street and Olive Avenue. (APN: 097-033-002); and

**WHEREAS**, the Planning Commission of the City of Visalia, after ten (10) days published notice, held a public hearing before said Commission on May 27, 2008; and

**WHEREAS**, the Planning Commission of the City of Visalia considered the general plan amendment in accordance with Section 17.54.070 of the Zoning Ordinance of the City of Visalia based on evidence contained in the staff report and testimony presented at the public hearing; and

**WHEREAS**, the City Council of the City of Visalia, after ten (10) days published notice held a public hearing before said Council on June 16, 2008; and

**WHEREAS**, the City Council of the City of Visalia finds the general plan amendment to be in accordance with Section 17.54.080 of the Zoning Ordinance of the City of Visalia based on evidence contained in the staff report and testimony presented at the public hearing.

**NOW, THEREFORE, BE IT RESOLVED**, that the Planning Commission of the City of Visalia recommends approval to the City Council of the proposed General Plan Amendment based on the following specific findings and based on the evidence presented:

1. That the proposed General Plan Amendment is consistent with the intent of the General Plan, and is not detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.
2. That the proposed land use designation of Professional Administrative Office would be compatible with existing land uses and land use designations in the surrounding vicinity.
3. That the change in land use provides for an office compatible with surrounding residential uses and provides for the continued preservation of a historic structure.
4. That the project is considered Categorical Exempt under Section 15301 of the Guidelines for the Implementation of the California Environmental Quality Act (CEQA). (Categorical Exemption No. 2008-23)
- 5.

**BE IT FURTHER RESOLVED** that the City Council of the City of Visalia approves the General Plan Amendment described herein, in accordance with the terms of this resolution under the provisions of Section 17.54.070 of the Ordinance Code of the City of Visalia and based on the above findings.

**BE IT FURTHER RESOLVED** that the official General Plan Land Use Map of the City of Visalia is hereby amended to show said property changes as illustrated in Exhibit "A" attached hereunto.

ORDINANCE NO. 2008-05

AMENDING THE ZONING MAP OF THE CITY OF VISALIA BY CHANGING THE ZONING DESIGNATION ON 0.21 ACRES FROM R-1-6 (SINGLE-FAMILY RESIDENTIAL, 6,000 SQ. FT. MIN. LOT SIZE) TO PA (PROFESSIONAL / ADMINISTRATIVE OFFICE), LOCATED AT 501 SOUTH COURT STREET, ON THE SOUTHWEST CORNER OF COURT STREET AND OLIVE AVENUE. (APN: 097-033-002)

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VISALIA**

**Section 1:** The Planning Commission of the City of Visalia has recommended the City Council change 0.21 acres of R-1-6 (Single-family Residential, 6,000 sq. ft. minimum lot size) Zone on the City of Visalia Zoning Map to PA (Professional / Administrative Offices). The project site is 501 South Court Street, on the southwest corner of Court Street and Olive Avenue. (APN: 097-033-002).

**Section 2:** The official Zoning Map of the City of Visalia is hereby amended to show said property changes as illustrated in Exhibit "A" attached hereunto.

**Section 3:** This ordinance shall become effective 30 days after passage hereof.

# City of Visalia Agenda Item Transmittal

**Meeting Date:** June 16, 2008

**Agenda Item Number (Assigned by City Clerk):** 8

**Agenda Item Wording:** Budget Transmittal

**Deadline for Action:** June 30, 2008

**Submitting Department:** Administrative Services

**Contact Name and Phone Number:** Eric Frost, x 4474

**Department Recommendation:**

That the City Council receive the Draft 2008/10 Budget, hear and overview on the budget and conduct a public hearing for citizen comment.

**Summary/background:**

Attached to this report is the draft 2008/10 budget. At this time, staff is still completing some final reviews and will distribute updated pages at the Council meeting. No action is expected as this meeting will be a time to hear reports on the budget and comments. Please carefully read the transmittal letter because it outlines the major issues facing the City which may guide Council's discussion and review of the budget.

Over the next several meetings, the City Council will review the operating portions of the budget. The proposed timelines are as follows:

- |         |                                                                                                                                                                                     |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| June 16 | Overview of the budget<br>Analysis of the General Fund and Enterprises<br>Public Hearing for community comment<br>Adjourn regular meeting to June 23 in order to take fiscal action |
| June 23 | Measure T recertification<br>Proposition 4 Expenditure Limit Report<br>Redevelopment Budget<br>Follow-up on any Council items<br>Public Hearing for additional community comment    |

**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.



Potential adoption of the budget or adjourn regular meeting to June 30 in order to take fiscal action

June 30      If needed, follow up on any Council items  
                 Adoption of the budget

After adoption of the budget, it is important to note that any Council meeting, revisions to the budget can take place by motion. In this year of greater fiscal uncertainty, such actions may be more common.

The Council has spent five meetings considering the Capital Improvement Program. From the June 9, 2008 Council meeting, staff has the following responses on CIP capital:

***CIP Comments***

Council Comments- Council made the following requests during the meeting held June 9, 2008:

**General Plan Update, \$350,000** (\$100,000 proposed funding, \$250,000 proposed frozen): Review funding for the General Plan update. Confirm all current and proposed funding is needed to meet mandatory requirements.

Assistant City Manager, Mike Olmos, has confirmed the need for the \$100,000 proposed funding amount.

**Playground safety surfaces reconditioning, \$30,000** (all \$30,000 proposed frozen): Look for ways to fund this project.

The current Plaza Park irrigation project is nearing completion. Parks is expecting the project to come in approximately \$60,000 under budget. It is proposed this \$60,000 of savings be transferred to the MHCC Gym Floor project (\$40,000) and the Playground safety surfaces recondition project (\$20,000). This will release \$40,000 of proposed funding for the MHCC Gym Floor project in the 2008/09 CIP year and partially fund the Playground safety surfaces reconditioning.

**Miki City Park, \$274,500** (all \$274,500 proposed frozen): Look for ways to fund this project.

The \$40,000 released from the MHCC Floor Project above is proposed to partially fund the Miki City Park Project. As staff closes out the 2007/08 project year, all General Fund projects will be reviewed for possible savings and remaining balances which can be used to fund the Miki City Park. In addition to this, staff will make the funding of Miki City Park a priority in the Mid-year budget review.

As an alternative, the remaining amount, \$234,500, could be funded by interest that would normally be earned on Council designated reserves. Although staff does not recommend this option, the approach has the advantages of funding completing the park now and not driving up cost with a phased approach.

The proposed Changes are summarized below:

Table 1: CIP Project Year 2007/08 Budget Revisions

Project Description	2007/08 Revisions
Plaza park Irrigation	(60,000)
MHCC Gym Floor	40,000
Playground Safety Surface Reconditioning	20,000
	-

**Table 2: General Fund CIP Request Ranking - 2008/09 - 2009/10 Budget Years  
(Shaded Column Proposed to be Frozen)**

#	Project Description	Rating	2008-09			2009-10 Request
			Requests Funded	Requests Frozen	Total Request	
1	Exhaust removal system (Fire)	1A	11,900		11,900	
2	Equipment for new truck (Fire)	1A	79,250		79,250	
3	Advanced life support items.	1A	21,000		21,000	21,000
4	Bomb suit and helmet	1A	24,800		24,800	
5	General Plan Update	1A	100,000	250,000	350,000	350,000
6	Transportation Grant for Oval Park *	1A	150,000		150,000	
7	Workload Study for Police Department	1A	35,200		35,200	
8	Evidence Storage at CalTrans property for PD	1A	50,000		50,000	
9	Sequoia Region Institute for Higher Education	1A	50,000		50,000	
10	Jaws of life Extrication Equipment (Fire)	1A			-	19,900
11	Lincoln Oval Park Improvements	1A	30,000		30,000	
12	SCBA cylinders	1A-	10,000		10,000	
13	MHCC Gym Floor (Safety Improvement)	1A-	-		-	
14	Fire Radios	1A-	12,600		12,600	12,600
15	Main Street Theater Improvements (paid by rental income)	1A-	50,000		50,000	
16	Maintain City leased property	1B+	40,000	10,000	50,000	50,000
17	Maintain City owned property	1B+	40,000	10,000	50,000	50,000
18	Replace old irrigation controllers to DX2 *	1B	125,500		125,500	
19	K-9 and handler course	1B	20,000		20,000	
20	Park Playground Improvement Project *	1B	150,000		150,000	
21	Miki City Park	1B	40,000	234,500	274,500	
22	Thermal Imagers (3)	1B		55,600	55,600	
23	Explosive Training Building Façade	1B		15,500	15,500	
24	Recondition Safety Surfacing in Playgrounds	1B		10,000	10,000	33,000
25	Crack seal, patch and slurry seal Parks parking lots	1B		25,000	25,000	
26	Resurface and restripe Park parking lots	1B		70,000	70,000	
27	Provident Skate Park Fencing	1B		86,000	86,000	
28	SCE Yard Purchase	1B		36,350	36,350	36,350
29	Anthony Community Center (ACC) Main Room Renovation	2A		17,800	17,800	
30	Live Streaming Audio (Granicus)	2A		35,100	35,100	
31	Records Management System	2A			-	30,000
32	Agenda Management Software	2A			-	25,000
33	Remodel Solid Waste Admin Building office spaces	2A		7,500	7,500	7,500
34	Streets/Traffic Safety Office/Shop Repairs	2A		30,000	30,000	
35	Annual project for productivity improvements	2		5,000	5,000	5,000
36	Replace Lights on Plaza Tennis court	2B		18,700	18,700	
37	Community signage	2B		40,000	40,000	
38	Sub Total		1,040,250	957,050	1,997,300	640,350
39	Less Grant Funding Contributed		(297,000)		(297,000)	-
40	Less Frozen Items			(957,050)	(957,050)	
<b>Net General Fund Appropriation</b>			<b>743,250</b>	<b>-</b>	<b>743,250</b>	<b>640,350</b>

\* Project receiving grant funding. See full project description for details

The draft document is on display in the City Clerks office. Staff will be making final reviews of the document this weekend to assure that financial displays are presented correctly. This will lead to a few changes that will need to be inserted into the document on Monday.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:** 2008/10 Draft Budget

**Recommended Motion (and Alternative Motions if expected):** None

***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

425 E. Oak Ave., Visalia, CA 93291

# City Manager's Office

Tel: (559) 713-4300 Fax: (559) 713-4800

June 13, 2008

Visalia City Council  
707 W. Acequia  
Visalia, California, 93291

Honorable Mayor and City Council:

The City faces perhaps the greatest financial uncertainty in its history as we submit this budget. The massive State deficit, struggling housing industry, rising oil prices, and overall general economic decline combine to create a significant challenge. We are recommending a conservative budget which positions the City to withstand State take-aways and further economic declines without creating a crisis in City services or the organization that provides those services.

The total budget 08/09 fiscal year and 09/10 fiscal years is \$161,935,021 and \$162,486,400, respectively and is summarized below.

	GENERAL	BUSINESS TYPE	CAPITAL SPECIAL REV.	TOTAL
	FUND	FUNDS	OTHER FUNDS	BUDGET
<b>2008-09</b>	60,169,030	53,890,957	\$ 51,650,195	165,710,182
<b>2009-10</b>	58,686,301	64,588,556	\$ 42,875,771	166,150,628
<b>Total</b>	118,855,331	118,479,513	94,525,966	331,860,810
	36%	36%	28%	100%

The General Fund faces the greatest fiscal pressure. The budget recommends appropriating only \$750,000 of General Fund capital projects each year, freezing the remaining proposed projects and freezing personnel, representing \$1.4 million in personnel. Further, the budget recommends a number of other changes to help the General Fund position itself to handle:

- A slowing economy which has flattened and reduced Sales and Property Tax growth. The extent this will continue is unknown.
- A reassessment by the County of the City's assessed value, dampening property tax receipts.
- Decreased development and associated activities.
- Volatile commodity prices. Two years ago the City spent about \$850,000 on gasoline and diesel. This last year Visalia will spend close to \$2

million. The City's budget forecasts another 20 percent increase next fiscal year.

- An uncertain revenue loss due to the State's budget crisis. This budget assumes \$1 million in revenue losses after the dust settles in Sacramento.
- A need to wait until mid-year review to reassess the budget and resolve these uncertainties.

Collectively, these factors pressure the General Fund and, to a lesser extent, all City endeavors, particularly development funded activities. As a result, this year's budget works to slow expenditure growth until the City's budget picture is less uncertain.

***Past Year's Efforts.*** This cost control effort is not new. This past year, City management took a number of steps to improve the City's fiscal position. These steps include:

- Transferring engineering development personnel to capital project work as developmental activity declined (reducing General Fund costs by \$400,000 annually)
- Transferring survey crew personnel to streets (reducing General Fund costs by \$120,000 a year)
- Holding open 10 positions to provide options for closing the City's current budget gap (potentially saving \$750,000 a year)
- Ending 5 contract positions and holding open two Building Safety Division positions as building activity decreased (saving some \$500,000 a year)
- Working to raise fees at least by CPI and specific fees more when appropriate
- Developing a budget scenario that anticipates the impact of the State budget take-aways as well as meager revenue growth for the coming year

In the end, these actions assist the City in developing a budget that can provide options for this next year's budget.

At the same time, the budget continues to move the City's agenda forward. Frequently, the news headlines focus on the margins: what things had to be cut to make this year's budget balance. In contrast, most of what the Council has put in place continues to move forward. Admittedly, difficult recommendations will be made to balance the budget. But in the end, most Council initiatives are going forward in this next installment of the City's financial plan.

**General Fund.** Fiscal tough times have hardest hit the General Fund, the source of most governmental services. Much of the problem is uncertainty: unknown economic activity, unclear State budget actions. The uncertainty the budget scenario anticipates includes:

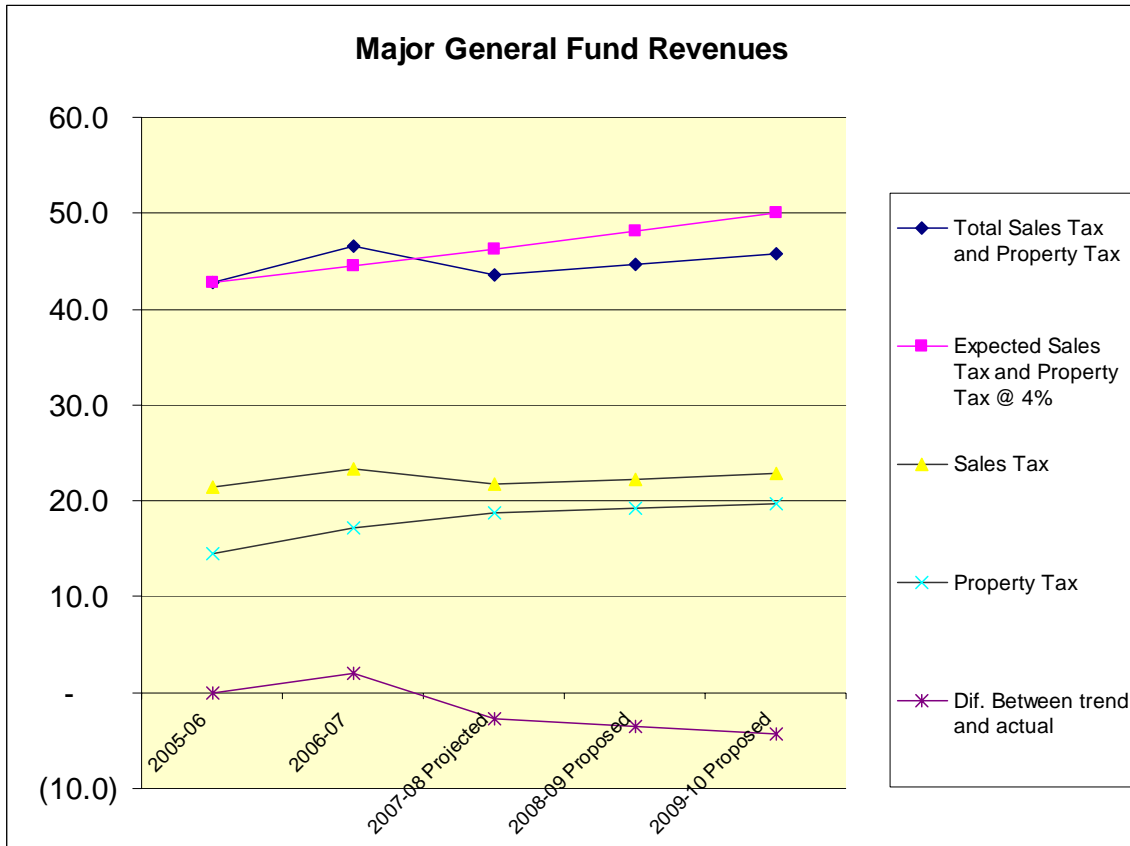
- Low revenue growth. Sales Tax is anticipated to grow at 1% next year. The County Assessor still forecasts property tax to grow at 4.0% but many revenues related to development are down such as Property Transfer Tax. This revenue source was \$700,000 two years ago but is expected to be less than \$300,000 next year. Developmental revenues are expected to decline further, generally by another 10%. Cumulatively, these economic developments dampen revenues substantially.
- State Take-aways. The budget assumes over \$1 million in State revenue cuts. This loss is on top of the expiration of a number of Police grants which have funded police operations.

Fiscal Collision. To understand the problem, consider General Fund budgeting. In most fiscal years, the City expects revenues to grow in order to keep up with rising costs. General Fund costs have risen but revenues have declined for two reasons: 1) Low or negative growth in major revenue sources; and, 2) expected take-aways from the State.

Sales Tax and Property Tax make up almost 75% of the General Fund's revenue sources and are shown in Chart 1, Major General Fund Revenues. These sources have traditionally grown between 3-5% a year. Assuming a 4% trend line, these two revenues are off \$2.5 million for this fiscal year, most of the decline coming from declining Sales Taxes. In the proposed budget, management expects Sales Tax to grow only 1% next year followed by a 3% growth. The County Assessor expects Property Tax to grow 4% next year and management has budgeted 3% growth the following year. However, some related property tax revenues, property transfer tax and supplemental taxes, have significantly declined causing the overall property tax category to grow 3.2% next year and 2.1% the following year.

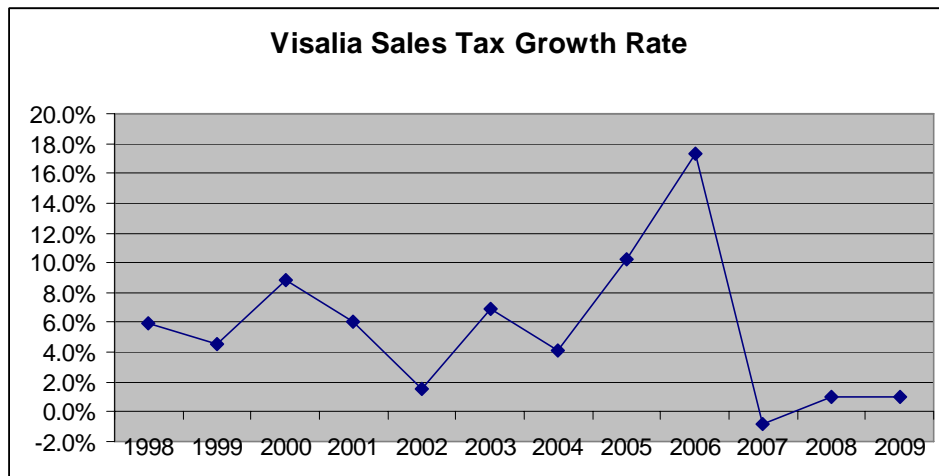
The decline in Sales Tax growth is not even. Some cities have had a greater decline this last year while others have actually had substantial growth. For example, Tulare's sales tax grew 7 percent and Tulare County grew just under 5 percent this last year. Nevertheless, Visalia's experience is more typical for California in general.

Chart 1



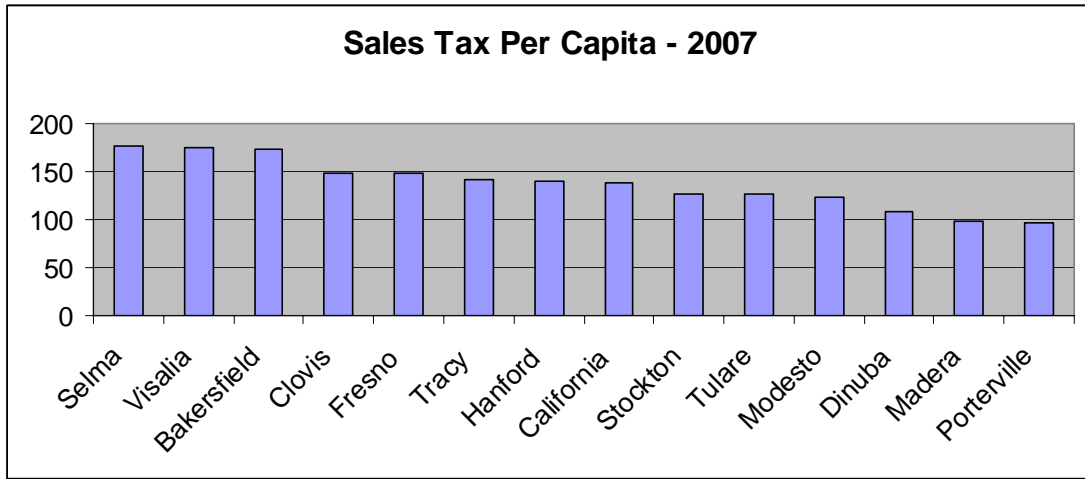
To understand Visalia’s reliance on Sales Tax, consider Chart 2, Visalia Sales Tax Growth Rate. Visalia has enjoyed a growth rate that has averaged 5% a year. A couple of years ago, the growth rate spiked into the double digits and now has gone negative. However, this historical growth rate has funded the City.

Chart 2



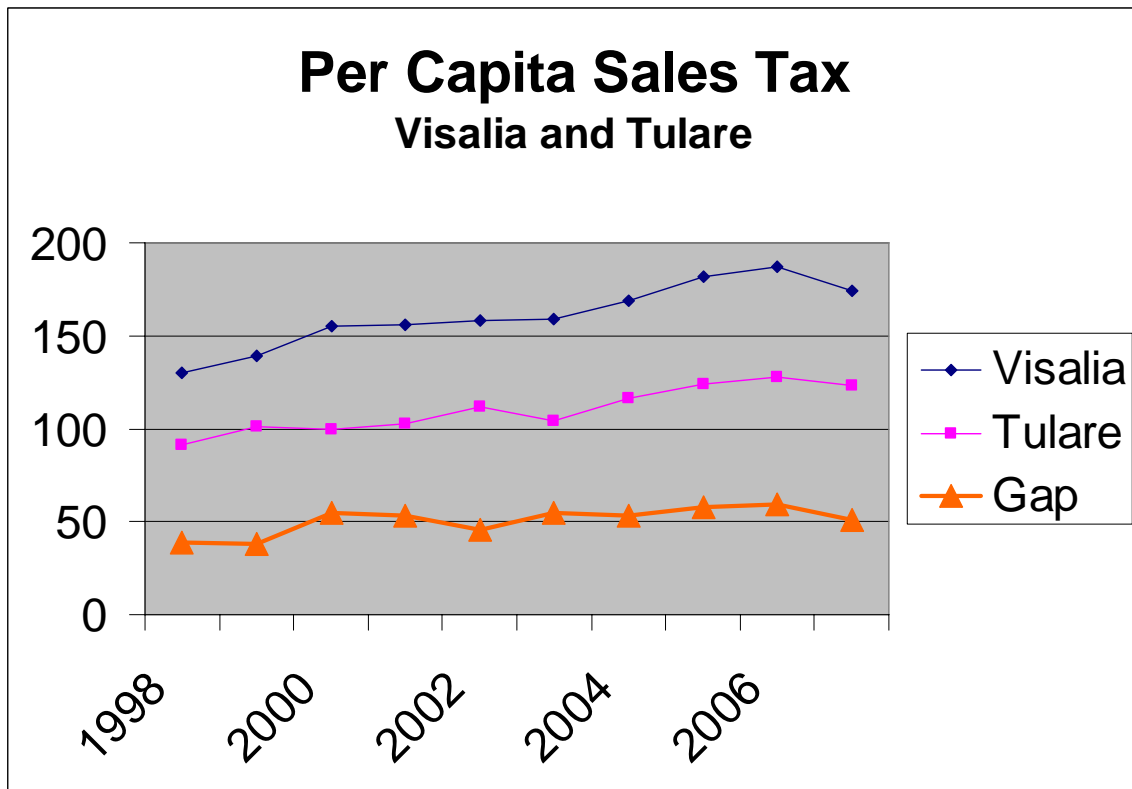
Visalia has also enjoyed a higher than average sales tax per capita as shown on Chart 3, Sales Tax Per Capita - 2007, for Central Valley cities.

Chart 3



But, Visalia's dominance may be diminishing. Chart 4, Per Capita Sales Tax, Visalia and Tulare, compares these two cities over time. At one time, the gap was widening but now the gap between the two cities may be declining.

Chart 4





The focus on Sales Tax, however, does not tell the whole picture. Consider Table 1, Cities in Tulare County, Varied Tax Bases, which shows what various communities receive in Property Tax, Sales Tax Override and Utility Users Taxes. Property tax is 1 percent of assessed value but Visalia receive the smallest share of the 1% from all communities. Communities have the option of raising additional funds through a Sales Tax override. Visalia created the first Sales Tax override in the State for public safety operating costs. Of those other cities in the County that have passed such a tax, all have been higher than Visalia. Finally, most of the cities in Tulare County have a utility users tax. Visalia does not. The overall effect is that Visalia's General Fund has fewer tax resources than other communities.

Table 1

Cities of Tulare County - 2008			
Varied Tax Bases			
	City Share of 1% Property Tax	Sales Tax Override	Utility Users Tax
Dinuba	18.79%	0.75%	7.00%
Exeter	15.32%	None	5.00%
Farmersville	11.81%	0.50%	None
Lindsay	14.79%	None	6.00%
Porterville	11.80%	0.50%	6.00%
Tulare	14.09%	0.50%	7.00%
Visalia	11.57%	0.25%	None
Woodlake	15.76%	None	6.00%

The other General Fund Revenue challenge is the expected loss of certain State revenues. The revenue losses shown on Table 2, Potential State Revenue Losses, included in the budget are:

Table 2  
Potential State Revenue Losses

• <b>Prop 172 Sales Tax Monies</b>	<b>(\$600,000)</b>
• <b>COPS – Citizens Option for Public Safety (COPS)</b>	<b>(\$225,000)</b>
• <b>State Mandated Reimbursements</b>	<b>(\$100,000)</b>
• <b>Booking Fee Reimbursements</b>	<b>(\$225,000)</b>
<b>Total potential losses</b>	<b>(\$1,150,000)</b>

On top of these two factors the City can add the effect of greatly reduced development, leading to reduced developmental revenues. These several factors leave the General Fund in a difficult position.

Conversely, the City's expenditures continue to increase. The General Fund's major cost factor is personnel agreements. The second year of the City's three year MOUs generally call for 4% raises. To moderate the effect of these raises, management works to control other operating costs. This year, however, some operating costs have risen much faster. The most notable cost is for oil products, which includes fuel, energy and fertilizer. Fuel cost have risen from \$850,000 City-wide two years ago to almost \$2 million this year. The forecast is that these costs will rise another 20% next year.

As a result, the City faces something like the following budgetary equation in Chart 5, Status Quo Budgetary Equation, to just maintain the status quo:

Chart 5  
Status Quo Budgetary Equation

General Revenue Growth		General Expenditure Growth		Budgetary Gap
Less than 1%	-	Greater than 4%	=	(3%)

But the City cannot just maintain governmental services. The City's population continues to grow. Demands for services increase. The community's diverse challenges must be addressed.

**Recommended Added Positions.** Specifically, Management believes that the budget must continue to address the law enforcement needs of this community. This budget includes 4 new General Fund police officers. These officers were originally funded by grants. These grants will terminate at varying times this next fiscal year. To address the community's public safety needs, these four positions are recommended to be funded in addition to the six additional Measure T positions in the two year budget.

In addition, Management recommends adding 4 Police dispatchers and designating to specialize in Fire dispatch. This step will improve Fire response and relieve some of the workload now borne by dispatch due to increased call volume and SPCA dispatch. The recommendation, however, is to freeze these new hires until the mid-year report, to ensure that the City can fund the positions.

Management also recommends hiring a new position to monitor and manage the increasing number of Lighting and Landscape Maintenance Assessment Districts (LLMAD). These districts pay fees for specific, common area maintenance. The position would be paid from those fees and is necessary to assure those districts operate as they should.

Finally, management recommends that another code enforcement officer be added to the Neighborhood Preservation division to work on maintaining and

improving neighborhood preservation efforts. This position will be funded by fees charged to property owners to abate distressed properties. These fees will be placed on the tax roll annually.

To start the activity, a new fund will be created, the Substandard Housing Abatement Fund, and initially funded by a \$320,000 cash advance from the General Fund. The \$320,000 cash advance represents two years' of operating costs. The tax roll process will need to be followed closely to assure the new activity achieve its desired results.

***Planning for uncertainty: options to be acted upon in the future.*** . The high degree of uncertainty makes it difficult to plan. It is possible that actuality may be better than what has been assumed. As a result, management's recommendation is to:

- prepare a plan that is an austere budget if fiscal realities make it necessary to be austere, as well as,
- identifying what budget enhancements would be reinstated if actual results exceed the base line scenario.

This two-in-one budget approach is accomplished by setting a General Fund baseline budget which includes a deficit. The deficit is bridged through a series of recommended freezes. If fiscal challenges occur, the freezes become permanent. If economic factors are better than anticipated, management will recommend that Council unfreeze parts of the budget that are now recommended to be frozen.

The General Fund budget framework then works towards a balanced budget. The recommendations provide Council with ways to bridge the budget gap, if needed. The baseline recommendation includes:

#### 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

(\$1.7) million	Recommended General Fund Deficit which includes the above <b>policy changes</b> in the proposed budget.
\$0.3 million	freezing <b>recommended staffing additions</b>
\$0.7 million	freezing <b>current vacant positions</b>
<u>\$0.4 million</u>	<b>non-General Fund positions</b> which could potentially be filled by General Fund employees
(\$0.3) million	<b>remaining budgetary gap funded from the City's emergency reserve</b> 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.

The proposed solution addresses the 08/09 Fiscal Year budget. The budget shows a larger problem for FY 09/10. Because a large number of uncertainties exist, management recommends Council closely look at the 09/10 Fiscal Year budget beginning at the mid-year report next February.

**Frozen Positions.** A number of positions are proposed to be frozen until the City's General Fund position improves. Table 3, Frozen Positions, recommends freezing the positions to further bridge the General Fund budget gap. This total,

about \$1.3 million, leaves a remaining General Fund gap of approximately \$300,000. This remaining budgetary gap management recommends leaving open to funding from the City's emergency reserves. At the same time, staff will work to bridge this gap, looking for ways to save the City money.

Table 3  
Frozen Positions

Department	Classification	Recommended to Freeze
<b><u>New General Fund Positions to add but leave Frozen until Revenues are available</u></b>		
Public Safety	Fire Communications Operators (4)	\$ 270,100
		<b>\$ 270,100</b>
<b><u>Current General Fund Positions Frozen by Management</u></b>		
Administration	Assistant City Manager	\$ 199,306
Community Dev. - Planning	Senior Planner	\$ 99,370
Community Dev. - Planning	Senior Planner - General Plan	\$ 99,370
Admin Services - Human Res.	Management Analyst	\$ 96,909
Fire	Sr. Fire Prevention Inspector	\$ 101,972
Administration - Conv. Center	Convention Center Sales Mgr	\$ 88,271
Police - Administration	Duty Officer - North Side	\$ 65,001
<b>GF Total</b>		<b>\$ 750,199</b>
<b><u>Positions to Potentially Receive Transferred GF Personnel</u></b>		
Housing & Economic Dev	Development Project Manager	\$ 104,525
Housing & Economic Dev	Code Enforcement Officer	\$ 63,960
Landscape and Lighting	Maintenance Worker	\$ 66,000
Parks & Recreation	Parks & Urban Forestry Manager	\$ 123,998
<b>Other Total</b>		<b>\$ 358,483</b>
	<b><i>Positions open to bridge General Fund Gap</i></b>	<b>\$ 1,378,783</b>
<b><u>Building Safety Fund Frozen Positions</u></b>		
Com Dev. - Building Safety	Assistant Building Official	\$ 97,833
Com Dev. - Building Safety	Combined Bldg Inspector	\$ 83,599
		<b>\$ 181,432</b>

As a result, staff recommends that Council direct staff to seek ways to save money. Some of the items to consider are:

Potentially money saving actions

- ***Ask all departments to consider service consolidation with other governments.*** The City could consider consolidated evidence handling, shared financial software, bomb task forces and information services with other local governments. Undoubtedly, there will be other opportunities if the City expends effort considering these options.

- **Ask the Parks and Recreation Commission to explore and make recommendations:**
  - **Consider consolidating the City's volunteer program with the Current County-wide volunteer program run by Tulare County.** The City runs a volunteer program. All other communities in Tulare County have consolidated their program with a volunteer program run by Tulare County. The City may benefit from consolidating its program with the County.
  - **Alternative methods to deliver meals to the Senior Center.** Currently, the City provides meals at the Senior Center which costs the City approximately \$10 a meal to serve. Other alternatives may prove more cost effective while still providing meals to seniors.
  - **Explore internet or other publication options for the City's thrice annual Recreation catalog.** The City produces a Recreational and City catalog three times a year. There may be better or equal marketing methods which cost less.

None of these actions are certain to deliver savings. As a result, Council will need to authorize the use of the City's emergency reserve

Alternatively, management does not recommend but offers for Council's consideration other budgetary alternatives:

- **\$125,000 – Suspend setting aside rent on non-public safety, General Fund space designed to be used for a future City Hall**
- **\$216,000 – Discontinue the two-year old policy of setting aside the net parking fines for downtown parking structures**
- **\$380,000 - Divert all interest earnings from Council designated reserves back to General Fund operating activities**
- **\$100,000 - Discontinue the Loop bus**

**General Fund Summary.** The uncertain revenue forecast for the City's General Fund has led management to recommend a conservative budget balanced by freezes and the potential use of the City's emergency reserves. If the budget revenue forecast is exceeded, management would recommend reinstating the frozen portions of the budget, with an emphasis on Public Safety needs.

At the same time, the General Fund budget does fund 4 new General Fund police officers, positions that in the past were funded, at least partly, by grants.

The budget provides a way to be balanced and recognizes that economic conditions may worsen for all of California. With that said, the budget continues to move the Council's General Fund priorities ahead.

***Major Departmental Budgetary Recommendations –  
Other than General Fund***

The General Fund represents the most visible part of the City's budget. Yet, the majority of the City's budget costs are found in Capital Projects, Special Revenue Funds and Enterprise operations. Many of these funds have resources that are not greatly impacted by the current economic events. Major consideration for these funds are highlighted below.

- ***Implementation of the Measure T Plan.*** This budget continues to implement the Measure T plan, hiring new police officers and developing new facilities. Twenty officers have been hired and an additional 6 will be hired as part of this budget cycle.

In the Fall of 2005, the City Council authorized four additional firefighters that were to be funded by Measure T funds as of July 1, 2006. Those firefighters along with 5 other departmental personnel formed a company that operates out of rented facility at the CDF station on Lovers Lane.

In April of 2009, the Northwest Fire Station is scheduled to be completed. At that time, the Airport Fire Station personnel will be transferred to the Northwest Fire Station.

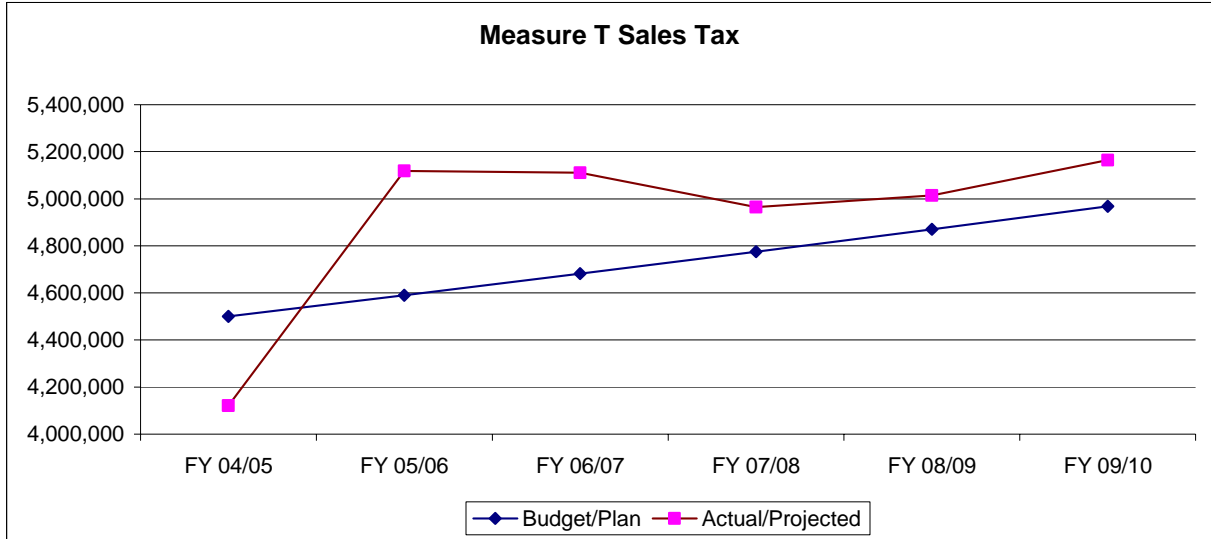
The City will need to revise its approach to commercial service air rescue firefighting support. The FAA requires two levels of response: 1) Air Rescue Firefighting equipment must be in place within 1 minute of the emergency call, and 2) a full rescue response must occur within 8 minutes of the call. Before Fire leaves the Airport Fire Station for the new Northwest Fire Station, the Airport will need to train their personnel to provide immediate Airport Rescue Firefighting support (response within 1 minute of the call). The Northwest Fire Station will provide the expanded rescue effort, responding within 8 minutes.

Chart 6, Measure T Sales Tax, shows the same trend as the General Sales Tax: revenues were sharply up a few years ago and then have declined for the last couple of years. Nevertheless, actual revenues are exceeding budget. The remaining question is the sufficiency of Measure T revenues for capital projects.

As the Measure T plan has been implemented, the City has found the plan allowances for capital projects to be insufficient. As a result, additional Measure T resources will be needed to fund Measure T's share of capital projects. For example, the Northwest Fire Station and Training Center was

originally budgeted at \$4.9 million. The guaranteed maximum construction contract for the facility is \$6.6 million. Although sufficient resources are available for this project, the City will need to set-aside additional resources for the remaining Measure T construction projects.

Chart 6



With the completion of the Northwest Fire Station next April, two major building projects will remain in the plan: the construction of a 911 Dispatch Center/Public Safety Headquarters and a future southeast Fire Station. A group is actively developing plans for this Public Safety Building. As these plans are developed, the funding capacity of Measure T and other sources will need to be carefully considered.

### **Building Safety**

- Building Safety has been separately accounted for in the General Fund for a number of years in response to the Zucker Study completed in 2000 and Zucker Study fees were implemented in May of 2001. The thrust of the study was to assure that Building Safety permits paid for appropriate building safety costs and not costs for general governmental activities.

The proposed change in budgeting will separate the Building Safety division into its own fund. This change will facilitate the review and management of Building Safety. In essence, the fund should pay for its own costs. If revenues exceed costs, those funds should remain in the fund. If the funds exceed \$850,000 (intended to be 6 months of operating cost), the City has agreed to meet with the Building Industry and discuss appropriate fee adjustments.

The fund, however, is projected to have a negative balance of \$368,000 starting fiscal year 08/09. A number of steps have been taken to reduce



costs including the elimination of contract positions and freezing two positions (Assistant Chief Building Official and Senior Combined Building Inspector). Management will monitor and work to reduce this deficit further and to create a positive balance.

**Convention Center**

- The Convention Center receives General Fund support operations and full debt service payments. Over time and in spite of rising operating costs, the Convention Center has been able to maintain and reduce its General Fund subsidy as shown below:

Convention Center Operating Subsidy

FY 2005/06	\$1,266,023
FY 2006/07	\$1,140,759
FY 2007/08	\$1,250,209
FY 2008/09 budget	\$1,114,830

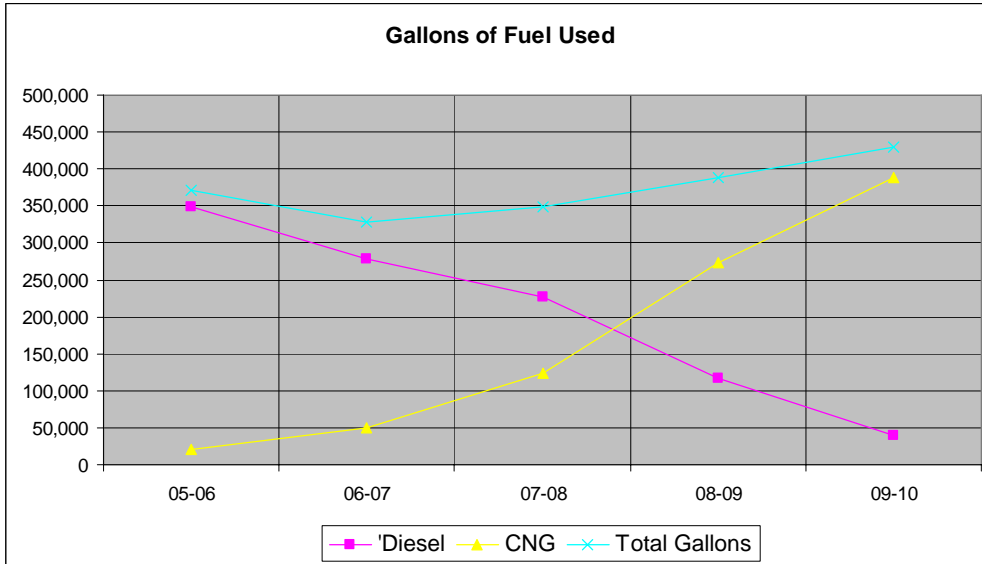
The challenge in this coming year is that convention business is cyclical. When the economy booms, convention centers will do well. Conversely, when the economy slows, business will be down. The Convention Center is repositioning their business to take advantage of their stadium seating, developing a closer relationship with the Marriot Hotel and reevaluating how to deliver services including Convention Center sponsorships and joint sponsorships.

**Transit**

- Transit has received additional monies from the County-wide Measure R sales tax. These monies, combined with other State and Federal monies have increased the systems hours and routes.

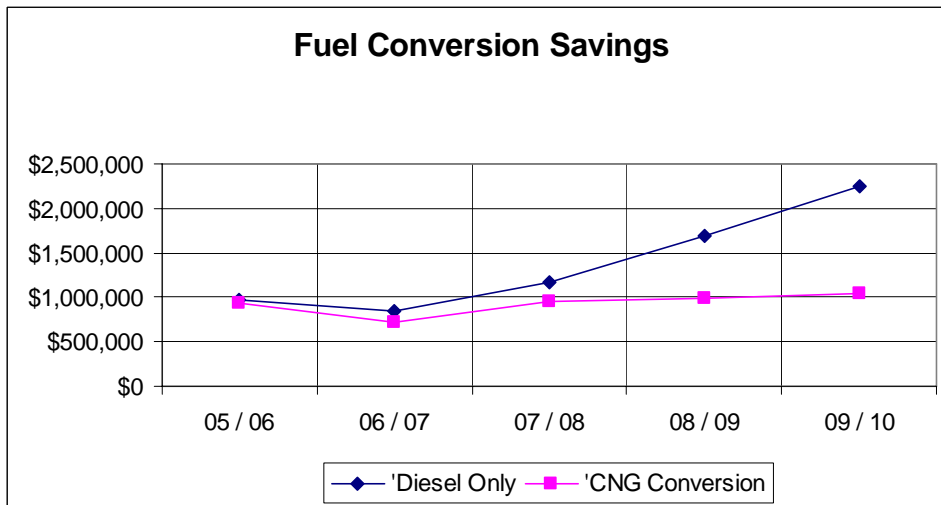
Of interest is the City's trend to use other fuels besides diesel. Over the last three years, the City has made a major push to move from diesel to compressed natural gas (CNG). The fleet should be almost completely converted to CNG by the end of this budget. Chart 7, Gallons of Fuel Used, shows that over time, Transit has reduced its diesel fuel consumption from 350,000 gallons a year to a projected 50,000 gallons by FY 09/10. At the same time, total fuel usage has increased with CNG replacing almost 1 for 1 the gallons used.

Chart 7



The pay-off to the City is 1) better air quality; and, 2) almost a \$1 million a year savings in fuel costs, as shown in Chart 8, Fuel Conversion Savings. The Chart compares projected fuel cost to what the City's fuel cost would be if only diesel fuel was used.

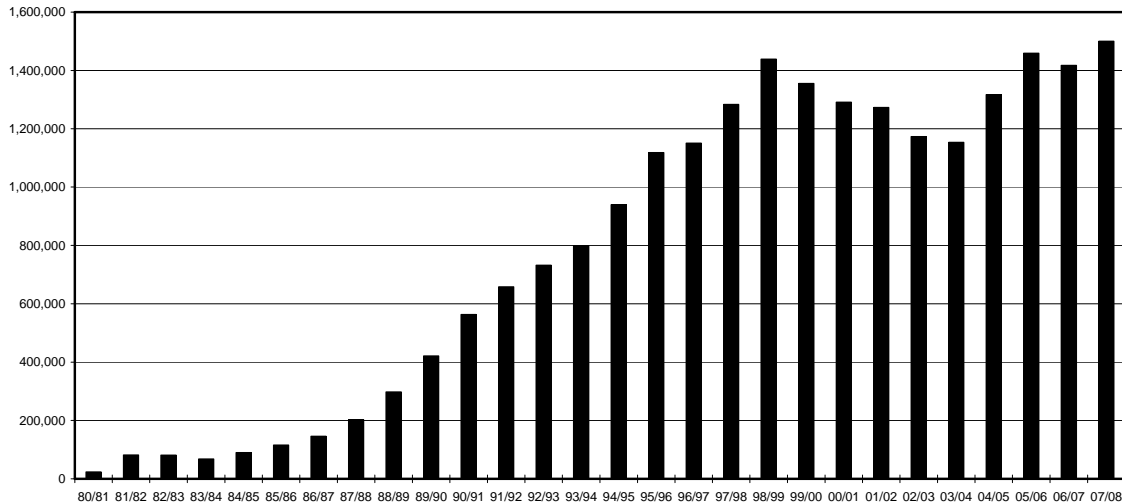
Chart 8



Ridership on the Transit system continues to rise as shown in Chart 9, VCC Ridership. Some anecdotal evidence suggests this ridership is growing due to the run up in gas prices.

Chart 9

VCC Ridership



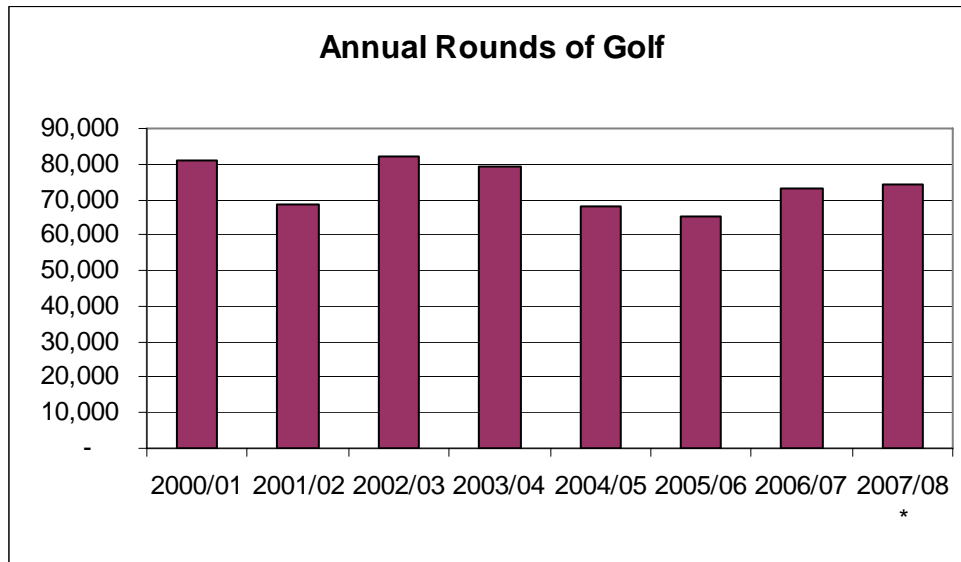
- Funding the Sequoia Shuttle Long Term. The other major issue for Transit will be its park shuttle. Last year, the City began offering a shuttle service from Visalia to Sequoia National Park. The park runs an internal shuttle which is funded 100% by the National Park Service. The City's external Gateway Shuttle is funded for the first three years through a Congestion Management and Air Quality (CMAQ) grant (88%) and fares collected (currently \$15 per person). After the three-year demonstration project is completed, it is anticipated that 50% (\$100,000) of the total operating cost (\$200,000) will be covered from the passenger fares. The remaining cost will be paid from grants and tourism industry participation. For example, TCAG has tentatively offered \$25,000 toward the operation. Over the next two years, staff will seek partners to fund the expected \$75,000 operating shortfall.

### **Valley Oaks Golf**

- Valley Oaks Golf continues to show good operating results. Rounds have recovered from a few years ago as shown in the Chart 10, Annual Rounds of Golf.

This year's rounds are several thousand rounds ahead of last year's rounds. As a result, the golf course may be able to once again pay down its debt by \$300,000 as it did last year. A payment this year similar to last year's payment would decrease the Golf course's long-term General Fund debt to \$2.2 million.

Chart 10



The other factor the golf course must consider is the Dinuba course's opening this summer and its impact on the market. As a result, Valley Oaks operator, CourseCo, has recommended that no change be made to the current rate structure.

The Golf Course has a major irrigation project that they hope to accomplish this next year. The almost \$2 million project will need to be financed. Staff will bring back to Council options on financing this project as the project progresses but expects that bank loan will be the City's best option.

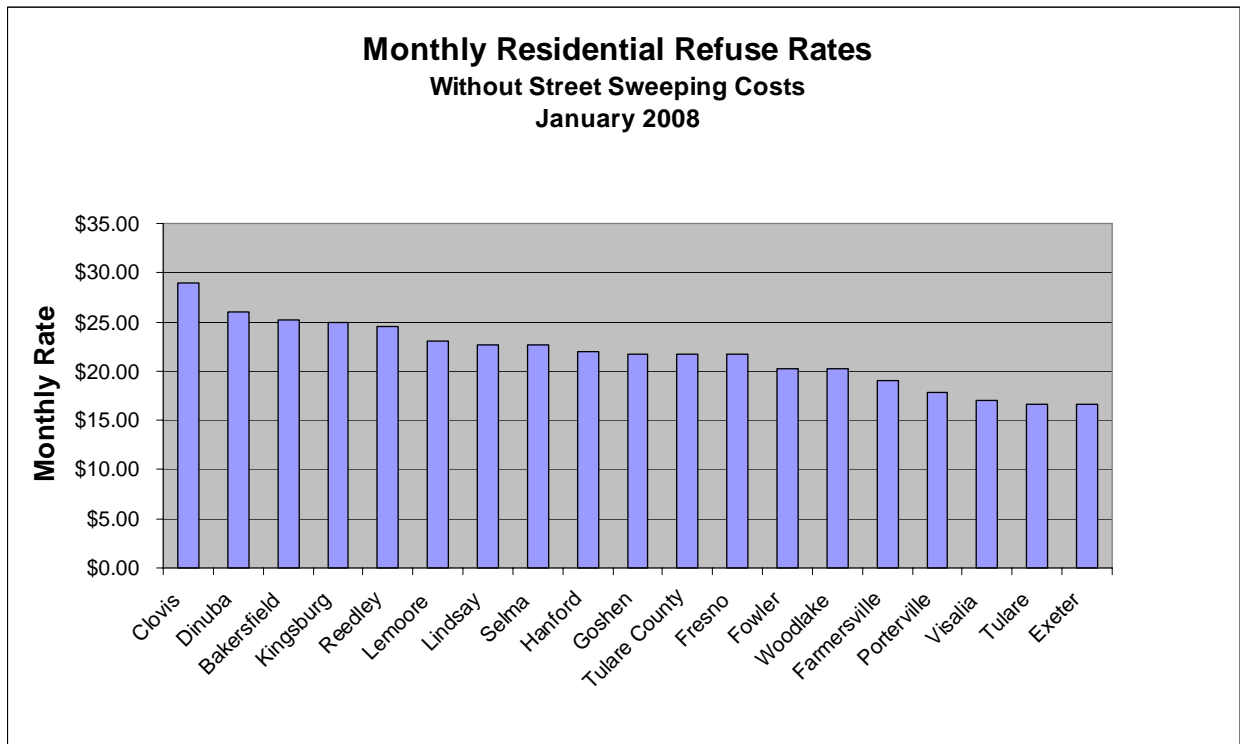
### **Solid Waste**

- Solid Waste provides the low cost services with high customer satisfaction. Chart 11, Solid Waste Rates, compares this year's residential rates to various communities in the Central Valley. Visalia's rate is among the lowest.

The fund's challenge will be to maintain that cost in the face of rising fuel costs and potential increases in tipping fees. If tipping fees increase at the landfill, the enterprise will need to review its fees with Council.

Nevertheless, the fund is also benefiting from the diesel to compressed natural gas (CNG). The benefit is not as large as Transit's, but the conversion is helping slow the rise in fuel cost.

Chart 11



### **Waste Water**

- The City of Visalia operates a 22.0 million gallon per day (MGD) capacity Water Conservation Plant (WCP) located west of highway 99, directly across from the airport. This facility serves the City of Visalia and the community of Goshen. Current flows to the facility average approximately 13.0 MGD.

The treatment train consists of preliminary treatment, grit removal, primary treatment, secondary treatment (trickling filters, activated sludge and secondary sedimentation), disinfection, and dechlorination. Treated effluent is then discharged to on-site percolation ponds, to a use area for irrigation of fodder crops, or to Mill Creek. Anaerobic digesters are utilized for solids stabilization prior to off-site disposal. This treatment scheme has been employed at this facility for nearly 40 years.

Discharge from the plant is regulated by the United States Environmental Protection Agency (EPA) through the State Water Resources Control Board (SWRCB) and locally by the Regional Water Quality Control Board (RWQCB), located in Fresno.

In September 2006, the WCP was issued a new discharge permit, which replaced the one in effect since 1995.

The Waste Water operation recently reviewed with Council the potential projects necessary for the City to meet clean water discharge requirements. These water quality requirements will require projects over the next three to four years that are expected to cost \$67,649,000. The water reuse option will increase this figure by \$8,877,000. The total cost of these projects is outlined in Table 4, Short-term Project Cost Summary.

In order to finance this undertaking, the City will need to take on debt, either through loans or through the issuance of a bond. Either of these options will result in a higher monthly fee to Visalia residents. However,

Table 4

<b>Short-term Project Cost Summary</b>	
<b>Description</b>	<b>Cost</b>
Pipeline to Basin 4	13,609,000
Plant upgrades	47,922,000
Existing facility maintenance	6,118,000
Renewable energy projects	
5.0 MGD water reuse option	8,877,000
<b>Totals</b>	<b>\$76,526,000</b>

Visalia's sewer rates tend to be lower than most other communities as shown in Table 5, Single Family Residence Monthly Sewer Fee.

A sewer rate review will be conducted by the Finance Department to assess the impacts the proposed project will have on sewer use fees. Initial Finance Department estimates are that the monthly wastewater fees will need to be increased incrementally from the current \$16.80 per month to about \$25.00 per month by the 2011-12 budget year. This represents an annual increase of 10% above the currently approved 5% increase over the next three years.

This potential rate increase has been reduced by \$1.8 million annually because a 1992 Waste Water Plant debt issue has been paid off. A 2002 debt issue will be paid off in 2018. That \$860,000 in annual debt service can also be programmed into whatever future debt issuance the City pursues.

Table 5

Single Family Residence Monthly Sewer Fee May-08	
Fresno	\$ 35.34
Lindsay	\$ 34.97
Lemoore	\$ 27.70
Tulare	\$ 27.09
Porterville	\$ 26.87
Reedley	\$ 26.80
Farmersville	\$ 23.75
Woodlake	\$ 22.00
Selma/Kingsburg/Fowler	\$ 21.82
Hanford	\$ 19.25
Dinuba	\$ 18.77
<b>Visalia</b>	<b>\$ 16.80</b>
Exeter	\$ 16.60
Clovis	\$ 14.68
Bakersfield	\$ 12.92
<b>AVERAGE</b>	<b>\$ 23.02</b>

As the City Council finalizes its decisions on plant projects, City staff proposes to bring an appropriate rate plan back to Council.

### Risk Management

- Retiree healthcare funding.** Beginning in fiscal year 2008/09, accounting rules body will require that the City report its accrued liability of any retiree health benefits. This liability will be millions of dollars. Cities will be given 30 years to fully recognize this liability; in other words, the full liability will be added 1/30<sup>th</sup> a year for 30 years.

Currently, the City's retirees may participate in the City's healthcare plan for the same cost as an employee plus \$57.42 a month. Thus, a retiree less than 65 with a spouse pays just over \$200 a month. At age 65, the retiree plus spouse premium drops to \$167 a month. The monthly cost of the City's health plan is roughly \$1,000.

The City's employee MOUs call for the City to pay one-half of the rate increase for current employees. Retiree health care is governed by City Policy 301 which states:

Retirees and their dependents are eligible for medical and vision benefits at a cost determined each year by the City.

This past year, the Council decided to also pay one-half of the retiree contribution increase. This decision will be something the Council will need to decide annually.

Retiree health care is a long-term benefit, earned during an employee's work life and received after completing their career. The most effective way to pay for long term costs, such as retiree healthcare, is through something like a pension plan. By prefunding, over 70 percent of the eventual benefit is paid for by interest. Further, it makes sense to pay for a benefit at the same time services are being provided by the employee. Finally, employees, retirees and Council would probably prefer to have the benefit fully funded rather than leaving the funding to the vicissitudes of the day.

Council authorized some funding for Fiscal Year 07/08. This year, however, the General Fund has not been able to make its payment. The other funds, however, are paying into the retiree health care fund. The City needs to be prefunding about \$1 million a year to make significant progress in meeting its retiree health care funding objective. For next year, the City will set aside approximately \$200,000. As the City's fiscal condition improves, the City should needs to fund this liability at a higher level.

### **Capital Projects**

The Council has spent several months reviewing all the proposed Capital Projects. For the next two fiscal years, capital projects exceed \$100 million. These projects are mainly from dedicated funding sources which cannot be used for general governmental operations such as those services funded from the General Fund. The top 10 projects for the next two fiscal years are shown in Table 6, Major Capital Projects, represent almost half of the total CIP budget.

Table 6  
Major Capital Projects

<b>Top CIP Submittals 2008/09-2009/10 Budget</b>						
	<b>Department</b>	<b>Project</b>	<b>Manager</b>	<b>08/09</b>	<b>09/10</b>	<b>2-Year Total</b>
1	Parks & Rec	Riverway Sports Park - Phase 2	Don Stone	5,220,000		5,220,000
2	Transit	Replace (10) Heavy Duty transit	Monty Cox	4,492,375		4,492,375
3	Eng-Dev	Trans Impact Fee Developer	Doug Damko	4,100,000	4,000,000	8,100,000
4	Public Works	Santa Fe/SR 198 overcrossing	Fred Lampe	3,500,000	1,000,000	4,500,000
5	Eng-Design	Widen existing Ben Maddox	Manuel Molina	2,868,000	4,500,000	7,368,000
6	PW-WWTP	NPDES Permit Req.	Jeff	1,500,000	1,500,000	3,000,000
7	Transit	Transit Ctr Visitors Ctr & Parking	Monty Cox	1,184,300	2,015,700	3,200,000
8	Eng-Design	Widen Plaza Drive 198 to Goshen	Lampe/Ennis	-	3,687,400	3,687,400
9	Engineering	Shirk sewer line extension	Peter Spiro		5,700,000	5,700,000
10	Transit	Replace (7) Heavy Duty Fixed route	Monty Cox		3,220,438	3,220,438
				<b>22,864,675</b>	<b>25,623,538</b>	<b>48,488,213</b>



**Document Revisions**

Efforts have been taken this year to make the document more useable for the reader. Departmental performance measurements have been reworked to show the effectiveness and efficiency of the various City operations. Departmental budget displays have been combined, reducing the number of divisional budgets. New displays have been created to add the reader in analyzing the City's revenues in detail and tracing expenditures and revenues from divisional summaries to City-wide presentations. At the same time, Finance has produced a companion, line-item budget for those wishing to examine budget in greater detail.

**Conclusion**

The budget is a collective effort of a large number of management personnel. It requires a great deal of cooperation and usually involves conflict; rarely are there enough resources to do everything that people want to do. However, this budget goes a long way in addressing needs throughout the community and continuing the City's tradition of conservative budgeting. Accounts are balanced except in the General Fund, which does have a method to balance the fund.

I want to especially thank the staff of the Administrative Services Department, particularly Administrative Services Director Eric Frost, Finance Manager Renee Nagel, Finance Manager Melody Murch and Financial Analyst Tim Fosberg. They have worked many long and sometime frustrating hours to meet the challenge of creating this document.

In addition, the City Council has taken pains to assure that the General Fund emergency contingency reserve is funded for those rainy days that do come, funded at \$8.7 million in this budget. This budget relies upon a small portion of that reserve, \$300,000, due to this year's uncertainties.

Sincerely,

Steve M. Salomon  
City Manager