

# Visalia City Council Agenda

For the regular meeting of: MONDAY, May 18, 2009

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

**4:00 p.m.**

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

- 4:00 p.m. 1. Discussion of progress and options for Agricultural Mitigation Program Study
- 4:20 p.m. 2. Alternative design concepts for the Oval Park study area
- 4:45 p.m. 3. Presentation and approval of a change in name from Visalia City Coach to Visalia Transit including a new logo.
4. *Item removed at request of staff*

*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)**

5. Conference with Real Property Negotiators (GC 54956.8)  
Property: located on Visalia Parkway between County Center Drive and Woodland Avenue (immediately southeast of the South Police Precinct)  
Under Negotiation: Authority to negotiate terms of sale/disposition  
Negotiators: Steve Salomon, Ricardo Noguera

6. Conference with Real Property Negotiators (GC 54956.8)  
Property: Located on the East side of McAuliff Street and Mill Creek Parkway (portion of APN 103-320-11)  
Under Negotiation: Terms and conditions of potential sale  
Negotiators for City: Steve Salomon, Michael Olmos, Cliff Ronk  
Negotiators for Buyer: Phil Mirwald and Mike Markarian with California Water Service Co.
7. Conference with Labor Negotiators (GC 54957.6)  
Agency Designated Representatives: Eric Frost, Steve Salomon, Janice Avila  
Employee Organization: All Employee Groups
8. Conference with Legal Counsel - Existing Litigation (Subdivision (a) of Section 54956.9)  
City of Visalia Retirees v. City of Visalia TCSC #09-232173
9. Conference with Legal Counsel - Anticipated Litigation - Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: two potential cases

## **REGULAR SESSION**

**7:00 p.m.**

## **PLEDGE OF ALLEGIANCE**

**INVOCATION** - Pastor Ken Squires, Visalia 1<sup>st</sup> Assembly of God 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.

10. INFORMATION ITEMS - (No action required)
  - a) Receive Planning Commission Action Agenda for the meeting of May 11, 2009.

*Convene jointly as the Redevelopment Agency and the Visalia City Council*

## **11. RDA CONSENT CALENDAR -**

- a) Amendment to the use of \$500,000 Redevelopment low/mod funds to acquire, renovate and sell foreclosed homes. **RDA Resolution 2009-03 required.**

*Adjourn as the Redevelopment Agency and the Visalia City Council and remain seated as the Visalia City Council.*

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

12. 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) Approve the Citizens Advisory Committee's recommendation to change the name of the Bicycle, Pedestrian and Waterway Trails Committee to the Waterways and Trails Committee.
  - c) Accept the City of Visalia Cash and Investment Report for the quarter ending March 31, 2009.
  - d) Adopt resolution establishing an identity theft prevention program in compliance with the Fair and Accurate Credit Transaction (FACT) Act. **Resolution 2009-19 required.**
  - e) Authorization to bid the construction of the McAuliff Street Improvement Project, Phase 3, Crossing Over Evans Ditch and Mill Creek, without the requirement for the payment of prevailing wages, pursuant to Resolution No. 83-02. Project No. 1241-00000-720000-0-9945.
  - f) Authorization to bid the Creekside Basin Recharge/Storm Drain Improvement project without the requirement for the payment of prevailing wages pursuant to Resolution No. 83-02. Project No. 3011-00000-720000-0-9557.
  - g) Authorize the City Manager to execute a contract, subject to review and approval as to form by the City Attorney, with Parsons Water and Infrastructure for Design and Environmental Services for the City of Visalia Water Conservation Plant upgrades, for an amount not to exceed \$7,161,495, as negotiated under Council's authority.
  - h) Authorization to conduct a consolidated dispatch study, funded jointly from jurisdictions in Tulare County with the City acting as lead agency.
13. Update on the implementation of the recommendations approved by Council regarding FEMA's revised Flood Insurance Study and Flood Insurance Rate Maps.
14. Mid-cycle Budget Adjustments
- General Budget Discussion and appropriate actions
  - Impacts of State budget and potential "borrowing" of city's tax and property tax monies. **Resolution 2009-20 required**
  - Amendments to 2008-2010 2-year General Fund Capital Budget
  - Parks and Recreation Commission recommendations related to fee increases
  - Phase out of Hazardous Materials Response Unit

## REPORT ON ACTIONS TAKEN IN CLOSED SESSION

## REPORT OF CLOSED SESSION MATTERS FINALIZED BETWEEN COUNCIL MEETINGS

### **Upcoming Council Meetings**

- Monday, June 1, 2009, 4:00 p.m. Work Session; Regular Meeting 7:00 p.m., Council Chambers 707 W. Acequia
- Monday, June 15, 2009, 4:00 p.m. Work Session; Regular Meeting 7:00 p.m., Council Chambers 707 W. Acequia
- Monday, July 13, 2009, 4:00 p.m. Work Session; Special Meeting 7:00 p.m., Council Chambers 707 W. Acequia

*Note: Meeting dates/times are subject to change, check posted agenda for correct details.*

*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:** 5/18/2009

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

**Agenda Item Wording:** Discussion of progress and options for Agricultural Mitigation Program Study

**Deadline for Action:** none

**Submitting Department:** Community Development

**Contact Name and Phone Number:**

Michael Olmos, Assistant City Manager, 713-4332  
Chris Tavarez, Management Analyst, 713-4540

**Department Recommendation**

Staff's recommendation is that Council authorizes staff and the consultant, Willdan Financial Services (Willdan), to begin drafting an ordinance with a "land mitigation" only approach and opt out of inclusion of a "water mitigation" component for a proposed Agricultural Mitigation Program (AMP). This would mean that the partnered study between the City of Visalia and the City of Tulare will have a staggered implementation of an adopted AMP, meaning Visalia's "land mitigation" approach would be the first model ordinance in the County and Tulare would follow with adoption of an AMP at a later date that could include "water mitigation".

**Department Discussion**

Today's update to Council will provide a status report on the AMP effort and seek guidance as to whether the ordinance should focus on agriculture land preservation through "land mitigation" and/or also the inclusion of a "water mitigation" component for the preservation of agricultural land. "Land mitigation" mitigates the loss of agricultural land by protecting equivalent farm acreage from future development; in contrast "water mitigation" would seek to curb the impact of lost agricultural land by using mechanisms to deliver additional water to local agricultural users for protecting the loss of farmland from an inadequate water supply.

Loss of agricultural land caused by conversion to urban uses is identified in the environmental impact report for the 2020 Plan as an unmitigated impact in that the City does not currently have a program to reduce the potential environmental and economic impacts. The 2020 Plan was adopted despite this unmitigated impact through adoptions of a finding of overriding concern, consistent with provisions of the California Environmental Quality Act (CEQA). In anticipation of this issue recurring in the pending update to the 2020 Plan and in accordance with the California Mitigation Fee Act, the City began pursuit of an AMP in order to have a mitigation plan

**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.): 15.

**Review:**

Dept. Head MO 5/8/09  
(Initials & date required)

Finance N/A  
City Atty AP 5/8/09  
(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.

in place for the future. In August 2008 Willdan Financial began this study and has reached a point that brings the staffs of Visalia and Tulare to a mid-course step in which a decision needs to be made as to what components of a potential AMP should be included in the preparation of an ordinance for implementing an AMP (Land Mitigation and/or Water Mitigation). This study had initially been conceptualized as a two-city pilot program that could later be adopted by additional cities in the County and the County itself. If Visalia were to proceed with an AMP that includes only "land mitigation", Tulare would most likely have an AMP implemented within a year after Visalia, so both Cities could still serve as a model for similar programs within the County.

Willdan and staff have made significant progress on outreach to stakeholders (over five meetings from October 2008 to February 2009) and research of established programs in order to prepare for drafting an ordinance for implementation of an AMP. To date, all cities in the County, the Farm Bureau, the Home Builders Association and some developers have expressed interest or participated in at least one meeting to provide feedback on formation of policy approaches or express ideas and concerns about a potential program. These meetings have allowed staff of Visalia, Tulare and Willdan to begin formation of ideas for an AMP. One of the final elements that will need to be established by staff and the consultant will be how the Tulare County Association of Governments (TCAG) may be utilized after the AMP is adopted and implemented. TCAG has authorized their staff to assist the City and subsequent cities in the County with an AMP and it will be important to utilize their regional role in this program that has obvious regional implications. Utilization of TCAG will be carefully considered in order to integrate their presence into an appropriate administrative role for a proposed AMP.

Today the consultant (with staff) is ready to begin conceptualization of a program in conjunction with the City Attorney in order to draft an ordinance that would establish an AMP. The AMP proposed for this program will include a combination of in-kind Ag land protection and in lieu fee payments. One or more of the following components have been established in existing programs in the state and are recommended to be integrated into an AMP for Visalia:

- Development impact fees imposed under the authority of the Mitigation Fee Act or per acre fee charged in lieu of direct project mitigation
- In-kind mitigation by the applicant that includes easement acquisition and ownership transfer of qualifying agricultural property
- Other preservation instruments satisfying the City's mitigation policy
- Right to farm deed restrictions for agricultural property upon issuance of a conditional use permit by the City

Based on research done up to today, it is clear that programs with in-kind land transfers are usually the most successful. In lieu fee payments are a secondary component in most existing AMPs – other agencies typically will require that developers make a good faith effort to establish an in-kind transfer or easement before an in lieu fee is paid. Staff will work with Willdan to draft a program that will integrate the above components into an ordinance that is best suited for our area and meets CEQA requirements for agricultural mitigation. It is estimated that a draft ordinance that establishes an AMP will be ready for presentation to Council in about two to three months. Upon approval by Council a proposed AMP will be submitted for Public Hearings and would be adopted and in operation by the end of 2009.

The City of Tulare has brought up during the past few months of study the importance of a water component to a potential AMP because "without water there would be no agriculture". A major concern for Tulare is that a "land mitigation" approach would ignore shortages of water that ultimately retires agricultural land production irregardless of any conservation easements that could be in place. After internal discussions among staff and the City Attorney, it is believed

that the original concept as approved by Council was to develop a “land mitigation” approach, breaking away from the original concept to include a “water mitigation” piece will involve more time and money to develop. The goal of an AMP is to mitigate for the loss of land due to urbanization, as with any fee program it has to be shown to actually address the impacts caused by urbanization. Providing water to “agriculture” in a general sense has very little possibility of mitigating for the effects of urbanization of agricultural land. Providing water would mitigate for the loss of land due to the loss of water, but no known agency has yet correlated how water mitigates for the loss of land due to urbanization. With no known agency that integrates water preservation into their AMP, there would be a substantial need to establish the feasibility of this concept before introducing it in a proposed AMP for Visalia.

In addition, Visalia has a Groundwater Overdraft Mitigation Fee that already acts as a water preservation tool, adding a new (and complex) component for water preservation in a proposed AMP could be extremely beneficial for water availability for farmland but with an existing fee already established for water preservation the need to pursue a “water mitigation” component in an AMP does not exist.

Staff believes the best approach for the City of Visalia is to pursue an AMP that is similar to established AMPs throughout the state. A proposed program would be based on a willing seller/ willing buyer caveat that has worked successfully in other agencies and according to a local land trust (Sequoia Riverlands Trust) there would be interested land owners willing to sell their development rights in order to keep the land in agricultural use. It is important to note that the existing AMPs in the state have “land mitigation” components and none have integrated “water mitigation” components for agricultural land in their AMP. Many of the existing AMPs have been established in response to environmental concerns and have held up against legal challenges from developers. The most recent AMP to be upheld in court by a tentative decision was in the City of Stockton (February 2009) which had been challenged by the Building Industry Association.

**Prior Council/Board Actions:**

5/4/08 – Council authorized contract with Willdan Financial for study to adopt Agricultural Mitigation Program

10/1/07 – Council authorized staff to solicit proposals for a nexus study on Ag Land conversion to urban uses

**Committee/Commission Review and Actions:**

n/a

**Alternatives:**

Agree to include a “water mitigation” component for a proposed AMP. This alternative will most likely fall in line with how the City of Tulare would like to proceed with the study. It will mean more time needed to establish a legal basis and additional costs for additional consultants needed for building this new and complex component to an AMP. The total additional estimated time needed would be approximately six months and an unknown amount of additional cost but staff estimates at least \$20,000 more, but the costs would be split 50/50 between Visalia and Tulare.

**Attachments:**

4/24/09 Memo on Expanding Program Options for Agricultural Mitigation from Willdan Financial

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

I move to authorize staff to pursue a “land mitigation” only approach for development of an Agricultural Mitigation Program.

***Environmental Assessment Status***

**CEQA Review: N/A**

**NEPA Review: N/A**

**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*)  
*none*

Copies of this report have been provided to:



**City of Visalia  
Agenda Item Transmittal**

Meeting Date: May 18, 2009

Agenda Item Number (Assigned by City Clerk): 2

Agenda Item Wording: ALTERNATIVE DESIGN CONCEPTS FOR THE OVAL PARK STUDY AREA

Deadline for Action: None

Submitting Department: Housing & Economic Development

Contact Name and Phone Number: Ricardo Noguera,  
Housing & Economic Development Director

**Project Status.** This presentation represents a status report on the production of a Plan for the Oval Park area. TPG Consulting, Inc. will share two alternative design concepts as well as input received from area residents, businesses and property owners. Since this is a "status report", staff and the consultant team are only seeking comments and direction as it relates to drafting a preferred design concept from City Council. The Planning Commission is invited to provide comments as it relates to land use concepts for the surrounding properties. The Consultant will return later this Summer with a fully analyzed preferred design concept for Council's consideration. It should be noted that in addition to two alternate design concepts, Council may wish to consider an option which includes no road closures but the addition of traffic and pedestrian modifications as well as improvements to the park.

**Background/Summary.** In September 2007, the City of Visalia was awarded a Caltrans Environmental Justice-Context Sensitive Transportation Planning Grant: Oval Park Study Area. The City received formal approval to proceed in selecting a consultant in April 2008. The purpose of the grant was to devise a plan which would improve traffic safety conditions in the immediate area surrounding the Oval Park. The total grant awarded from Caltrans was \$135,000 and the City provided a \$15,000 match.

On September 15, 2008, the City selected TPG Consulting, Inc. to complete a Traffic Study and Needs Assessment Report for the Oval Park Study Area. This

**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** \_\_\_\_\_

**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.

followed the release of a Request for Proposals (RFP) and interviews with consultants. TPG's consultant team consists of RRM Design Group and CSET. TPG's focus is on Project Management and traffic and transportation operations and vehicular and pedestrian control. RRM's focus is on land use, landscape park and planning and CSET's role has focused primarily on outreach and facilitation of meetings.

**Key Issues for Council to Consider.** The issues listed below are the most critical as they relate to identification of the Preferred Design Concept and overall plan.

1. Property and business owners do not support any roads closed;
2. Property and business owners do not support expansion of public plazas near their stores due to it attracting loiterers;
3. Property and business owners do not support a new comprehensive land use plan;
4. Residents, property and business owners all seek a safer and more family friendly park;
5. Residents, property and business owners all seek to improve traffic and pedestrian safety around the Oval;
6. All parties support traffic calming and traffic/pedestrian safety techniques including reallocation of the SR 63 right-of-way to accommodate striping for 2 vehicle lanes of travel, on-street parallel parking, bicycle lanes, wider sidewalks and utilization of bulb-outs to shorten the length of pedestrian crossings, and consideration of lighted crosswalks. Other streetscape amenities supported by all include addition of more street trees and more street lighting, each following a common theme, and the addition of traffic safety enhancements such as: striping of lanes; bulb outs; lit crosswalks; bicycle lanes; and wider sidewalks.

**Outreach Efforts.** In accordance with the approved contract and scope of work, a total of three community workshops have been held thus far; one more is planned, with diverse representation from local property owners, businesses, residents and non-profit agencies. Additionally, the Parks & Recreation Commission and Northern Visalians Advisory Committee co-hosted a meeting on March 17, 2009. The consulting team has also met with city staff representing all impacted disciplines to gain their input on the two alternative design concepts. Lastly, at city staff's request, early morning meetings were scheduled with property owners and businesses immediately surrounding the park to ensure they were provided with an appropriate forum to share their interests and concerns with respect to the two alternative design concepts.

**Input from Property Owners and Businesses Surrounding the Oval Park.** The consultant team and representatives from city staff hosted early morning meetings with property owners and businesses situated immediately surrounding the Oval Park in order to provide a forum where they can express their concerns and issues related to the two alternative design concepts. The meetings were well attended by both property owners on Wednesday, April 8, and business owners on Thursday, April 9. Both groups were adamantly opposed to closure of any streets or rerouting of the streets. They felt that the closure of streets would adversely impact business operations and business vitality. Additionally, they were concerned the addition of more plaza space adjacent to the businesses would encourage more loitering, panhandling and other undesirable behaviors in the immediate area. The sentiment seemed to be that the roadway actually provided a buffer for the businesses from the undesirable activities/behaviors in the park. They preferred to see the existing street grids maintained but upgraded to include the following: striped lanes; bulb outs; traffic signals; lit crosswalks; better maintenance of the park; and significantly increased security and law enforcement in the park.

**Key Elements of the Two Design Alternative Concepts.** The consultant team devised two alternative design concepts based on community input received at three community workshops; stakeholder meetings and in discussions with Caltrans officials and city staff. The two design concepts have unique features which describe potential traffic improvements, land use conversions and park enhancements. The two concepts consist of:

**Alternative 1 Concept.** The most dramatic feature of this concept is the rerouting of State Road (SR) 63 from its' current circulation pattern to the immediate west side of the Oval Park. The current road alignment on the east would be closed and converted to a pedestrian promenade/plaza. It also calls for the closure of one-block segments at North Court (north of the Oval), N.W. 2<sup>nd</sup> / Ash Street, and Pine Street. The intent here is to minimize traffic entering the roundabout from side streets which would reduce traffic hazards while improving pedestrian safety at these key intersections. Businesses would be accessed via parking lots to the rear of the properties. With respect to the park itself, the concept calls for the relocation of the Oval Service Center building to a more central location to be occupied by one or more city, for profit, or non-profit uses providing 360-degree "eyes on the park". Additionally, other amenities are included in order to enhance the utilization of the park.

**Alternative 2 Concept.** The concept maintains the existing traffic circulation pattern of State Road 63 but closes off the parking lot and roadway to the southwest portion of the park along N.W. 2<sup>nd</sup> Avenue and converts it to a plaza. Additionally, the same closures called for in Alternative Concept One for streets entering the roundabout are proposed on the north and east sides of the Oval.

**Common Features of Both Alternative Concepts.** While the concepts differ significantly as it relates to the main traffic flow through the Oval area, there are common themes such as traffic calming features along SR 63; including 2 striped travel lanes of standard width; limited or on-street parallel parking; wider, tree-lined sidewalks with more lighting; well-defined pedestrian crossings with bulb-outs shortening the pedestrian crossing distance around the Oval; gateway features; well lit transit stops; preservation and use of the Oval Service Center; mixed-use development; a water feature in the park and removal of the exterior restrooms.

**Staff Analysis.** On Thursday, March 26<sup>th</sup>, representatives from TPG met with city staff to share the two alternative design concepts. Overall, **Alternative Two** is considered the option of least resistance at this time because it leaves the SR 63 counter-clockwise travel as it is, but also narrows the existing paved area of the SR roadway and widens sidewalks with enhanced dedicated pedestrian crossings which help control and slow traffic and reduces hazards for pedestrians and still accommodating bike lanes and some on-street parking. This Alternative creates a larger public plaza at the southwest along a one block section of N.W. 2<sup>nd</sup> Avenue; and closes off North Court and N.E. 2<sup>nd</sup> / Ash Street intersections with the Oval and improves vehicular and pedestrian safety. Staff and the consultant team can offer another option without street closures; no plazas in front of stores; but significant traffic and pedestrian modifications and park improvements.

**Alternative One**, proposes a more dramatic change by shifting the SR 63 route to the west creating a clock-wise travel pattern, and thereby converting the east route of SR 63 to a pedestrian promenade or mall. While this design drastically reduces hazards resulting from vehicle – pedestrian interfaces on the entire east half of the Oval, and thereby improves pedestrian access to the park, this alternative concept will present challenges for businesses who rely on drive-up customers and has the potential to increase loitering issues nearer to the businesses and resulting in increased enforcement concerns for the police. Preparation of an environmental document may need to take into consideration both land use and traffic improvements. Completion of the preferred design concept; traffic analyses and cost estimates will allow staff to complete further and more detailed analyses as this project nears completion.

**Caltrans.** Representatives from Caltrans have attended all community meetings. On March 9<sup>th</sup>, representatives from TPG and city staff met with Caltrans officials to ascertain their thoughts and concerns. Caltrans staff were interested in resolving bottlenecks around the park; improving pedestrian crosswalks; establishing bicycle lanes; and consideration of closure of some feeder streets.

**Next Steps.** The consultant team has conducted extensive community outreach and will present the two alternative design concepts at a Joint Council/Planning Commission meeting on April 27<sup>th</sup>. Based on the input received up to and

including at that meeting, a Preferred Alternative will need to be defined upon which the consultant team will prepare a Final Framework Plan Report which includes the following: description of the Preferred Design Concept; Park Design Concept; Traffic Study; cost estimates for conceptual changes to the area; street details and cost estimates; and potential funding sources. It is anticipated that this would be completed by late July 2009.

**Prior Council/Board Actions**

**Committee/Commission Review and Actions:**

- Council approved the Contract with TPG Consulting, Inc. on August 18, 2008

**Alternatives:** None

**Attachments:**

- Alternative Design Concepts and Narratives

**Recommended Motion (and Alternative Motions if expected):** Accept Status Report; no action required at this time.

# City of Visalia Agenda Item Transmittal

**Meeting Date:** May 18, 2009

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

**Agenda Item Wording:** Presentation and approval of a change in name from Visalia City Coach to Visalia Transit including a new logo

**Deadline for Action:** June 1, 2009

**Submitting Department:**

**Contact Name and Phone Number:** Monty Cox, 713-4591

### Department Recommendation

It is recommended that the Council approve the change in name of Visalia City Coach to Visalia Transit, including a new logo. This recommendation is supported by the Transit Advisory Committee, the transit marketing company, Multimedia Corporation (they did not design the new logo), and staff.

### Department Discussion

The Visalia Transit system has had the same name and logo since it began in 1981. The growth of the City and the accompanying increase demand for public transportation has resulted in increased the number of routes in Visalia, expanded the service area to include Goshen, Exeter and Farmersville, and added connections with other communities. In addition, under Council's direction, we have converted from a diesel fleet to a cleaner, more efficient Compressed Natural Gas (CNG) fleet. Growth in services has also merited the expansion of the downtown Transit Center, and the bus operations and maintenance facility.

Although the current VCC logo has undergone slight modifications throughout the years, the name has remained consistent. It is staff's recommendation that the City Council adopt a new name, Visalia Transit, and a new logo. (attached). The changes are reflective of the "coming of age" of Visalia's public transportation services. Whereas we began operating with small "coaches," the Visalia service now comprised of full sized buses, trolleys and the Dial-A-Ride shuttles. Using transit is now seen as a "green" way to help the environment, and staff believes that it would be beneficial to capitalize on the word transit, while at the same time emphasizing that it's not the same old coach service....it's a full service operation operating out of a multi-modal facility that can link riders to many different forms of transportation.

The new logo is meant to emphasize the Visalia brand. In previous conversations with the City Council, it was clear that retaining the Visalia name was an important factor. While other

### 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**

**Finance**

**City Atty**

**City Mgr**

communities that we currently serve may choose a different way of serving their citizens, Visalia will always be the primary focus of our service area.

A new logo, name and look is believed to be an important factor in the effort to increase ridership. It will help help the general public view Visalia's public transit as a modern approach to commuting. When interviews were conducted last year when a new marketing firm was selected, virtually every company interviewed indicated a need to redesign the logo and give transit a new, more modern look. The proposed logo provides a sense of forward motion with a road leading through a distinctive V. The use of green and blue in the logo is meant to convey a subtle connection to the City's commitment to clean air and conservation in general. The new logo blends well with the recently designed Sequoia Shuttle logo which has been well received.

The logo development has been a work in progress for several years. Input on the logo was sought from the public, the Transit Advisory Committee and the City Council. This logo was developed by a local consultant, Red Chair Marketing. The logo and name change are recommended by both the Transit Advisory Committee, and Transit's current marketing firm, Multimarketing Corporation.

Once adopted, the logo will be phased into use. The webpage will be updated immediately, any new advertising and marketing materials will be designed using the new logo and color scheme, and bus stop signage will be revised over time. The new logo and color scheme will be added to current buses as time and budget permit. If the logo is adopted prior to June 1, there is an opportunity to have the new logo and color scheme installed at the factory, at no increased cost, on seven new buses that are currently under construction and are slated to be delivered in 2010. The changes would be made over time under Council approved budget allocations.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

Recommended by the Transit Advisory Committee

**Alternatives:**

**Attachments:**

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

I move to approve the name change to Visalia Transit and the new logo.

***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)*



# ACTION

## PLANNING COMMISSION AGENDA

CHAIRPERSON:  
Lawrence Segrue



VICE CHAIRPERSON:  
Adam Peck

COMMISSIONERS PRESENT: Lawrence Segrue, Adam Peck, Terese Lane, Roland Soltesz, Vincent Salinas

MONDAY MAY 11, 2009; 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 7:00            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.  
Spoke:  
1. No one spoke
- 7:00 TO 7:01            3. CITY PLANNER AGENDA COMMENTS – No comments
- 7:01 TO 7:01            4. CHANGES TO THE AGENDA – No changes
- 7:01 TO 7:01            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.
  - No items on consent calendar
- 7:01 TO 7:09            6. PUBLIC HEARING—Andy Chamberlain  
Approved as recommended (Salinas, Soltesz )5-0  
Open: 7:04  
Close: 7:06  
Spoke:  
1. Bill Yaught  
Variance No. 2009-06: is a request by A Plus Signs to add a second monument sign to the North Side Shopping Center (Ferguson Avenue frontage), Joe Gong Owner. The site is in the CSO (Commercial Shopping Office) zone. The site is located on the south side of Ferguson Avenue west of Dinuba Boulevard, 2121 N. Dinuba Boulevard. (APNs: 090-280-016, 090-280-017, and 090-270-030).
- 7:09 TO 7:10            7. DIRECTOR'S REPORT/PLANNING COMMISSION DISCUSSION:

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.

**THE NEXT REGULAR MEETING WILL BE HELD ON TUESDAY, MAY 26, 2009  
CITY HALL COUNCIL CHAMBERS, 707 WEST ACEQUIA**

7:10 TO 7:10  
Motion to Adjourn (Segrue, Peck) 5-0

## City of Visalia Agenda Item Transmittal

**Meeting Date:** May 18, 2009

**Agenda Item Number (Assigned by City Clerk):** 11a

**Agenda Item Wording:** AMENDMENT TO THE USE OF \$500,000 REDEVELOPMENT LOW/MOD FUNDS TO ACQUIRE, RENOVATE AND SELL FORECLOSED HOMES

**Deadline for Action:** None

**Submitting Department:** Housing & Economic Development Department.

**Contact Name and Phone Number:** Ricardo Noguera, Housing & Economic Development Director xt: 4190

**Department Recommendation:**

Eliminate the discounted rate of fifteen (15) percent to purchase foreclosed homes with use of the one-time allocation of \$500,000 from RDA Low/mod funds (2008/09 Fiscal Year Budget).

**Background/Summary**

On January 5, 2009, the Agency authorized the use of RDA Low/mod funds in an amount of \$500,000 in order to jumpstart the City's Foreclosure Acquisition Program. Over the past four (4) months, a substantial number of foreclosed homes have been purchased by "investors" at the "asking price". This has made it difficult for the City to fulfill its' desired goal of acquiring such homes and place new homeowners in these properties. The self-imposed requirement for a maximum purchase price of fifteen (15) percent below the appraised price has placed the City/Agency at a competitive disadvantage compared to investors.

While its appealing for unoccupied and foreclosed properties to become reoccupied, there are concerns that many of these "investor purchased properties" will be occupied by renters rather than homeowners which will not fulfill the goal of boosting homeownership rates in some of the more challenged neighborhoods such as the Oval Park and Washington School Neighborhoods. By removing the self-imposed requirement of a purchase price no greater than 15 percent below the appraised value, the City can utilize its' \$500,000 to acquire foreclosed properties at the appraised price and complete the necessary renovations, resell and reuse the funds to purchase more homes.

In December 2008, when this program was being crafted, it was expected that with an abundance of real estate owned (REO) properties on the market, the City would have little

**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.

difficulty in acquiring homes at a discounted rate. In hindsight, the City should have originally separated the RDA low/mod funds from the Neighborhood Stabilization Program (NSP) Community Development Block Grant (CDBG) funds in order to maintain the flexibility to purchase homes both at the appraised price and at 15 percent below which is a mandatory requirement for the use of NSP funds.

**Homes Purchased.** Since January 2009, the City has purchased one home and has two homes in escrow and expects to close on them within the next few weeks. There are offers on multiple properties and staff expect to finalize purchases on a few of them as well. With an October 2010, deadline for utilization of the \$2.338 million in NSP funds, the City should meet this requirement with little challenge. However, the vast majority of home purchases will be those requiring significant rehabilitation and located in some of the most challenged neighborhoods in the City. While this represents an excellent method to combat blight within the neighborhoods, it will be more difficult for the City to recycle the NSP funds since it may have to serve as the primary lender of such homes.

**Origins of the Fifteen (15) Percent Discounted Cap.** This fifteen (15) percent discounted cap originated from HUD's required Neighborhood Stabilization Program (NSP) requirement that foreclosed homes be purchased at a discounted rate of 15 percent below the appraised value. Local governments also have the option to purchase within a range of 5 and 15% below the appraised price but the aggregate purchases must not exceed 15 percent below the appraised price. The City opted to impose this same provision on its' use of RDA funds which it turns out was not to the City's advantage in pursuing foreclosed properties which require less upgrades and can quickly be resold and funds recycled to purchase more homes.

**Lifting the Cap on use of RDA Low/Mod Funds.** By lifting the cap on maximum purchase price for home purchases with use of RDA low/mod funds, the City will be able to purchase homes at the appraised price with minimal rehabilitation costs and resell to homebuyers who obtain their own financing. This will ensure homebuyers rather than investors purchase these homes and obtain long-term fixed rate mortgages which in essence is the goal of the NSP Program. The City will be more likely to recycle its' RDA funds as well.

**Prior Council/Board Actions:**

- On November 3, 2008, City Council approved the submittal of the City's NSP Substantial Amendment for the Action Plan 2008/09.
- On January 5, 2009, the Agency approved the one-time allocation of \$500,000 of RDA Low/mod funds to commence the Foreclosure Acquisition Program.

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

**Alternatives:** Continue purchasing homes at 15 percent below the appraised value

**Attachments:**

RDA Resolution 2009-03

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

Eliminate the discounted rate of fifteen (15) percent to purchase foreclosed homes with use of the one-time allocation of \$500,000 from RDA Low/mod funds (2008/09 Fiscal Year Budget).

***Environmental Assessment Status***

**CEQA Review:** Environmental review will be required for the purchase of each home.

**NEPA Review:** N/A

**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:

**RESOLUTION RDA NO. 2009-03**

**A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF VISALIA  
APPROVING THE USE OF LOW AND MODERATE INCOME HOUSING FUND IN THE  
CITY OF VISALIA AND OUTSIDE THE PROJECT AREAS**

**WHEREAS**, the rapid escalation in residential property foreclosures has resulted in numerous detrimental impacts to health, safety and property in the project area and the City of Visalia in general; and

**WHEREAS**, the U.S. Housing and Urban Development Department (HUD) has awarded the City of Visalia \$2.38 million in CDBG funds pursuant to HUD's Neighborhood Stabilization Program (NSP); and

**WHEREAS**, the NSP funding will be used to acquire, rehabilitate and sell residential properties meeting certain affordability criteria and program requirements in the City of Visalia; and

**WHEREAS**, the Community Redevelopment Agency of the City of Visalia (hereinafter "Agency") has authorized the use of \$500,000 from the Low and Moderate Income Housing Fund (hereinafter "LMIHF") to jumpstart the NSP, which is not expected to commence until March 2009; and

**WHEREAS**, the Agency will retain a covenant on any property acquired, rehabilitated, and sold utilizing LMIHF funding which restricts the use of that property to affordable housing for a period of forty-five (45) years; and

**WHEREAS**, the Agency desires use of the aforesaid LMIHF allocation to curb the tide of foreclosures and subsequent blighted properties throughout the City through the purchase of bank-owned properties both with and outside of the project areas; and

**WHEREAS**, The Agency desires to amend Resolution No. 2009-01 to enable the Agency to purchase foreclosed homes at the appraised price rather than the previously approved 15 percent below the appraised value; and

**WHEREAS**, Health and Safety Code Section 33334.2(g)(1) allows the Agency to utilize LMIHF outside of the project area if the Agency finds, by resolution, that such use outside the project area will be a benefit to the project area; and

**NOW, THEREFORE, BE IT RESOLVED** BY THE GOVERNING BOARD OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF VISALIA AS FOLLOWS:

**SECTION 1.** The Agency hereby approves the use of the \$500,000 allocation of funds from its LMHIF, or a portion thereof, for the acquisition of properties in and

outside the project areas, but within the City of Visalia, for the acquisition, rehabilitation and sale of properties in foreclosure at the appraised value.

**SECTION 2.** The Agency hereby finds that use of the funds authorized in Section 1, or a portion thereof, will benefit the project areas. The benefits to the project areas include the elimination of blighted and abandoned properties in and outside the project areas, and the conversion of blighted properties near the project areas to affordable housing uses. The acquisition of abandoned and foreclosed residential properties will alleviate blighted conditions while creating affordable homeownership opportunities. It will also serve to stabilize neighborhoods.

I, Steve Salomon, City Manager/City Clerk of the of the City of Visalia, hereby certify that the foregoing Resolution No. \_\_\_\_\_ was duly and regularly passed and adopted by the Governing Board of the Redevelopment Agency of the City of Visalia at a meeting thereof held on the 18th day of May 2009, and that the foregoing is a full and correct copy of said resolution.

\_\_\_\_\_  
City Manager/City Clerk

**PASSED AND ADOPTED** this 18<sup>th</sup> day of May, 2009, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Chairperson

**ATTEST:**

\_\_\_\_\_  
Steve Salomon, City Manager/City Clerk

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** May 18, 2009

**Agenda Item Number (Assigned by City Clerk):** 12 b

**Agenda Item Wording:** Approve the Citizens Advisory Committee's recommendation to change the name of the Bicycle, Pedestrian and Waterway Trails Committee to the Waterways and Trails Committee.

**Deadline for Action:** None

**Submitting Department:** Parks and Recreation

**Contact Name and Phone Number:** Paul Shepard, 713-4209

**Department Recommendation:** Approve the Citizens Advisory Committee's recommendation to change the name of the Bicycle, Pedestrian and Waterway Trails Committee to the Waterways and Trails Committee.

**Summary/background:** At their March 3, 2009 meeting, the Bicycle, Pedestrian and Waterway Trails (BPWT) Committee voted to change their name to the Waterways and Trails Committee. The committee felt that the simpler name would be easier for the public to use and remember. The new name does not change the mission of the committee which still includes bicycle and pedestrian issues.

At its May 2009 meeting the Citizens Advisory Committee (CAC) approved the name change to Waterways and Trails Committee.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:** At its May 2009 meeting, the CAC approved the name change.

**Alternatives:**

**Attachments:**

**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 VAE *VAE*  
(Initials & date required)

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

City Mgr *[Signature]*  
(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.



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

Move to approve the recommended name change to Waterways and Trails Committee.

***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:** May 18, 2009

**Agenda Item Number (Assigned by City Clerk):** 12c

**Agenda Item Wording:** Accept the City of Visalia Cash and Investment Report for the third quarter ending March 31, 2009.

**Deadline for Action:** None

**Submitting Department:** Administration - Finance

**Contact Name and Phone Number:** Eric Frost 713-4474,  
Jason Montgomery 713-4425

**Department Recommendation:** Staff recommends that Council take the following actions:

1. Accept the City of Visalia Cash and Investment Report for the quarter ending March 31, 2009.

### Economic Outlook

The economy continues to contract as the recession has spread from the financial sector to consumption and on to the business sector. However, according to the Federal Open Market Committee, although the economy has continued to contract, the pace of the contraction appears to be somewhat slower. Household spending has shown signs of stabilizing but remains constrained by ongoing job losses, lower property values, and tight credit. In the business sector, continued weak sales and difficulties in obtaining credit have led businesses to cut back on inventories, fixed investments, and staffing. In short, economic activity is likely to remain weak for a time.

### Portfolio Performance

The March 31, 2009 investment report had a managed balance of \$113.93 million with a monthly portfolio earnings rate of 2.46%. The year-to-date earnings rate for 2008-09 (July-March) has averaged 3.18%. Key benchmarks and performance statistics for the City's portfolio are shown in Table 1, Managed Portfolio Performance Statistics.

#### **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.

Quarter Ending	Portfolio Balance	City Monthly Portfolio Rate	LAIF Balance	LAIF Rate	2 YR Treasury	Weighted Average Maturity (WAM)
December, 2008	\$123.11	3.35%	\$56.57	2.58%	0.76%	0.56 years
March, 2009	\$113.93	2.46%	\$72.66	1.91%	0.80%	0.46 years
<b>Fiscal Year 2008-2009</b>		<b>3.18%</b>		<b>2.47%</b>	<b>1.42%</b>	

As rates have fallen, the city's managed investment portfolio rate has also fallen. Since December of 2007 the fiscal year to date portfolio rate has fallen from 4.63% to 3.18% or 31%. For comparison purposes, since December of 2007, the fiscal year to date LAIF rate has fallen from 5.15% to 2.47% or 52% and the fiscal year to date 2 year Treasury rate has fallen from 3.76% to 1.42% or 62%.

#### *LAIF*

The Local Agency Investment Fund (LAIF), is a an investment option for California's local governments and special districts. LAIF is a part of a pooled investment account that has oversight from the State Treasurer, Director of Finance, and State Controller. The City invests a portion of its portfolio in LAIF because it is a liquid investment with a competitive yield.

At the end of March 2009 LAIF had 48% of its investments maturing within three months. Because of its short average maturity, its yield will continue to fall over the next few months. LAIF's yield has slipped from 1.91% at the end of March to 1.61% at the beginning of May 2009. LAIF will continue to fall as its investments mature and the pool buys investments at lower rates.

#### **Future Management**

The City manages the portfolio partly by considering the weighted average maturity (WAM) based upon management's expectations for rising, neutral or declining interest rates. Usually, the longer an investment's maturity, the higher the interest rate will be. However, the longer the maturity, the more at risk the portfolio is to market gains or losses due interest rate changes. As a result, the City has a target WAM based upon expected interest rate environments as shown on Table II, Target Weighted Average Maturity (WAM) Based on Interest Rate Expectations.

Forecasted Interest Rate Environment	Target WAM (Years)
Rising	0.50
Neutral	1.50
Declining	2.50

As previously discussed, rates have fallen. However, staff believes that rates will begin to increase in the coming months and have positioned the portfolio to take advantage of future

rising rates. When rates are rising, the stated goal for the portfolio WAM is 0.50 years. At the end of March 2009 the portfolio WAM was 0.46 years. Staff will continue to keep the WAM short until it feels that rates will remain steady at which point the WAM will be increased to 1.50.

**Cash Summary**

The City's cash and investments consist of the following as shown on Table III: Cash Summary at Market Value (in millions) as of 03/31/09.

Table III: Cash Summary at Market Value, 03/31/09

Investment Type	Amount (in millions)
<b>Managed Portfolio</b>	
LAIF	\$72.66
CD's	\$15.48
Agencies	\$18.36
Corporate Note	\$ 5.00
Citizens Sweep Account	\$ 2.43
<b>Total Managed Portfolio</b>	<b>\$113.93</b>
Trustee Cash and Investments	\$11.61
Banks & Depositories	\$.39
<b>Total Cash &amp; Investments</b>	<b>\$125.93</b>

This information is taken from the two report attachments: 1) City of Visalia Investment Position Report as of 03/31/09, attachment #1; and 2) City of Visalia Cash and Investments Summary as of March 31, 2009, attachment #2.

**City Investment Policy**

The City's investments are diversified by the various maturities, call structures, and credit types in the above categories which are allowed by the City's Investment Policy and California Government Code Section 53600 et seq. LAIF funds are highly liquid to meet the City's daily cash flow requirements while maintaining a high degree of safety and a higher rate of return over other suitable liquid investments. The City continues to maintain its conservative and prudent investment objectives, which in order of priority are safety, liquidity, and yield, while maintaining compliance with federal, state, and local laws and regulations. These investments enable the City to meet its expenditure requirements for the next six months, as required by state law.

**Attachments:**

- Attachment #1, City of Visalia Investment Position Report
- Attachment #2, City of Visalia Cash and Investment Summary

**Recommended Motion (and Alternative Motions if expected):** Move to accept the City of Visalia Cash and Investment Report for the third quarter ending March 31, 2009.

***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:

# Attachment #1

City of Visalia  
Investment Position Report  
31-Mar-09

		Coup. Rate	Yield (YTM)	Maturity Date	Face Value	Purchase Price	General Ledger Balance	Current Market Value	Purchase Date
<b><u>Checking Accounts</u></b>		2.1%							
Citizens Business Bank		0.00%	1.45% *	31-Mar-09	2,428,773	2,428,773	2,428,773	2,428,773	Various
Totals			1.45%		2,428,773	2,428,773	2,428,773	2,428,773	
Average Maturity (Days/Years)			1						
* Note: Interest is based on an average daily balance.									
<b><u>Agency Notes</u></b>		15.7%							
FHLMC 3134A4VB7	06-453	4.13%	5.11%	12-Jul-10	2,000,000	1,931,306	2,035,000	2,081,880	24-Aug-06
FHLMC 3134A4VE1	06-455	4.13%	5.11%	18-Oct-10	2,000,000	1,927,040	2,035,000	2,095,620	24-Aug-06
FHLMC 3137EAAF6	07-277	5.25%	4.85%	18-Jul-11	2,000,000	2,029,480	2,093,760	2,165,000	14-May-07
FHLB 3133MGYH3	08-144	5.75%	4.32%	15-Aug-11	3,000,000	3,146,820	3,182,820	3,274,680	13-Nov-07
FHLB 3133XGDD3	08-142	5.38%	4.23%	19-Aug-11	3,000,000	3,118,230	3,155,640	3,247,500	13-Nov-07
FFCB 31331XG30	08-143	5.45%	4.42%	21-Jun-12	3,000,000	3,127,320	3,165,000	3,310,320	13-Nov-07
FHLB 3133XLX73	08-096	5.00%	4.71%	14-Sep-12	2,000,000	2,025,140	2,077,500	2,185,000	28-Sep-07
Totals			4.51%		17,000,000	17,305,336	17,744,720	18,360,000	
Average Maturity (Days/Years)			870	2.38					
Average Duration									
<b><u>CD'S</u></b>		13.7%							
Citizens Business Bank	09-138	3.20%	3.30%	24-Jul-09	5,000,000	5,000,000	5,000,000	5,000,000	24-Oct-08
CDARS	09-260	1.88%	1.90%	13-Aug-09	5,000,000	5,000,000	5,000,000	5,000,000	12-Feb-09
CDARS	09-277	1.73%	1.75%	03-Sep-09	5,000,000	5,000,000	5,000,000	5,000,000	05-Mar-09
Visalia Community Bank		2.25%	2.25%	04-Oct-09	240,000	240,000	240,000	240,000	04-Mar-09
WestAmerica Bank (County Bank)	09-150	3.59%	3.70%	03-Dec-09	240,000	240,000	240,000	240,000	03-Nov-08
Totals			2.35%		15,480,000	15,480,000	15,480,000	15,480,000	
Average Maturity (Days/Years)			138	0.38					
<b><u>Corporates</u></b>		4.4%							
General Electric Cap Corp	09-278 & 9	3.75%	3.89%	15-Dec-09	5,000,000	4,994,500	4,994,500	4,998,550	06-Mar-09
Totals			3.89%		5,000,000	4,994,500	4,994,500	4,998,550	
Average Maturity (Days/Years)			260	0.71					
<b><u>LAIF</u></b>		64.1%							
LAIF - CITY			1.91%	Demand	32,841,424	32,841,424	32,841,424	32,841,424	Various
LAIF - VPFA			1.91%		39,818,611	39,818,611	39,818,611	39,818,611	
					72,660,035	72,660,035	72,660,035	72,660,035	
Totals			2.46%		112,568,807	112,868,643	113,308,027	113,927,357	
Average Maturity (Days/Years)			167	0.46					
Change from	28-Feb-09	Rate	-0.12%						
		Days	8						

Attachment #2

CITY OF VISALIA CASH & INVESTMENTS SUMMARY  
As of March 31, 2009

<u>INSTITUTION</u>	<u>PURPOSE</u>	<u>BALANCE</u>	<u>TOTAL</u>
<b><u>CASH IN BANKS</u></b>			
BANK OF AMERICA	CONVENTION CENTER	\$ 67,611	
BANK OF AMERICA	GOLF	179,274	
CITIZENS BUSINESS BANK	A/P & PAYROLL	125,157	
PETTY CASH	VARIOUS DEPTS	16,019	
	<i>Total Cash Deposits</i>	<u>16,019</u>	\$ 388,061
<b><u>CASH AND INVESTMENTS WITH FISCAL AGENTS (TRUSTEE)</u></b>			
US BANK	2002 WASTE WATER BONDS	864,015	
	2003 EAST VISALIA REDEVELOPMENT	394,853	
	2005 CERTIFICATE OF PARTICIPATION	2,115,734	
ACCEL (Workers Compenation)	EXCESS LIABILITY DEPOSITS	1,032,744	
CITIZENS BUSINESS BANK	RDA LOAN - MOONEY DISTRICT	6,163,076	
DELTA DENTAL	DENTAL PREFUNDING	60,700	
EIA HEALTH	HEALTH PREFUNDING	955,947	
KEENAN & ASSOC	WORKERS COMP PREFUNDING	10,759	
VSP	VISION PREFUNDING	11,210	
	<i>Total Trustee Deposits</i>	<u>11,210</u>	11,609,037
<b><u>PORTFOLIO INVESTMENTS (MARKET VALUE)</u></b>			
UNION BANK OF CALIFORNIA INVESTMENTS		23,358,550	
LOCAL AGENCY INVESTMENT FUND		72,660,035	
SWEEP ACCOUNT (CITIZENS)		2,428,772	
CD'S		15,480,000	
	<i>Total Portfolio Investments</i>	<u>15,480,000</u>	113,927,357
<b>TOTAL CASH AND INVESTMENTS</b>			<b><u>\$ 125,924,455</u></b>

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** May 18, 2009

**Agenda Item Number (Assigned by City Clerk):** 12d

**Agenda Item Wording:** Adopt Resolution Number 2009-19 establishing an identity theft prevention program in compliance with the Fair and Accurate Credit Transaction (FACT) Act.

**Deadline for Action:** None

**Submitting Department:** Administration - Finance

**Contact Name and Phone Number:** Eric Frost 713-4474,  
Jason Montgomery 713-4425

**Department Recommendation:** Staff recommends that Council adopt Resolution Number 2009-19 establishing an identity theft prevention program in compliance with the Fair and Accurate Credit Transaction (FACT) Act.

**Background**

In accordance with the FACT Act adopted by the federal government, the Federal Trade Commission (FTC) has set "red flag" rules requiring that every creditor establish a written program providing for the detection of "specific activators" (red flags) that could be related to identity theft. Any private or public entity that extends credit to customers by first providing goods or services and then billing for them later is subject to these requirements.

The City of Visalia (City) is subject to this requirement, since it provides solid waste service and bills for this after service has been received. The City also rents out airport hanger space. In short, the City extends credit to its customers from the time it provides service to them and then subsequently bills and collects payment for this.

The City is required to formally adopt an identity theft prevention program. The proposed program will comply with FTC requirements and provide greater security for our account billed customers.

**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.



### **Key Program Provisions**

The proposed program in Exhibit A largely sets forth in writing the identity protection practices the City has been following. Key features of the proposed program include:

#### **Program Goals**

1. Identify relevant patterns, practices and specific activities (referred to in the program as “red flags”) that signal possible identity theft relating to information maintained in the City’s customer accounts, both those currently existing and those accounts established in the future.
2. Detect “red flags” after the program has been implemented.
3. Respond promptly and appropriately to detected “red flags” to prevent or mitigate identity theft relating to the City’s customer account information.
4. Ensure that the program is updated periodically to reflect any necessary changes.

#### **Key Program Features**

1. Describes suspicious documents and activities.
2. Provides direction to billing staff in how to detect and respond to “red flags”.
3. Establishes procedures to protect against identity theft.
4. Assigns responsibility for program administration and oversight.

### **Summary**

The City has already been following the identity protection practices set forth in the proposed Identity Theft Prevention Program. However, the City is required to formally adopt a written program to be in compliance with the FACT Act adopted by the federal government. The attached resolution complies with this requirement.

#### **Attachments:**

Attachment #1, Resolution establishing an identity theft prevention program  
Exhibit A, City of Visalia Identity Theft Prevention Program

**Recommended Motion (and Alternative Motions if expected):** Approve Resolution No. 2009-19 adopting the City of Visalia’s identity theft prevention program in compliance with the Fair and Accurate Credit Transaction (FACT) Act.

***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:

RESOLUTION NO. 2009-19

A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF VISALIA  
ESTABLISHING AN IDENTITY THEFT PREVENTION PROGRAM

**WHEREAS**, the Federal Trade Commission (FTC) has adopted regulations that require “creditors” holding consumer or other “covered accounts” (which are defined to mean any account where customer payment information is collected in order to bill for services rendered) to develop and implement an identity theft prevention program that complies with those regulations; and

**WHEREAS**, because the City of Visalia (City) provides solid waste services and rents airport hanger space to its customers, it is a “creditor” under the applicable FTC regulations and must therefore comply with those regulations by adopting and implementing an identity theft prevention program, and

**WHEREAS**, the Council desires to take action to comply with the applicable FTC regulations by adopting an identity theft prevention program

**NOW, THEREFORE, BE IT RESOLVED** that the Council of the City of Visalia adopts, and directs staff to implement, the following identity theft prevention program set forth in Exhibit A, attached hereto.

**PASSED AND ADOPTED:**

STATE OF CALIFORNIA )  
COUNTY OF TULARE ) ss.  
CITY OF VISALIA )



City of Visalia, California

Finance Department

## **Identity Theft Prevention Program**

This program is in response to and in compliance with the Fair and Accurate Credit Transaction (FACT) Act of 2003

and

The Final rules and guidelines for the FACT Act issued by the Federal Trade Commission and federal bank regulatory agencies in November 2007

# Identity Theft Prevention Program

## Purpose

This document was created in order to comply with regulations issued by the Federal Trade Commission (FTC) as part of the implementation of the Fair and Accurate Credit Transaction (FACT) Act of 2003. The FACT Act requires that financial institutions and creditors implement written programs which provide for detection of and response to specific activities (“red flags”) that could be related to identity theft.

The FTC regulations require that the program must:

1. Identify relevant red flags and incorporate them into the program
2. Identify ways to detect red flags
3. Include appropriate responses to red flags
4. Address new and changing risks through periodic program updates
5. Include a process for administration and oversight of the program

## Program Details

### Relevant Red Flags

Red flags are warning signs or activities that alert a creditor to potential identity theft. The guidelines published by the FTC include 26 examples of red flags which fall into the five categories below:

- Alerts, notifications, or other warnings received from consumer reporting agencies or service providers.
- Presentation of suspicious documents.
- Presentation of suspicious personal identifying information.
- Unusual use of, or other suspicious activity related to, a covered account.
- Notice from customers, victims of identity theft, or law enforcement authorities.

After reviewing the FTC guidelines and examples, the Finance Department determined that the following red flags are applicable to solid waste accounts and airport hanger rental accounts. These red flags, and the appropriate responses, are the focus of this problem.

1. Suspicious Documents and Activities
  - a. The customer does not provide required information when attempting to establish an account or make a payment.
  - b. A customer refuses to provide proof of identity when discussing an established account.
  - c. A person other than the account holder or co-applicant requests information or asks to make changes to an established account.
  - d. An employee requests access to the billing system or information about an account, and the request is inconsistent with the employee's role in the City.
2. A customer notifies the Finance Department of any of the following activities:
  - a. Statements have not been received for several months in a row.
  - b. Unauthorized changes to an account.
  - c. Unauthorized charges on an account.
  - d. Fraudulent activity on the customer's bank account or credit card that is used to pay charges.
3. The Finance Department is notified by a customer, a victim of identity theft, or a member of law enforcement that an account has been opened for a person engaged in identity theft.

### Detecting and Responding to Red Flags

## Exhibit A

Red flags will be detected as employees interact with customers. An employee will be alerted to these red flags during the following processes:

1. Establishing a new account: When establishing a new account, a customer is asked to provide a name, phone number and a service & billing address. The employee may be presented with information that appears inconsistent.

**Response:** Do not establish the account until the customer's identity has been confirmed.

2. Reviewing customer identification in order to process a payment: The employee may be presented with documents that appear altered or inconsistent with the information provided by the customer.

**Response:** Do not accept payment until customer's identity has been confirmed.

3. Answering customer inquiries on the phone, via e-mail, and at the counter: Someone other than the account holder may ask for information about an account or may ask to make changes to the information on an account. A customer may also refuse to verify their identity when asking about an account.

**Response:** Inform the customer that only the account holder may receive information about the account unless the account holder gives permission for a designated person to access the account information. Do not make changes to or provide any information about the account, with one exception: if the service on the account has been interrupted for non-payment, the employee may provide the payment amount needed for reconnection of service.

4. Processing requests from City of Visalia employees: Employees may submit requests for information from the billing system that is inconsistent with the role that they play at the City.

**Response:** All requests for direct access to the billing system are approved by the Administrative Services Director or his/her designee, so the Finance Department should reject requests that have not received appropriate approval. All other requests for information from the billing system should be reviewed to ensure that they do not violate any part of the policy. Requests that are inconsistent with the policy will be denied.

5. Receiving notification that there is unauthorized activity associated with an account: Customers may call to alert the City about fraudulent activity related to their account and/or the bank account or credit card used to make payments on the account.

**Response:** Verify the customer's identity, and notify the Administrative Services Director or his/her designee immediately. Take the appropriate actions to correct the errors on the account, which may include:

- a. Issuing a service order to connect or disconnect services.

## Exhibit A

- b. Assisting the customer with deactivation of their payment method (if Online BillPay – must contact California Water Service).
  - c. Updating personal information on the account.
  - d. Updating the mailing address on the account.
  - e. Updating account notes to document the fraudulent activity.
  - f. Notifying and working with law enforcement officials.
6. Receiving notification that an account has been established for a person engaged in identity theft.

**Response:** These issues should be escalated to the Administrative Services Director or his/her designee immediately. The claim will be investigated, and appropriate action will be taken to resolve the issue as quickly as possible.

Additional procedures that help to protect against identity theft include:

1. Billing system access is based on the role of the user. Only certain job classifications have access to the system.
2. Customers may access limited information about their account online. In order to access information online, customers must go to the California Water Service website and enroll using their secure system.
3. The Finance Department will ensure that service providers that receive and process utility billing information have programs in place to detect and prevent identity theft.

## Administration and Oversight of the Program

The Finance staff is required to prepare an annual report which addresses the effectiveness of the program, documents significant incidents involving identity theft and



## Exhibit A

related responses, provides updates related to external service providers, and includes recommendations for material changes to the program.

The program will be reviewed at least annually and updated as needed based on the following events:

1. Experience with identity theft
2. Changes to the types of accounts and/or programs offered
3. Implementation of new systems and/or new vendor contracts

Specific roles are as follows:

The Administrative Services Director or his/her designee will submit an annual report to the City Manager. The Administrative Services Director or his/her designee will also oversee the daily activities related to identity theft detection and prevention, and ensure that all members of the Finance Division staff are trained to detect and respond to red flags.

The Finance Department will provide ongoing oversight to ensure that the program is effective.

The City Manager will review the annual report and approve recommended changes to the program, both annually and on an as-needed basis.

The Council must approve the initial program.

## City of Visalia Agenda Item Transmittal

**Meeting Date:** May 18, 2009

**Agenda Item Number (Assigned by City Clerk):** 12e

**Agenda Item Wording:** Authorization to bid the Construction of the McAuliff Street Improvement Project, Phase 3, Crossing Over Evans Ditch and Mill Creek, without the requirement for the payment of prevailing wages, pursuant to Resolution No. 83-02. Project No. 1241-00000-720000-0-9945.

**Deadline for Action:** none

**Submitting Department:** Community Development Department, Engineering

**Contact Name and Phone Number:** Chris Young 713-4392, Adam Ennis 713-4323, Rebecca Keenan 713-4541

**Department Recommendation:** Staff recommends that the City Council authorize the construction of the McAuliff Street Improvement Project, Phase 3, Crossing Over Evans Ditch and Mill Creek, without the requirement for the payment of prevailing wages pursuant to Resolution No. 83-02. Project No. 1241-00000-720000-0-9945. The estimated cost of the Project is \$2,000,000.00.

**Summary/background:** The new crossing will complete the McAuliff connection, and improve the flow of traffic throughout the area. The project is generally located on the south side of the intersection of McAuliff Street and Mill Creek Parkway. It will include the demolition and removal of existing ditch and creek structures, grading of the ditch and creek, and the construction of new ditch and creek structures. The new structures will include a box culvert, a pipe culvert, a flume, head gates, and other associated appurtenances. The McAuliff street pavement section will cross the new culverts from Mill Creek Parkway to Murray Street. The project also includes construction of new curb, gutter, sidewalk, and a storm drainage pipe, along with pavement striping, marking, and signage from Douglas Street to Mineral King.

The proposed crossing required the acquisition of right of way and two easements from adjacent property owners.

This project is scheduled to go to bid in June 2009, with construction complete by December 2009.

**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

**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.

Council is empowered to authorize the construction of capital improvement projects without the requirement of paying prevailing wage if only locally generated funds are used to pay for the project. In this case, the City will use locally generated Transportation Impact Fee and Measure R funds to finance the project.

**Prior Council/Board Actions:** 3-17-08 City Council: Approval of Notice of Completion for Phase 2 of McAuliff Project

**Committee/Commission Review and Actions:**

**Alternatives:** Not recommended: Bid as a prevailing wage rate project.

**Attachments:** Exhibit #1, Vicinity Map

**Recommended Motion (and Alternative Motions if expected):** I move to authorize the bid for the Construction of the McAuliff Street Improvement Project, Phase 3, Crossing Over Evans Ditch and Mill Creek, without the requirement for the payment of prevailing wages, pursuant to Resolution No. 83-02.  
Project No. 1241-00000-720000-0-9945

***Financial Impact***

**Funding Source:**

Account Number: 1241-00000-720000-0-9945

**Budget Recap:**

Total Estimated cost: \$2,000,000	New Revenue:	\$
Amount Budgeted: \$2,000,000	Lost Revenue:	\$
New funding required: \$0	New Personnel:	\$
Council Policy Change: Yes___	No__X	

***Environmental Assessment Status***

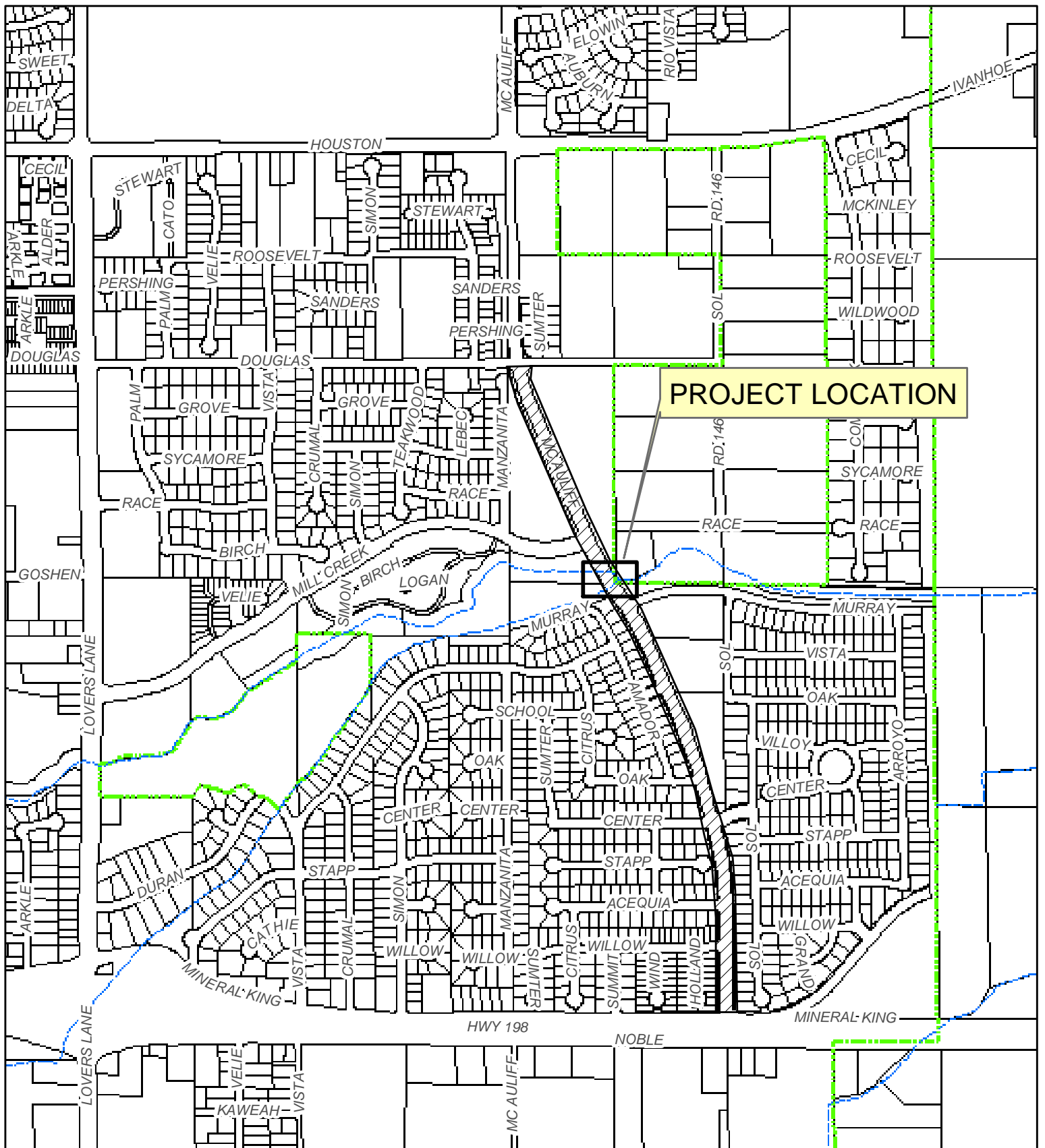
**CEQA Review:**

Mitigated Negative Declaration completed

**NEPA Review: N/A**

**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:



# McAuliff Street at Evans Ditch and Mill Creek Overcrossing



**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** May 18, 2009

**Agenda Item Number (Assigned by City Clerk):** 12f

**Agenda Item Wording:** Authorization to bid the Creekside Basin Recharge/Storm Drain Improvement project without the requirement for the payment of prevailing wages pursuant to Resolution No. 83-02. Project No. 3011-00000-720000-0-9557.

**Deadline for Action:** May 18<sup>th</sup>, 2009.

**Submitting Department:** Community Development/Engineering Division

**Contact Name and Phone Number:** Chris Young 713-4392, Adam Ennis 713-4323, Peter Spiro 713-4256

**Department Recommendation:** Staff recommends that the City Council authorize the bid for construction of the Creekside Basin Recharge/Storm Drain Improvement project without the requirement for the payment of prevailing wages pursuant to Resolution No. 83-02. Project No. 3011-00000-720000-0-9557.

**Summary/background:** The Creekside Basin Recharge/Storm Drain Improvement Project includes installing a turnout connection from Mill Creek to the City basin located at the southeast corner of McAuliff Street and Murray Avenue (Creekside Basin). The turnout will consist of a concrete apron (blanket) underlining the proposed flow line to the basin, headwalls and wing walls and the extension of a 36-inch pipeline to tie the Creek and the basin together. The project also includes the installation of a 24" discharge line and a lift station which will be used to dewater the basin back to the creek when needed.

The primary purpose of the Creekside Basin Recharge/Storm Drain Improvement Project is to provide a new groundwater recharge site in the City of Visalia. The turnout structure and associated improvements will provide for directing recharge water into the basin when it is available to assist in recharging the groundwater in the area. The project will also enable the City to relieve Mill Creek flows during heavy storm events when they are accompanied by flood releases from Kaweah Lake. This will allow storm runoff to be directed into the ponding basin while allowing the creek to carry necessary flood releases.

This project is jointly administered by the City of Visalia and Kaweah Delta Water Conservation District. The City of Visalia will enter into a cooperative agreement with Kaweah

**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\_\_

**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.

Delta Water Conservation District to determine the optimum utilization and management of the new facility. The Visalia Water Management Committee, which addresses City of Visalia area groundwater issues and is comprised of City Of Visalia and Kaweah Delta Water Conservation District officials, approved contributing up to \$150,000 to the construction cost of the project with funding from the City's Groundwater Recharge Fund which is intended to promote groundwater recharge. The remaining funding of \$322,000 is budgeted in the Storm Sewer Construction Fund.

Council is empowered to authorize the construction of capital improvement projects without the requirement of paying prevailing wage if only locally generated funds are used to pay for the project. The City will use a combination of locally generated funds for construction of this project. Start of construction is scheduled for June 2009, with an anticipated completion date by October of 2009.

**Prior Council/Board Actions:** - February 19<sup>th</sup>, 2008: City Council adopted a mitigated negative declaration for the proposed improvements.

**Committee/Commission Review and Actions:**

**Alternatives:** Bid as a prevailing wage rate project.

**Attachments:** Exhibit #1, Vicinity Map

**Recommended Motion (and Alternative Motions if expected):** I move to authorize the bid for the construction of the Creekside Basin Recharge/Storm Drain Improvement project without the requirement for the payment of prevailing wages pursuant to Resolution No. 83-02. Project No. 3011-00000-720000-0-9557.

***Environmental Assessment Status***

**CEQA Review:** Mitigated negative declaration completed.

**NEPA Review:** N/A

***Financial Impact***

**Funding Source:**

Account Number: 3011-00000-720000-0-9557

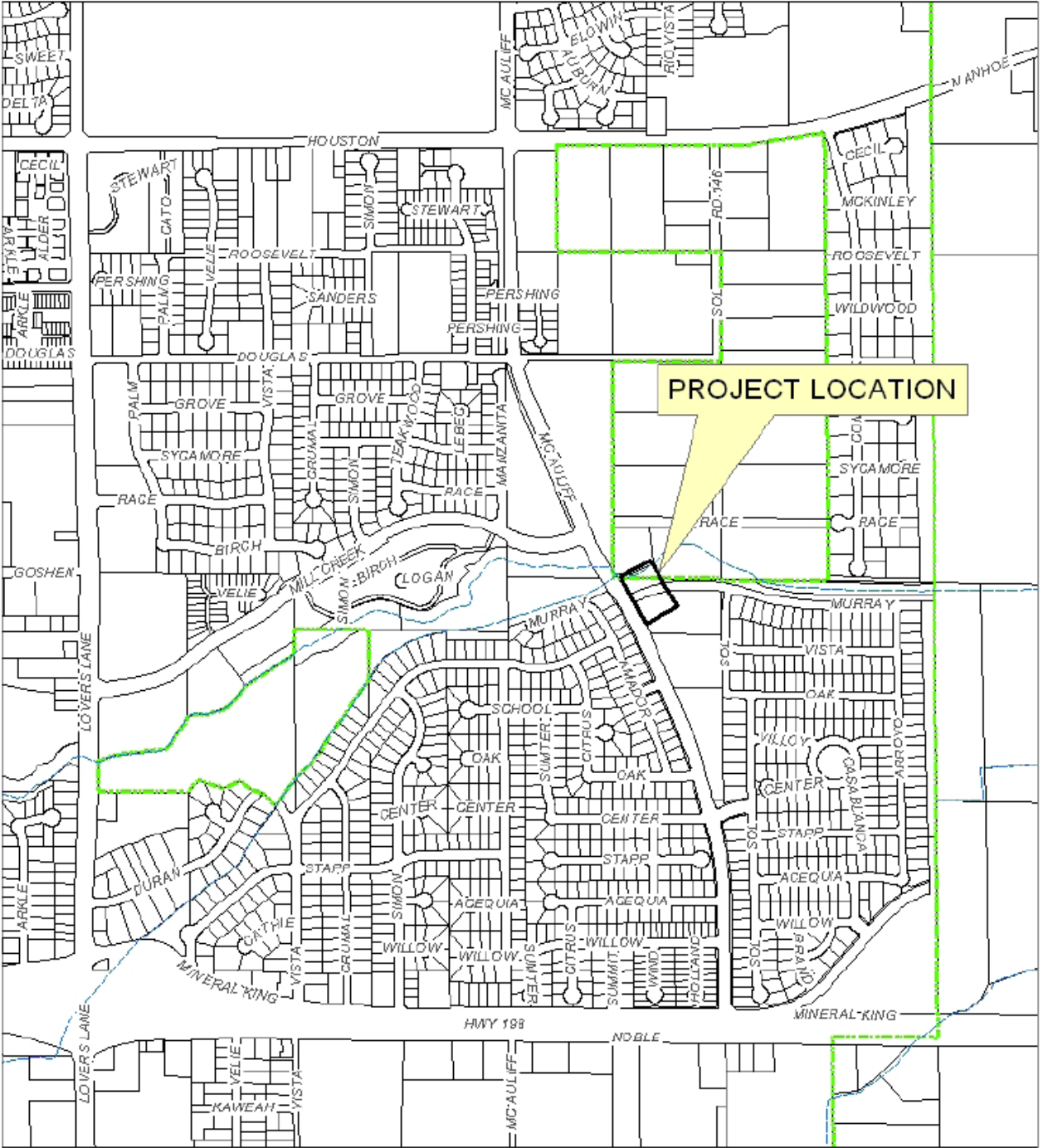
**Budget Recap:**

Total Estimated cost: \$455,000	New Revenue:	\$
Amount Budgeted: \$472,000	Lost Revenue:	\$
New funding required: \$0	New Personnel:	\$
Council Policy Change: Yes ___	No <u>X</u>	

**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:

-Larry Dotson, PE Kaweah Delta Water Conservation District Engineer



# Mill Creek to Creekside Basin Two-Way Connection

EXHIBIT #1



Scale: 1"=800'



# City of Visalia Agenda Item Transmittal

**Meeting Date:** May 18, 2009

**Agenda Item Number (Assigned by City Clerk):** 12g

**Agenda Item Wording:** Authorize the City Manager to execute a contract, subject to review and approval as to form by the City Attorney, with Parsons Water and Infrastructure for Design and Environmental Services for the City of Visalia Water Conservation Plant upgrades, for an amount not to exceed \$7,161,495, as negotiated under Council's authority.

**Deadline for Action:**

**Submitting Department:** Public Works

**Contact Name and Phone Number:** Jim Ross, Wastewater Manager, 713-4466;  
Andrew Benelli, Public Works Director, 713-4340

**Department Recommendation:**

After thorough negotiations with Parsons as authorized by Council on March 16, 2009, Staff recommends that Council now authorize the City Manager to execute a contract with Parsons Water and Infrastructure for Design and Environmental Services for the City of Visalia Water Conservation Plant upgrades, for an amount not to exceed \$7,161,495.

**Summary/background:**

In September 2006, the Visalia Water Conservation Plant (WCP) was issued a new wastewater discharge permit by the Regional Water Quality Control Board (RWQCB). The permit is designed to protect ground water and surface waters around and downstream of the treatment plant by placing limits on what can and cannot be discharged from the plant, and in what concentrations.

In addition to a carry-over of most of the old permit requirements, the new permit also required the City to prepare a Treatment Plant Master Plan (MP). The MP was required to identify the method by which the City would comply with the permit requirements, which includes the City's decision to continue or cease discharge to Mill Creek.

A Request for Proposals (RFP) was issued for preparation of the MP. In March 2007, Council approved award of the MP contract to Carollo Engineers. Council approved the MP document in July 2008. Among the recommendations was that the City should discontinue discharging effluent into Mill Creek and should, instead, rely on percolation basins and irrigation use for disposal.

**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** AB 5/13  
(Initials & date required)

**Finance** RN  
**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.

In August 2008, the City of Visalia issued a Request for Proposal (RFP) for engineering and environmental services associated with the design of the needed upgrades to the Water Conservation Plant (WCP). The bid closed on October 3, 2008 and six proposals were received. Due to the technical nature of the project and the diversity of approaches presented in the proposals, the City hired Atkins, a large engineering and consulting firm, to assist in their review. As a related task, Atkins was to provide an independent assessment of the recommendations in the MP.

The six design proposals were reviewed and evaluated by a review committee consisting of staff from Atkins and various City departments. Four firms were “short-listed” and interviewed in January 2009. These firms were:

- Carollo Engineers
- Kennedy / Jenks
- MWH
- Parsons

Parsons was the unanimous favorite among the interview panel. On March 16, 2009, Council authorized Staff to begin negotiations to define the scope of work and associated engineering fee.

Founded in 1944, Parsons provides engineering design and management services for a wide variety of projects, including those in the aviation, healthcare, nuclear, military, public works and wastewater industries. Headquartered in Pasadena, CA, they have over 11,000 employees located in 34 states and 19 countries.

Their recent project in Bakersfield and their current project in Tulare incorporate many of the key elements of Visalia’s proposed project. These local projects have also exposed them to the workings of the Fresno office of the Regional Board, which will be of benefit to the City of Visalia.

Parsons has identified the following local subcontractors that will be utilized for this project.

<b>Company</b>	<b>Location</b>	<b>Scope of Work</b>
Provost and Pritchard	Visalia	Pipeline survey and design
Kleinfelder	Fresno	Geotechnical services
Cornerstone	Bakersfield	Site surveying
Jones and Stokes	Bakersfield	Environmental

As Council is well aware, the improvements at the Water Conservation Plant are required due to discharge permit conditions handed down from the Regional Water Quality Control Board. As the project was originally conceived, the WCP would be upgraded to remove nitrogen compounds from the wastewater prior to discharge to percolation basins and farmland. No additional capacity would be installed, and the overall benefit to the City would be relatively minor.

After several meeting with Parsons, an alternate approach to the project has been put forth. While not yet certain, it may be economically feasible to treat a larger percentage of the flow to a tertiary standard, thereby making it unrestricted for all uses except direct recharge or

consumption, in which case the potential benefit to the City increases greatly. The project is then transformed from strictly a mandate to more of an opportunity.

### **Scope of Work**

The scope of work has been separated into three parts, which are summarized below and discussed in further detail.

- Part 1: Pre-design and associated services
- Part 2: Detailed design services
- Part 3: Bidding and services during construction.

To avoid unnecessary delays during the project, Council is being asked to approve the entire contract (all three parts) as a package. However, written approval from the City will be required prior to Parsons proceeding with each Part of the project. The City maintains the right to suspend or cancel the contract at any point throughout the project.

Part 1 will serve to further refine the scope of the project and will lay the foundation for the design phase. In Part 1, Parsons will:

1. Collect and analyze historical plant data,
2. Model existing facilities,
3. Determine suitability of continuing to utilize existing trickling filters and how this will affect the nutrient removal processes,
4. Assist in securing funding from the State Revolving Fund should the City chose to utilize this funding source,
5. Evaluate the cost effectiveness of utilizing Membrane Bioreactor (MBR) technology for tertiary treatment,
6. Evaluate on-site versus off-site percolation,
7. Prepare a supplement to the most recent Master Plan document to include the project description, cost, site layout, and selected processes. This supplement will be used to prepare the necessary environmental documents and for communication with regulatory agencies,
8. Conduct the initial survey and geotechnical work associated with the project, and
9. Produce several technical memoranda that together, will comprise the Design Report that will define the design project.

The proposed fee for Part 1 is \$704,301. All tasks in Part 1 will be completed within three months.

The Part 2 scope of work and fee is somewhat dependent on the work done in Part 1. For example, the Part 1 evaluation of MBR technology and conventional treatment processes will guide a portion of the design work done in Part 2. Part 2 is also subject to the outcome of the Effluent Reuse Study currently being done by Provost and Pritchard.

In Part 2, Parsons will:

1. Prepare all environmental documentation necessary for the project,
2. Prepare detailed Plans and Specifications suitable for construction. The current estimate is 497 detailed drawings,
3. Prepare a stand-alone fuel-cell system design-build document and provide engineering services during fuel cell construction,

4. If appropriate, prepare a stand alone bid package to pre-select the MBR equipment. There are four major manufacturers, and each has its own configuration and support needs. By pre-selecting, the facilities can be designed around the equipment, thereby reducing reworking of designs later in the process, and
5. Design of effluent pipeline to Basin 4.

The proposed fee for Part 2 is \$5,166,816, which, as stated previously, is subject to adjustment as the scope of work is refined in Part 1.

Part 3 work will be engineering services during construction, and will include:

1. Bidding services for the construction portion of the project,
2. Submittal review,
3. Response to Request for Information from construction contractor,
4. Participate in start-up testing,
5. Provide change order assistance during construction,
6. Prepare a final punch list and ensure that each item is corrected appropriately,
7. Prepare record drawings, and
8. Prepare a plant wide Operations and Maintenance (O&M) manual.

The estimated fee for Part 3 is \$1,290,378, which will be paid on a time and materials basis.

The total engineering fee for the project is \$7,161,495, or 11.9% of the expected \$60 million project cost. This is within the 10-12% normally expected on a general construction project, and well within the 10-15% normally expected on a project of this complexity.

The City has budgeted several million dollars over the past few years in anticipation of the upgrade project. Because of this, the Wastewater Fund is projected to have a fiscal year-end cash balance of \$13.5 million which can be utilized to fund this contract.

Parsons is projecting a 12 month project design timeline followed by approximately 24 months of construction.

Staff recommends Council authorize the City Manager to execute a contract with Parsons Water and Infrastructure for Design and Environmental Services for the City of Visalia Water Conservation Plant upgrades, for an amount not to exceed \$7,161,495.

**Prior Council/Board Actions:**

March 19, 2007	Master Plan award to Carollo Engineers
May 19, 2008	Master Plan approved by Council

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:** Proposed Contract and Scope of Work.

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

Move to Authorize the City Manager to execute a contract, subject to review and approval as to form by the City Attorney, with Parsons Water and Infrastructure for Design and Environmental Service for the City of Visalia Water Conservation Plant upgrades, for an amount not to exceed \$7,161,495.

***Environmental Assessment Status***

**CEQA Review:** Will be required as part of the design process. Scope will be determined once effluent reuse plan is established.

**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:** May 18, 2009

**Agenda Item Number (Assigned by City Clerk):** 12h

**Agenda Item Wordng:** Authorization to conduct a consolidated dispatch study, funded jointly from jurisdictions in Tulare County with the City acting as lead agency.

**Deadline for Action:** N/A

**Submitting Department:** Police / Fire

**Contact Name and Phone Number:** Police Chief Bob Carden ext. 4215, Fire Chief Mark Nelson ext. 4218, Veronica McDermott ext. 4230

**Department Recommendation:**

That the City Council:

- Authorize the Police Department/Fire Department to seek a consultant to study the potential for a county-wide consolidated dispatch, anticipated to cost up to \$150,000; and,
- Approve the expenditure of \$66,000 from the existing Public Safety Building Capital Budget, finding that the consolidated dispatch center is an integral part of this project.

**Summary/background:**

It is recommended by Police and Fire Department staff that City Council authorize the use of funding for the Public Safety Building CIP project to support an in-depth implementation study for a county-wide consolidated dispatch center. The City of Visalia's share of this study is \$66,000. The entire study will cost approximately \$150,000. Costs are to be shared amongst all participating agencies.

This item was brought before City Council on April 20, 2009. At that time, staff was directed to explore grant opportunities prior to requesting monies from the General Fund. After additional research, there are no grant opportunities to fund this project. A consolidation study is essential for building a new public safety center which has current funding of \$4.6 million to provide for design and engineering costs. An important element of that structure will be the dispatch center. A key decision in designing the dispatch center is whether it will be a consolidated dispatch center. As a result, the study is an appropriate expense for moving this project forward.

**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.

In September 2008, a general meeting was called to revisit the county-wide consolidated dispatch center concept. Public safety representatives throughout the county were present, including Tulare County Combined Ambulance Dispatch (TCCAD) staff. The purpose was to determine if there was enough interest to further explore a consolidated dispatch center. As a result, a sub-committee was formed and tasked with exploring a variety of options, i.e., site visits to other consolidated centers, forms of governance, and consultants.

The sub-committee's findings were presented to the General Committee and subsequently the City Managers Group. The sub-committee was directed by representatives from the City Managers Group to proceed with the development of a cost sharing formula, draft the scope of work for an implementation study, and fine tune the costs for the study. The scope of work was drafted and costs were determined to be approximately \$150,000. This amount was determined after surveying a number of consultants throughout the country. Letters of intent were requested from those agencies wishing to participate in the study and share the costs. Letters were received from the following agencies: Exeter PD, Farmersville PD, TCCAD, Woodlake PD, Woodlake Fire, Tulare County Probation, Tule River Indian Reservation, Visalia PD, Visalia Fire, Tulare County Fire, and Tulare County Sheriff's Department. The costs were divided according to calls for service.

The next step is to develop a request for proposal and go out to bid for consulting services to conduct an implementation study. In order to proceed, Police and Fire request authorization to utilize the current funding approved for the Public Safety Building Capital Improvement Project. The remaining monies will come from the participating jurisdictions. A contract will not be negotiated until sufficient funds have been paid into a Visalia City account by participating agencies.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:** Dispatch Consolidation Power Point Presentation

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

The authorization of Measure T funds to support Police and Fire Department's share of costs for a county-wide implementation study. Grants were researched and no funds are available at this time.

*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:** May 18, 2009

**Agenda Item Number (Assigned by City Clerk):** 13

**Agenda Item Wording:** Update on the implementation of the recommendations approved by Council regarding FEMA's revised Flood Insurance Study and Flood Insurance Rate Maps.

**Deadline for Action:** N/A

**Submitting Department:** Community Development/  
Engineering Division

**Contact Name and Phone Number:**  
Chris Young, Assistant Community Dev. Director - 713-4392

**Department Recommendations:** Following an update of the progress made by staff in implementing Council's directives of May 4, 2009, City staff recommends that the City Council:

- 1) Support Congressman's Nunes request to have FEMA extend the period of the Preferred Risk Policies from one year to two years;
  - 2) Direct staff to further investigate FEMA's Community Rating System (CRS) and the possibility of lowering flood insurance rates;
  - 3) Authorize the Mayor to send letters to Senators Boxer and Feinstein and Congressman Nunes requesting support for HR 1316 (Exhibit "A")
- Support for the passage of HR 1316, introduced by Congressman James Sensenbrenner of Wisconsin, to increase noticing requirements for FEMA Flood Insurance Rate Map elevation changes
  - Request your sponsorship of federal legislation to require that a reasonable percentage of revenues received by the federal government from the National Flood Insurance Program be designated for local flood management projects
  - Support for the request of Congressman Devin Nunes to FEMA dated May 7, 2009, to allow homeowners in the Visalia area becoming subject to flood insurance requirements to carry a lower cost Preferred Risk Policy for an additional year beyond the first year term

**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.

- Support for re-opening comprehensive review of FIRMs for Visalia if a peer review study of the mapping methodology being initiated by the City of Visalia determines that flaws or incomplete data exists in the FEMA study

**Introduction:** Updates (underlined and italicized) are given below on the seven recommendations approved by Council at its May 4, 2009 meeting. Staff is working to implement of these recommendations (regarding the upcoming “release” of the FEMA Flood Insurance Rate Maps) as soon as possible. Council also directed the City Attorney to research issues related to FEMA’s due process and proper noticing. Specific technical recommendations for implementing items #3, and #4 (below) will be developed with the assistance of the “local working group” identified in recommendation #6.

**Background:**

Listed below are the recommendations made by staff and approved by Council. Updates are given (underlined and italicized) after each recommendation.

Recommendations Approved by Council

- 1) Authorize the City Engineer to determine areas of the City that existing survey data and as-built information could be used to identify, and possibly remove, areas from a designated Special Flood Hazard Areas (SFHA) by the submittal of Letters of Map Revision (LOMRs) and to partner with local engineers and developers who have, or are currently preparing, LOMRs applications. In other words, identify areas within the community that could be shown to be above the Base Flood Elevations (BFEs). The BFE is the elevation shown on the Flood Insurance Rate Map that indicates the water surface elevation resulting from a flood that has a one percent chance of equaling or exceeding that level in any given year. *Progress is discussed in detail below.*
- 2) For those areas within the City where sufficient survey data and as-built information does not exist, authorize the City Engineer to solicit proposals from engineering firms to provide the appropriate data (at competitive costs) to citizens seeking to determine whether or not their properties are above the BFE. It is hoped that providing this work “in volume” would reduce the costs to our residents. *Staff is developing a Request for Proposals for consultants to provide assistance with floodplain analysis, and the processing of Letters of Map Revision and Letters of Map Amendment. Staff anticipates advertising the RFP this week. Staff is working with various developers and homeowner’s groups to assist with, and expedite, those LOMRs and LOMAs that are already in progress.*
- 3) Direct the City Engineer to prepare a scope of work and solicit proposals from qualified engineering firms to evaluate the various FEMA breach scenarios and identify all potential cost effective options to prevent or reduce the impact of potential flooding thereby possibly removing additional parcels within the City of Visalia from the SFHA. The consultant would be directed to look “outside the box” and consider all flood control options that can “improve” local floodplain conditions. Work with Tulare County officials toward potentially sharing of staff resources and costs to accomplish item #2. *(This will be discussed with the “local working group” incorporating their recommendations where appropriate).*
- 4) Work with Tulare County officials toward potentially sharing of staff resources and costs to accomplish item #2. *These discussions have begun and several “preliminary”*

meetings have been held with County Officials. A County representative will be asked to be part of the "local working group" described in recommendation #5.

- 5) Work with the County to explore the possibility of "activating" the existing levee districts by making appointments to their board of directors or by creating a new or different type of flood protection agency that can effectively govern the management of the levees and other flood control structures. These discussions have begun and several "preliminary" meetings have been held with County Officials. A County representative will be asked to be part of the "local working group" described in recommendation #5.
- 6) Establish a local working group of engineers, and other interested residents that have related knowledge or expertise in this field of study to act as an informal steering committee regarding floodplain related issues. The group should include a representative from the Kaweah Delta Water Conservation District. Staff has received numerous requests from engineers, surveyors, insurance professionals and residents asking to be a member of the "local working group". We are in the process of setting up the first meeting with this group. We plan on having the first meeting within the next ten days.
- 7) Direct staff to write a letter, on behalf of the Mayor and City Council, to Senators Boxer and Feinstein, and Congressman Nunes asking them to sponsor legislation establishing a mechanism to "return" a portion of the flood insurance premiums to fund local flood control projects. A draft of the letter is attached (see Exhibit "B"). Staff is also asking that Tulare County officials send letters of support as well.

#### LOMR Update (recommendation #1)

FEMA consultants are reviewing previous requests for map changes (LOMRs and LOMAs) that, for one reason or another, were not incorporated into the new Digital Flood Insurance Rate Maps. City staff has been working closely with FEMA's consultant (Dewberry located in Fairfax, Virginia) as they perform this "quality assurance" work. Staff is providing the necessary technical information to ensure that the maximum numbers of parcels are removed from the Special Flood Hazard Area (SFHA). There are potentially hundreds of lots that could be removed from the SFHA thru this process. The City will know the results of this revalidation process on or before June 17, 2009. City staff continues to work on identifying other areas of Visalia that may benefit from LOMR filings.

#### Letters from Congressman Nunes

Attached are two letters from Congressman Devin Nunes' Office. The first letter dated, May 7, 2009, is addressed to Steve Salomon (see Exhibit "C"). In this letter, Congressman Nunes describes the National Flood Insurance Program's (NFIP) Community Rating System (CRS). The CRS is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed the minimum National Floodplain Insurance Program (NFIP) requirements. The criteria for local communities are organized under the following four categories:

- Public Information
- Mapping and Regulations
- Flood Damage Reduction
- Flood Preparedness

CRS participating communities could be eligible for discounted flood insurance premium rates. Staff is working closely with FEMA to develop a "benefit analysis" of this program and to identify

FEMA's specific qualifying criteria. Staff will provide an update to the Council as this information is developed.

In Congressman Nunes' second letter, dated May 8, 2009 (see exhibit "D"), addressed to Nancy Ward (FEMA's Acting Administrator), he requests that the lower cost Preferred Risk Policy (PRP) be extended to an additional year beyond the current one-year term. In other words, the lower rate policy would be available for a total of two years instead of just one. This would allow the City and County "extra time" to consider its options.

HR 1316 – Congressman James Sensenbrenner of Wisconsin has introduced Federal legislation (HR 1316) that establishes greater noticing requirements for FEMA by requiring mailed notice to each affected property owner early in the FIRM Update process. FEMA is not required to send this type of notice at this time. The legislation, if passed, will provide better and more effective notice for Visalia residents in any future FIRM updates and to other communities in the nation as well.

**Summary:**

It is clear that the impact of FEMA's Map Modernization Program is significant. City staff believes that substantial areas within the City will be removed from the Special Floodplain Hazard Areas (SFHAs) thru FEMA's "revalidation process". Other large areas can still be removed from the SFHAs following FEMA's Letter of Map Revision process (recommendation #1). Staff will continue to work toward the timely implementation of all the recommendations approved by Council. Council will be given regular updates on this implementation.

**Prior Council/Board Actions:**

- December 15, 2003: Authorized the Mayor to send a letter to FEMA requesting that the City's flood maps be updated.
- April 19, 2004: Authorized \$100,000 to be submitted to FEMA for the update of the City's flood maps and authorized the City Manager to sign a Cooperating Technical Partners Memorandum of Agreement with FEMA.
- May 4, 2009: Council directed staff to implement the seven recommendations made to the Council regarding FEMA's revised Flood Insurance Study and Flood Insurance Rate Maps.

**Committee/Commission Review and Actions:** N/A

**Attachments:** Exhibit "A" – Letters to Senators Boxer and Feinstein, and Congressman Nunes

Exhibit "B" - HR 1316

Exhibit "C" – Congressman Nunes' letter to Steve Salomon

Exhibit "D" – Congressman Nunes' letter to FEMA

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

The motion is to have City Council receive this update, approve the letters to be sent to Senators Boxer and Feinstein, and Congressman Nunes Support Congressman's Nunes request to have FEMA extend the period of the Preferred Risk Policies from one year to two years; Direct staff to further investigate FEMA's Community Rating System (CRS) and the possibility of lowering flood insurance rates; requesting support for HR 1316 (Exhibit "D") Support for the passage of HR 1316, introduced by Congressman James Sensenbrenner of Wisconsin, to increase noticing requirements for FEMA Flood Insurance Rate Map elevation changes

Request your sponsorship of federal legislation to require that a reasonable percentage of revenues received by the federal government from the National Flood Insurance Program be designated for local flood management projects

Support for the request of Congressman Devin Nunes to FEMA dated May 7, 2009, to allow homeowners in the Visalia area becoming subject to flood insurance requirements to carry a lower cost Preferred Risk Policy for an additional year beyond the first year term, and to direct staff to perform a "benefit analysis" of participating in FEMA's Community Rating System.

***Environmental Assessment Status***

**CEQA Review:** N/A

**NEPA Review:** N/A

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** May 18, 2009

**Agenda Item Number (Assigned by City Clerk):** 14

**Agenda Item Wording:** Mid-cycle Budget Adjustments

**Deadline for Action:** None

**Submitting Department:** Administrative Services

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

**Department Recommendation:** That the City Council take the following actions to balance the 2009/10 Budget, namely:

1. Approve a resolution to be sent to the City's State Legislators opposing any borrowing of City property taxes as proposed on May 5, 2009 by the State Department of Finance.
2. Restate that City-paid retiree health care contributions are an optional benefit the Council awards and adopt a policy of not increasing City-paid retiree health care contributions unless directed by Council in the future.
3. Direct the City Manager to implement employee cost savings equal to \$1.45 million from either a 4% wage concession or a 5% furlough in the General Fund for Fiscal Year 2009/10.
4. Direct staff to develop and discuss with bargaining groups a city-wide lay-off policy.
5. Direct staff to seek cooperative funding of the Hazardous Material Response program or prepare to discontinue the program by January 1, 2010.
6. Approve the proposed Recreational Fee setting policy previously approved by the Parks and Recreation Commission. This item will come back to Council for final approval in the rates and fee hearing in June.
7. Approve the proposed freezing and reallocation of General Fund capital funding to save \$522,466 in next fiscal year.
8. Decrease Visalia Economic Development Council matching funding from a maximum of \$50,000 to \$40,000 a year.

**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)**

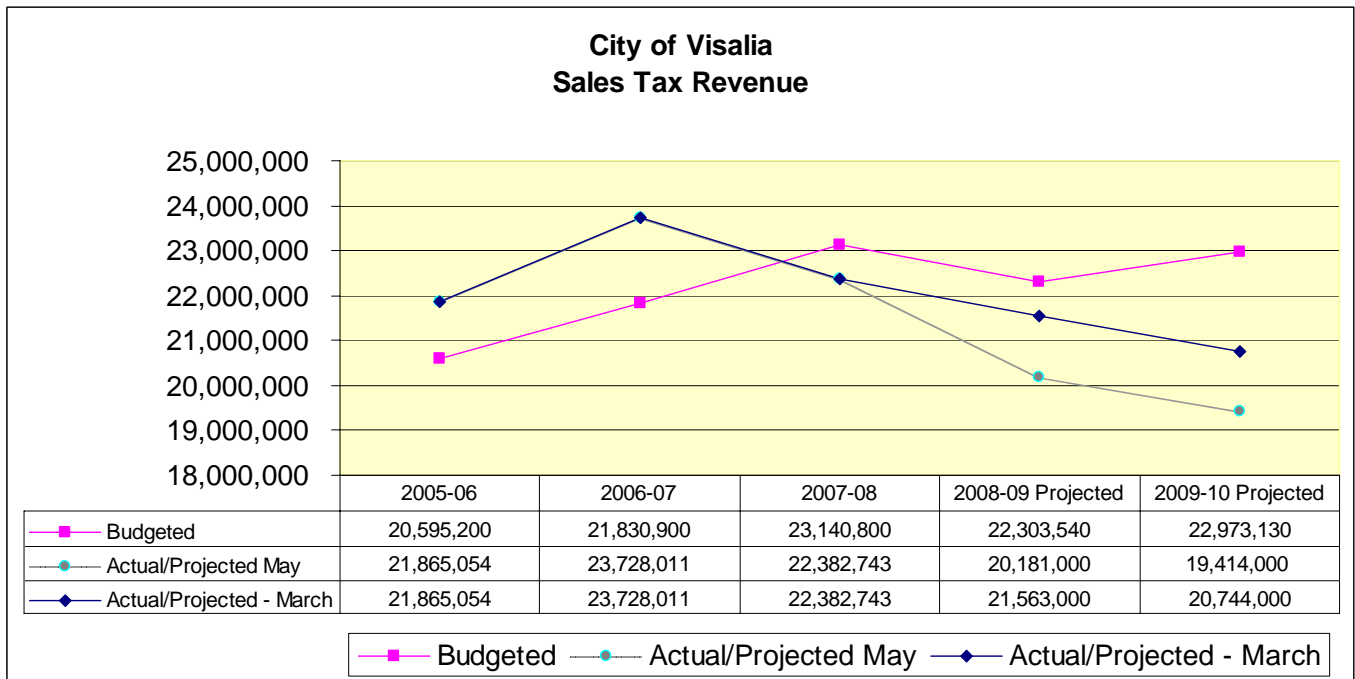
**City Mgr** \_\_\_\_\_  
**(Initials Required)**

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

**Summary/background:** At the April 6, 2009 City Council meeting, Council directed staff to implement and work on a number of items to improve the City's General Fund fiscal position for 2009/10. These actions were prompted because the City's budgeted sales and property taxes will not be achieved next fiscal year. The Council authorized a number of actions and directed that other actions be brought back to Council for further consideration. This report discusses remaining actions to be considered for fiscal year 2009/10.

The first item to consider is the projected General Fund deficit for 2009/10. Finance has reevaluated the revenue assumptions used in the April 6, 2009 report. Although most revenues have fluctuated some, the net result is that overall forecast is about the same except for Sales Tax.

Since the last report, the State's sales tax advances have been reduced to the City in anticipation of lower sales tax receipts. The City has been able to analyze more thoroughly the Christmas sales and the effect of store closings is becoming clearer. The quarterly clean-up for the March to May sales tax data will be available at the end of June. But for now, Finance revised its sales taxes forecast down \$1.4 million for this fiscal year and \$1.3 million for next year. The revised forecast is shown in Graph 1, Sales Tax Revenue.



The decline in major revenues, property and sales taxes, as shown in Table I, Cumulative Effects of Sales and Property Tax Projections, leave the General Fund with a \$4.4 million budget deficit from just these two revenues sources. In March, the forecast was down by \$3.1 million.

Table I  
Cumulative Effects of Sales and Property Tax Projections

Sales and Property Tax		
	2008-09 Projected	2009-10 Projected
Budget	41,604,660	42,678,830
March Proj.	39,936,000	39,578,000
May Proj.	39,373,000	38,248,000
Difference from Budget		
Budget	-	-
March Proj.	(1,668,660)	(3,100,830)
May Proj.	(2,231,660)	(4,430,830)

Projected Fiscal Position. This increased revenue loss drives the General Fund deficit another \$1.2 million into hole. Although past efforts are helpful, those actions alone are insufficient. Over 25 vacancies, lower fuel cost and Recreation's reworking of their senior meals, brochures and volunteer program, reduced late night hours at the Police Station, prompt closing of the permit desk as well as other measures are expected to save the City \$2.8 million next year, as shown in Table II, General Fund Forecast 2009/10. Despite these changes, the remaining shortfall has increased from \$4.5 million to \$5.7 million, mainly due to the decline in Sales Tax.

Table II  
General Fund Budget - Revised  
All Amounts in Millions

	<i>Projected</i> <u>08/09</u>	<i>Revised</i> <i>Budget</i> <u>09/10</u>	<i>Change</i>
Revenues	\$ 53.2	\$ 50.6	\$ (2.6)
Operating Expenditures	64.6	68.4	3.8
Allocations	<u>(13.8)</u>	<u>(13.8)</u>	<u>0.0</u>
Net Operations	50.8	54.6	3.8
Less: Vacancies		(2.3)	(2.3)
Recreation Changes		(0.2)	(0.2)
Fuel Savings		<u>(0.3)</u>	<u>(0.3)</u>
Net Operating Expenditures	50.8	51.8	1.0
Available for Capital and Transfers	2.4	(1.2)	(3.6)
Less: Transfers	(3.2)	(3.3)	(0.1)
Retiree Health Care	0.0	0.0	0.0
Increase PERS Costs	0.0	(0.6)	(0.6)
Capital Net	(1.1)	(0.6)	0.5
New Capital	<u>(0.1)</u>	<u>0.0</u>	<u>0.1</u>
Surplus/(Shortfall)	\$ (2.0)	\$ (5.7)	\$ (3.7)



The net result is that the City can expect to use \$2 million from cash reserves to balance the budget this year and needs to address a \$5.7 million problem for next year.

PERS Costs. One item that is partially addressed in next year's budget is the probable increase in PERS costs. CalPERS board has approved a first reading of a measure that would allow for a phase in of the increased retirement costs due to investment portfolio losses. The books will not close until June 30, 2009, but the board is considering losses on the order of 30%. These losses will need to be made up in future payments from employers. For Visalia, this will mean the estimated employer rate for Public Safety retirement would increase from 28% to 37% of payroll and the miscellaneous employee rate would increase from 15% to 22% of payroll, a \$2.5 million annual cost increase.

CalPERS proposal is that this be phased in over three years. As a result, Visalia should expect an estimated \$850,000 a year increase for three years starting in 2011-12. The City's proposed plan begins phasing in that increase this next year for five year at a lower rate of \$600,000 a year.

***Management Recommendation #1: Approve a resolution to be sent of the City's State Legislators opposing any borrowing of City property taxes as proposed on May 5, 2009 by the State Department of Finance.***

State Property Tax Borrowing. A new development is the potential for the State to invoke a Prop 1A property tax borrowing under the 2004 Protection of Local Government Revenues measure. The State may borrow 8% of the City's property tax, or about \$2 million, and is supposed to repay this money within three years. Although this is not a good situation for local governments, it is a much better situation than what occurred in the early 1990s when the State took away a \$1 million in property taxes. That property tax taking continues today and equals \$3.4 million for fiscal year 2008/09.

The current budget plan calls for using \$1 million of General Fund reserves and an additional \$500,000 in reserves until management can find reorganization methods to save \$500,000. With the revised sales tax forecast, the City must anticipate a further use of reserves by another \$1.6 million until alternative options are found. If the State invokes a Prop 1A \$2 million borrowing, use of emergency reserves will increase in FY 2009/10 to \$5.1 million. The State borrowing, however, may grow because the law does not specifically state how the 8% local agency borrowing will be assessed. If all the borrowing were allocated to cities, exempting counties, Visalia's loan to the State could grow from \$2 to \$4 million. Such an action would be extreme. However, given the sheer size of the State budget problem, Finance expects the State to impose the property tax borrowing. ***The City must anticipate up to a \$7.1 million use of emergency reserves for Fiscal Year 2009/10, 1/2 of the General Fund emergency reserves.***

***Management Recommendation #2 as presented on April 6, 2008: Restate that City paid retiree health care contributions are an optional benefit the Council awards and adopt a policy of not increasing City paid retiree health care contributions unless directed by Council in the future.***

Retiree Health Care Prefunding. The budget forecast has changed since 4/6/09 partly due to the removal of a \$500,000 retiree health care prefunding recommendation. Management is not recommending prefunding at this point for the following reason:

The City's retiree health care is governed by an administrative policy that states:

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

This policy grants access to the City's health plan but does not grant a City contribution. The City has made contributions in the past; however, the policy clearly leaves this decision with the Council. Before committing to a prefunding plan, Council needs to consider its commitment to retiree health contributions.

Consideration will take more time and as a result, Management does not recommend prefunding at this time. However, if the Council commits to a long-term retiree health care benefit, the best method to fund this type of benefit is by prefunding so that interest earnings can pay for most of the benefit.

For 2009, the City's health plan's monthly cost increased. The Council considered whether or not to increase its contribution towards this increased health plan cost. In the end, the City did not increase its contribution to retiree health care premiums. Instead, retirees paid the increased cost. As the City struggles with its finances, optional benefits are difficult to offer. The City must honor its commitment to provide access to the City's health plan; the retiree health care contribution, however, is an optional benefit the City has contributed towards in the past which the City may not be able to continue into the future.

This policy will mean that no further increase in the City's retiree health care contributions will occur unless Council takes a separate action; increased health plan costs will be paid for by increased retiree health premiums.

If this recommendation is approved, next year's General Fund budget has a revised deficit of \$5.7 million. To deal with the deficit, the Council directed staff to work on a number of items. Some of these items have been implemented. Some require further work. Some items probably will not be implemented. Table III, Budget Solutions, reports the status of these options.

Notice that unlike the budget solutions for 2008/09, Table III shows that in 2009/10 only \$1.14 million of the proposed solutions are ongoing savings. Some \$4.51 million of budget solutions are one-time solutions that will have to be made up next year. In other words, if the City's budget stays the same next year, the City would be facing a \$4.51 million deficit for Fiscal Year 2010/11.

***Management recommendation #3: Direct the City Manager to implement employee cost savings equal to \$1.45 million from either a 4% wage concession or a 5% furlough in the General Fund for Fiscal Year 2009/10.***

Personnel cost savings measures. Several proposed items in the April 6, 2009 report have not been implemented; the largest item was to ask employees if they would consider giving up a scheduled 4% wage increase before it was given in July. This request has not been agreed to, although at least one bargaining unit will not make a final decision until the end of May. As a result, the Council needs to consider other options. The recommended option to wage concessions is employee furloughs.

Table III

	<b>Budget Solutions - In Millions</b>	Council Action				
	<b>Items in order of dollar value</b>			On-going		One-time
1	Use some reserves for operating costs	1.00				1.00
2	Reduce capital funding by an additional \$500,000	0.50				0.50
3	Continued reorganizations due to retirements and other vacancies	0.45		0.45		
4	Proceed with the closing of old Soroptimist Park	0.05		0.05		
5	State Lobbyist Contract	0.05		0.05		
6	Review Non-personnel Operating Accounts	0.10		0.10		
7	Charge medical insurance for medical assists	0.03		0.03		
8	Sell naming rights to the Convention Center	0.05		0.05		
9	Increase the use of Abandoned Vehicle Money	0.10		0.10		
10	Return all of VLF to General Fund for 09/10 only because of Stimulus money	0.20				0.20
	<b>Items being implemented</b>	<b>2.53</b>				
11	Increase Recreation Program Fees	0.10		0.10		
12	Adopt a JPA approach to Haz Mat in the County or discontinue the program	0.05				
13	Reduce VEDC Contract by 20%	0.01		0.01		
	<b>Still to be authorized</b>	<b>0.16</b>				
	<b>Total</b>	<b>2.69</b>				
14	<b>Budget Solutions Yet to be Identified</b>	1.56				1.56
15	<b>Alternative:</b> Employee furloughs up to 6%, wage concessions at 4% or targeted layoffs.	1.45		0.20		1.25
	<b>Total with Alternative</b>	<b>5.70</b>		1.14		4.51
	<b>No longer recommended or immediately available</b>					
16	Use some reserves for retiree health care contribution	0.50				
17	Ask for Wage Concessions - 4% = \$1.2 million	1.20				
18	Leave open two police officer positions in the General Fund, to be filled by Measure T	0.20				

Furloughs are temporary layoffs. They have the advantage of maintaining the work force but service levels are decreased and work schedules are disrupted. Furloughs are not as cost efficient as wage concessions. A furlough will need to be greater than 4% to achieve the same results as a wage concession because 1) a furlough after a wage increase will need to make up for increased overtime cost; 2) furloughs lead to increased overtime; and, 3) not all units can be furloughed equally. All things being equal, a 4% wage concession is equal to about a 5% furlough. Of course if the objective was to obtain greater budgetary savings, larger furloughs would be needed.

Although not recommended, the City Council could direct the City Manager to achieve the same level of budgetary savings by having approximately 14-16 layoffs in the General Fund.

***Management Recommendation #4: Direct staff to develop and discuss with bargaining groups a city-wide lay-off policy.***

The projected decrease in Sales Tax has led to a need for additional budget solutions. Staff has not yet developed such budget alternatives. Table III has an item labeled "Budget Solutions Yet to be Identified" for \$1.56 million. Without specific solutions, this item becomes a use of reserves. However, management will bring to Council other alternatives because such a rapid use of reserves is unacceptable. Unfortunately, these alternatives may now include layoffs. As a result, a City-wide layoff policy needs to be developed. Currently, only Group M, miscellaneous employees, have a layoff policy.

Measure T MOE. The April 6th mid-cycle adjustment plan recommended leaving open two police officer positions in the General Fund. The revised plan no longer recommends this action. The plan as presented in this report meets the Measure T maintenance of effort (MOE) requirements for the General Fund; therefore, a suspension of the MOE which can be invoked by a Council declared a fiscal emergency is not needed.

Although management does not recommend declaring a Measure T fiscal emergency, the City is still in a fiscal crisis. As soon as reserves are being used to fund operations, it is just a question of time until all the money is used up. The potential to use 1/2 of the City's emergency reserves this year should give anyone pause.

***Management Recommendation #5: Direct staff to seek a cooperative funding of the Hazardous Material response program or prepare to discontinue the program by the end of 2009.***

Hazardous Material Funding. Visalia spends close to \$200,000 a year maintaining Hazardous Material response capabilities. The failure to implement Haz Mat cost sharing agreements with other local jurisdictions has made the Fire Chief question the ongoing viability of the program. His attached memo outlines options available to Council.

***Management recommendation #6: Approve the proposed Recreational Fee setting policy previously approved by the Parks and Recreation Commission. This item will come back to Council for final approval in the rates and fee hearing in June.***

Recreation Fees. The Parks and Recreation Department is proposing a formal written policy as a means of establishing all future recreation class or program fees. The policy formalizes the methodology used in establishing the fee structure. The City Council is being asked to support these guidelines which define general fund support for programs and activities based on benefit.

The approach is that programs that benefit the community as a whole have more tax payer support than those that primarily benefit an individual. For example, recreation programs with general community and individual benefit, would be priced so that 50% of the fee will be paid from tax supported resources and 50% from participant fees. In other words, public swimming and youth sports would be partially funded by tax supported resources. For programs designed for individual or personal benefit, such as adult softball or the City's annual triathlon event, user fees will recover 100% of the full cost of the program. Attachment #2 outlines how this fee proposal will work.

**Management Recommendation #7: Approve the proposed freezing and reallocation of General Fund capital funding to save \$522,466 in next fiscal year.**

General Fund Capital Improvements. One of the management recommendations is to freeze an additional \$522,466 in General Fund Capital. Melody Murch, Financial Analyst, has prepared the attached memo which recommends freezing additional capital and reallocating capital funding in the General Fund to meet the plan objective.

**Management Recommendation #8: Decrease Visalia Economic Development Council matching funding from a maximum of \$50,000 to \$40,000 a year.**

Visalia Economic Development Council. The proposed reduction in the VEDC funds trims \$10,000 from their budget. The VEDC is given a match for whatever monies they raise dollar for dollar. A \$10,000 cut would mean that the City's maximum contribution would decrease from \$50,000 to \$40,000.

Summary

The management actions proposed in this memo are difficult. But the actions are necessary to ensure that the City maintains a healthy, fiscal house. The plan does not sweep problems under the carpet. Funding issues are being addressed. Although the plan uses reserves, not all of the City's emergency reserves will be exhausted this next year. In fact, management understands that we have fallen out of the fiscal skyscraper and we are falling towards fiscal pavement. The City needs to catch its fall before the last story passes by. This plan moves toward that goal.

**Prior Council/Board Actions:** April 6, 2009 Public Hearing on the Budget

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:** #1 Fire Chief's Memo on Haz Mat  
#2 Park and Recreation Memo on Recreation Fee Philosophy  
#3 Capital Funding Memo

**Recommended Motion (and Alternative Motions if expected):** I move that the City Council adopt the following management recommendations:

1. Approve a resolution to be sent to the City's State Legislators opposing any borrowing of City property taxes as proposed on May 5, 2009 by the State Department of Finance.
2. Restate that City-paid retiree health care contributions are an optional benefit the Council awards and adopt a policy of not increasing City-paid retiree health care contributions unless directed by Council in the future.
3. Direct the City Manager to implement employee cost savings equal to \$1.45 million from either a 4% wage concession or a 5% furlough in the General Fund for Fiscal Year 2009/10.

4. Direct staff to develop and discuss with bargaining groups a city-wide lay-off policy.
5. Direct staff to seek cooperative funding of the Hazardous Material Response program or prepare to discontinue the program by January 1, 2010.
6. Approve the proposed Recreational Fee setting policy previously approved by the Parks and Recreation Commission. This item will come back to Council for final approval in the rates and fee hearing in June.
7. Approve the proposed freezing and reallocation of General Fund capital funding to save \$522,466 in next fiscal year.
8. Decrease Visalia Economic Development Council matching funding from a maximum of \$50,000 to \$40,000 a 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:

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** May 18, 2009

**Agenda Item Number (Assigned by City Clerk):** 14

**Agenda Item Wording:** Amendments to 2008-2010 2-year General Fund Capital Budget

**Deadline for Action:** None

**Submitting Department:** Administrative Services

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

**Department Recommendation:** That the City Council approve amendments to the 2008-2010 General Fund Capital Improvements budget, as recommended, reducing the authorized General Fund CIP budget by a total of \$522,466.

**Summary/background**

General Fund

The current total of frozen projects in the General Fund is \$997,050 which includes the Miki City park amount approved on April 6<sup>th</sup>. Council has given direction to reduce Capital funding by an additional \$500,000. To accomplish this, staff recommends Council take the following actions.

1. Freezing or canceling funding for additional projects beyond current frozen amounts, and;
2. Approve recommended amendments to the current General Fund CIP Budget to allow some currently frozen projects to move forward by canceling funding for other projects.

Staff proposes that Council approve the actions summarized in Table 1, Summary of Proposed Changes to General Fund Capital. The net effect of these changes is the reduction of the General Fund Capital Budget by \$522,466.

**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.

**Table 1**  
**Summary of Proposed Changes**  
**To General Fund Capital**  
**2008-2010**

1. Freeze General Fund (GF) Projects (Table 2)	\$	(522,466)
2. Approve CIP amendments (Table 3)		-
	<b>\$</b>	<b>(522,466)</b>

**1. Freeze General Fund Projects:** Many of the General Funds capital projects are already completed or underway. Staff has reviewed all current General Fund projects for those which meet the following criteria:

- At least 50% of funding for the project comes from the General Fund
- The project has not spent more than 5% of it's current appropriation
- The project is not expected to be completed by June 30, 2009

Table 2, Summary of Projects Recommended to Freeze or Cancel Funding, on the following page summarizes \$522,466 of projects that meet these criteria which staff recommends either freezing or canceling. Projects in Table 2 that are recommended to freeze will be resubmitted for consideration in the next 2-year budget cycle. Projects whose funding is recommended to cancel will not be resubmitted. A short discussion of each project included in Table 2 has been provided in Attachment A.

**Table 2**  
**Summary of Projects recommended to Freeze or Cancel Funding**

	Project Description	2008-10 Gen Fund CIP Budget Amount	Projects Proposed to Freeze *	Projects to cancel funding **	Total to Freeze or Cancel	Remaining Funding
1	Replace old irrigation controllers to DX2 (0011/9898)	113,500		113,500	113,500	-
2	Website Development (3011/9878)	114,814	64,814		64,814	50,000
3	Evidence Storage at CalTrans property for PD (0011/8077)	50,000	50,000		50,000	-
4	East 198 Entrance Sign (0011/9880)	50,000	50,000		50,000	-
5	Portable Stage (0011/9876)	50,000	50,000		50,000	-
6	Community signage (0011/9879)	87,965	37,965		37,965	50,000
7	Workload Study for Police Department (0011/8076)	35,200		35,200	35,200	-
8	Shade cover for Garden St. Plaza (0011/9895)	32,500	32,500		32,500	-
9	(2) portable IP camera systems (0011/9911)	31,487		31,487	31,487	0
10	Restripe all outdoor Basketball Courts (0011/9897)	22,000	22,000		22,000	-
11	City Annexations (0011/9514)	38,219	15,000		15,000	23,219
12	Manuel Hernandez Center Parking Lot (0011/9745)	10,000		10,000	10,000	-
13	Planning and Development Principles Workshop (0011/9873)	10,000		10,000	10,000	-
<b>Totals</b>		<b>645,685</b>	<b>322,279</b>	<b>200,187</b>	<b>522,466</b>	<b>123,219</b>

\* Projects proposed to freeze will be resubmitted for consideration in the next 2-year budget cycle.

\*\* Projects to cancel funding are to be removed from the budget and will not be resubmitted for funding.



**2. Proposed CIP Budget Amendments:** Staff recommends the amendments in Table 3, Proposed Amendments to General Fund CIP Budget. This would allow funding of \$380,000 for items which have previously been frozen. An additional \$160,000 of funding would also be redirected to the General Plan project as shown on Line 1, in column 2. As shown in column 5 of Table 3, the proposed amendments have no net effect on the General Fund CIP appropriations. A short discussion of amounts included in columns (2) and (3) is included in Attachment B.

**Table 3  
Proposed Amendments to General Fund CIP Budget**

#	Project Description	(1) Current Budget Unfrozen	(2) Proposed Budget Revisions	(3) Proposed Budget to Unfreeze	(4) Proposed Budget as amended	(5) Net Change to General Fund Budget
1	General Plan Update (0011/8078)	450,000	160,000	250,000	860,000	410,000
2	West 198 Master Plan (0011/9544)	191,000	(191,000)		-	(191,000)
3	East Downtown Framework (3011/9887)	199,000	(199,000)			(199,000)
4	Update Land Use and Housing Element (0011/9610)	135,353	(35,000)		100,353	(35,000)
5	Maintain City leased property (0011/9491)	90,000		10,000	100,000	10,000
6	Maintain City owned property (0011/9708)	90,000		10,000	100,000	10,000
7	Update City's Subdivision Ordinance (0011/9890)	74,867	(40,000)		34,867	(40,000)
8	Recondition Safety Surfacing in Playgrounds (0011/9896)	61,000		10,000	71,000	10,000
9	Update City's Zoning Ordinance (0011/9889)	50,000	(25,000)		25,000	(25,000)
10	Form Based Code (0011/8072)	50,000	(50,000)		-	(50,000)
11	SCE Yard Purchase	36,350		36,350	72,700	36,350
12	Streets/Traffic Safety Office/Shop Repairs			30,000	30,000	30,000
13	Remodel Solid Waste Admin Building office spaces	7,500		7,500	15,000	7,500
14	Thermal Imagers (3) (0011/9222)	-		26,150	26,150	26,150
<b>Totals</b>		<b>1,435,070</b>	<b>(380,000)</b>	<b>380,000</b>	<b>1,435,070</b>	<b>-</b>

All other project amounts currently frozen in the 2008/09 CIP Budget are recommended to remain frozen and be resubmitted for consideration in the next 2-year budget cycle.

**Prior Council/Board Actions:** April 6, 2009 – Council approved recommendation for staff to report back on specifics to freeze an additional \$500,000 of General Fund Capital projects.

**Committee/Commission Review and Actions:**

**Alternatives:** Use \$522,000 of General Fund reserves to fund Capital Projects.

**Attachments:**

**Recommended Motion (and Alternative Motions if expected):** That the City Council approves amendments to the 2008-2010 General Fund Capital Improvements budget reducing the CIP budget by a total of \$522,466.

***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:

Attachment A  
Discussion of items included in Table 2

Line 1- Irrigation controllers: This project has been submitted for stimulus funding based upon its value as a water conservation effort. Staff is optimistic this project will not need General Fund money.

Line 2- Website development: The first phase of the City's new website has been completed and the remaining funding was intended for improvements and enhancements. Staff proposes all but \$50,000 of this project be frozen. The remaining \$50,000 will be used to complete the customer response portion of the website.

Line 3- Evidence Storage for PD: This project has been "on hold" as the Police Department considers other options for evidence storage. Staff may return to council with new recommendations for this item if funding becomes necessary.

Line 4- East 198 Entrance Sign: This item is considered a Council priority and will be resubmitted for consideration in the next budget cycle.

Line 5- Portable Stage: This project is to be funded 50/50 with the Parks and Recreation Foundation who has yet to raise their portion of the project amount. This project will be resubmitted for consideration in the next budget cycle.

Line 6- Community Signage: This project, \$40,000 of which has already been frozen, is meant for a joint effort between the City and the Downtown Visalians. This action will freeze all but \$50,000 of the remaining funding. The \$50,000 balance will allow the City to move forward with a project to provide way-finding signage in the Downtown area. This project would be funded on a 50/50 split between the City and Downtown Visalians.

Line 7- Workload Study for Police Department: This project has been "on hold" as the Police department considers the various options for completion of the study. Staff may return to council with new recommendations for this item if funding becomes necessary.

Line 8- Shade Cover for Garden St. Plaza: This project is to be funded 50/50 with the Parks and Recreation Foundation who has yet to raise their portion of the project amount. This project will be resubmitted for consideration in the next budget cycle.

Line 9- Portable IP camera systems (2): The Police Department has made prior purchases of these cameras and after testing this equipment is no longer interested in purchasing these additional cameras.

Line 10- Re-stripe all outdoor Basketball Courts: This item is considered a Recreation Department priority and will be resubmitted for consideration in the next budget cycle.

Line 11- City Annexations: A portion of this project is recommended to freeze, leaving \$23k to address the annexations planned over the next 2-3 years.

Line 12- MHCC Parking Lot: The repair of the Manuel Hernandez Center Parking Lot will require more funding than has been provided in this item. Staff is pursuing CDBG funding and the revised cost estimates will be included in a proposed CDBG budget amendment which will be brought to Council at a later date.

Line 13- Planning & Development Principles Workshop: This workshop has not been determined to be a necessary expenditure at this time.

**Attachment B**  
**Discussion of Table 3, Columns (2) and (3)**

Proposed Budget Revisions (Column 2):

- Line 1- Increases the funding for the General Plan Update which is projected to have an eventual cost of \$1.5 million. Additional funding for this project will be addressed in the next 2-year budget.
- Line 2, 3 & 10- The West 198 Master Plan, East Downtown Framework and the Form Based code will be addressed in the comprehensive General Plan Update.
- Line 4- The Land Use and Housing Element has been contracted for and the \$35,000 proposed for release is the balance projected to remain after this project is completed.
- Line 7 & 9- The Subdivision and Zoning Ordinance updates are to be completed in house. The funding which will remain for these two projects after this revision will cover the cost of public noticing and postage necessary to complete these projects.

Proposed Budget to Unfreeze (Column 3):

- Line 1-Council has given direction to proceed with a comprehensive General Plan. The cash flow needs of this project will require this funding to be unfrozen. Additional funding for this project will be addressed in the next 2-year budget.
- Lines 5 & 6- The projects for City property maintenance provide for unexpected maintenance and repairs and are projected to need the entire allocation to cover expenses for the 2008/09 and 2009/10 years.
- Line 8- The reconditioning of playground safety surfaces is being performed in conjunction with grant-funded renovations and repairs to playground equipment. This funding is needed to complete the safety surfaces of these playgrounds.
- Line 11- The Southern California Edison (SCE) Yard purchase is largely funded by Non General Fund sources. If the property becomes available for sale, this \$1 million project may need to move forward before the end of the 2009/10 Budget Year.
- Line 12- The Streets/Traffic Safety Office/Shop repairs will provide repairs needed for cracked cement floors, rusted bathroom urinals, stained/cracked shower stalls, peeling floor tiles, torn/worn carpets and cracked, damaged and peeling walls in interior offices and work spaces. Traffic Safety and Streets storage spaces/work areas also need shelving/storage to organize and provide more efficient storage/work spaces and prevent accidents and injuries.
- Line 13- The Remodel of the Admin Building spaces at the Corp Yard will provide repair, paint and sheet rock patching to make these offices workable for another 8-10 years.
- Line 14- The emergency replacement of two thermal imagers was approved by the City Manager in November 2008 when two of the Fire Departments current thermal imagers began to malfunction and were determined to be beyond repair. The release of these funds would cover this purchase.

Date: May 13, 2009

To: Eric Frost, Administrative Services Director

From: Mark Nelson, Fire Chief

Subject: Haz Mat Program

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There are large amounts of hazardous materials that travel through both Tulare and Kings Counties via highways and rail. Tulare and Kings Counties have the need for an emergency response system to be in place in case there was a release or leak of a hazardous material (Haz Mat). A Haz Mat Agreement went into effect March 21, 1995 to address the need for a Hazardous Materials Response Team. The agreement identifies the City of Visalia as the Haz Mat Responder for both Kings and Tulare Counties. The agreement allows for cost recovery when responding to a Hazardous Materials Incident within the City of Visalia and outside the city limits. The agreement does not cover the annual operating cost associated with the on-going maintenance of the Haz Mat Program. Currently, the annual net cost to the City of Visalia is \$180,000. This is the amount not covered by cost recovery revenues nor grants.

While the Haz Mat service the City provides is extremely valuable to all, the on-going cost of the program is not shared equally by all of the agencies; the City bears the entire cost of the program. It is staff's opinion that there needs to be a cost sharing program implemented to fund the existing program.

There is an average of 100 calls per year for Haz Mat related incidents. Of the 100 calls for service annually, we average 5 Haz Mat Team activations as follows (the balance of the Haz Mat calls for service were handled by the on-duty fire units):

- In City responses – 3.75 (per year)
- Out of City responses is 1.25 (per year)

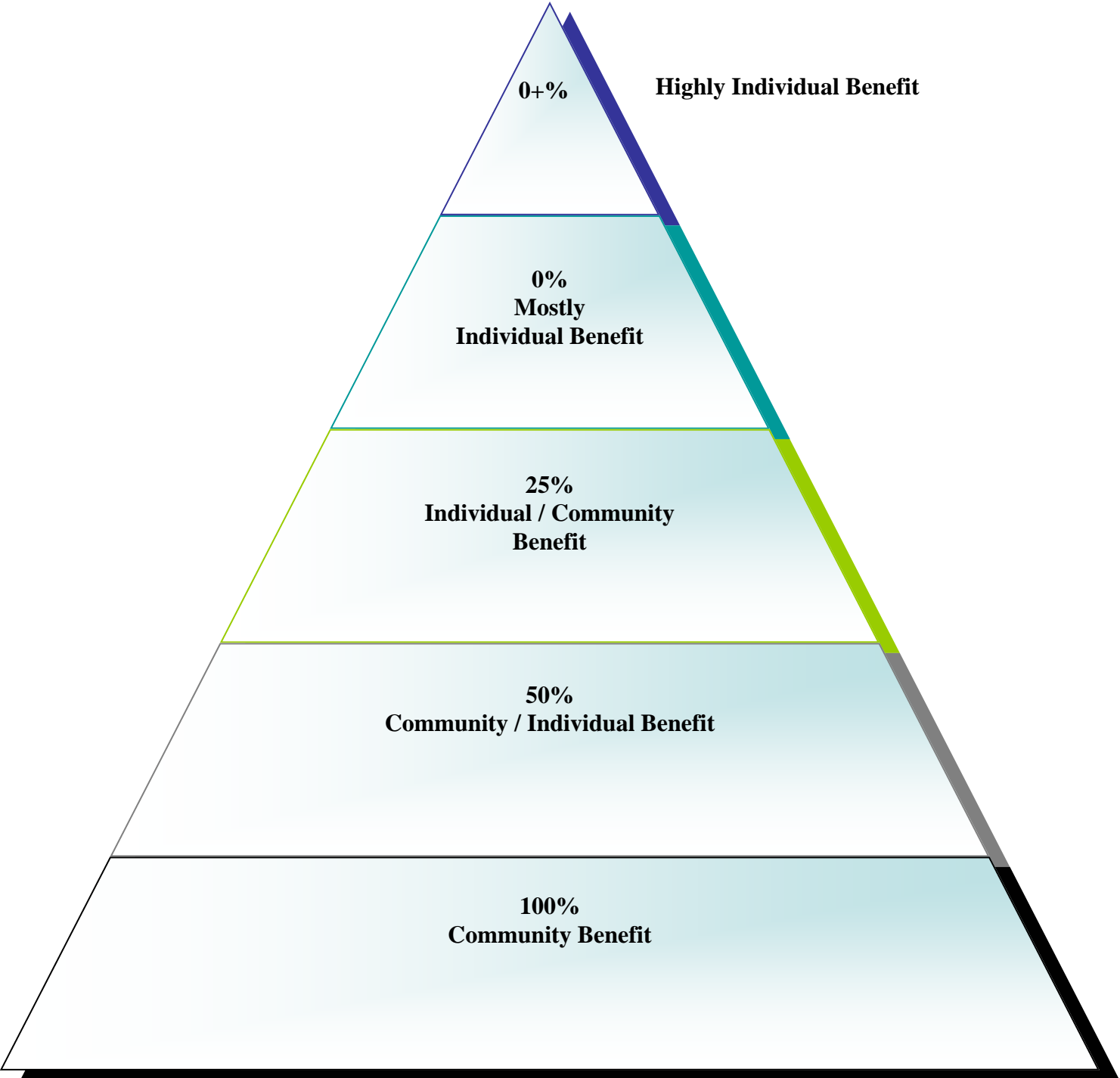
We are working with County Environmental Health on a new system for tracking and notification which will result in a higher number of responses.

If the program was discontinued, the City of Visalia would cancel the Haz Mat Agreements with all of the agencies in Kings and Tulare Counties by the end of calendar year 2009. The City of Visalia would then operate at a First Responder Operations Level and defer low level Haz Mat calls to the Tulare County Environmental Health for mitigation. In instances where there was an actual release requiring a Haz Mat entry team, the City would request a Mutual Aid response from the City of Fresno Fire Department (this would be a fee for service request). The Fresno Fire Department has stated they would be able to have a Level I Haz Mat Team on scene (Highways 198 and 99) within 45 minutes.

Fire Department Staff recommends proceeding to find a funding source to cover the on-going cost associated with maintaining a Haz Mat Response Team. The Visalia Fire Department has been working with local fire departments, Tulare County City Managers, and the Tulare County CAO as well as with the director of Health Services to identify long term funding for the Haz Mat program. If staff is unable to secure the needed funding, then the recommendation is to cancel the contracts and discontinue the program by January 1, 2010.

# City of Visalia Parks & Recreation Department Cost Recovery Pyramid % = City Subsidy

ATTACHMENT A





**City of Visalia**  
**Parks and Recreation Department**  
**Fee Policy**

## **BACKGROUND**

The Park and Recreation Department wishes to provide meaningful recreational opportunities to meet the physical, cultural, mental and economic needs of the citizens of Visalia. It is our desire to enhance the quality of life in Visalia by providing open space, recreation facilities and programs for all citizens. Providing an array of quality recreational opportunities is an increasingly complex task due to: (1) demands for new and expanded services, (2) demands to retain older services, (3) increases in operating expenses, and (4) priorities of allocating limited City general fund dollars. Fiscal responsibility mandates the adoption of a sound and consistent fee and charge policy that will guide the generation of revenue to supplement the General Fund's support of park and recreation programs and services.

Fiscal goals of the Parks and Recreation Department include:

- To become less dependent upon tax support from the City and to become more self-sufficient.
- To substantially increase the proportion of the services and operations funded through user fees. The department will make a concerted effort to track its costs for facilities and operations and ensure program costs are better covered by fees charged.
- To view programs and services more as an enterprise. Even though the department is a public agency, the City of Visalia is limited by the funds it can provide for all of its services, let alone those not viewed as essential by many taxpayers.
- In order to continue as a vital, progressive agency in the community, we need to adopt a more entrepreneurial, business-like and fiscally aware approach to our operations.

## **STATEMENT OF PHILOSOPHY**

The philosophy of The City of Visalia, Parks and Recreation Department is to offer year round, diversified Park and Recreation programs and services, at reasonable and equitable rates designed to meet the needs of the citizens of Visalia. Fees and charges will be viewed as a method to equitably provide and expand services without an inordinate impact on the General Fund, while ensuring where fees are implemented, they are kept at a **fair market value** in order to encourage participation. Because the demand for services is greater than the municipality's ability to appropriate funds to support the demand, it becomes necessary to charge new fees, increase some existing fees and pursue additional supplementary revenues and resources.

Fees and charges for parks, recreation and cultural services will provide only one source of funding for the department. Other sources will include general fund appropriations, grants, sponsorships, special gifts, donations and in-kind contributions.

## **VISALIA'S PRICE MODEL**

The Parks and Recreation Department will follow a cost recovery method based on benefits. This model utilizes general fund dollars for programs, services and facilities that benefit the community as a whole and allows for user fees to support programs and services that focus on benefits to individuals. "Attachment A" shows our proposed Cost Recovery Pyramid with the following categories to be used to set program fees based on cost recovery rates:

**Category A: Community Benefit** – programs, facilities and services that benefit the community as a whole. These programs, facilities and services can increase property values, provide safety, address social needs, and enhance the quality of life for residents. The community pays for these basic services and facilities through taxes and may utilize free of charge. Such programs or services can include parks and open space, educational programs, health and wellness activities, community wide special events, family activities and gang prevention programs.

Examples of current programs in this area:

- Parks, Open Space & Trails
- Community Wide Special Events – Egg Hunt, Dia del Nino, Tamale Festival
- Family Walks
- Manuel F. Hernandez Community Center Drop In Program
- The Loop

**Category B: Community / Individual Benefit** – programs, facilities and services that promote individual physical and mental well-being and provide recreation skill development. These are the more traditionally expected services and beginner instructional levels. These programs, services and facilities are typically assigned fees based on a specified percentage of direct and indirect costs. These costs are partially offset by both a tax subsidy to account for the Community Benefit and participant fees to account for the Individual Benefit. Programs, facilities and services in this tier shall recover 50% of direct program costs.

Examples of current programs in this area:

- Youth Sports – baseball, soccer, basketball, volleyball
- Tiny Tot Sports
- Public Swim
- Swim Lessons
- Senior Meal Program
- Senior Citizen programs & classes

**Fee Example – Youth Basketball**

Expenses:	
Officials	\$10,000
Hourly Staff	\$12,000
Recreation Coordinator	\$ 2,000
Coach/Official Training	\$ 800
Facility Rental	\$ 7,000
Uniforms	\$11,000
Equipment	\$ 6,000
Awards	\$ 2,000
Advertising	\$ 1,500
Total:	\$52,300

425 Participants into \$52,300	123.06
50% subsidy	61.53 fee

**Category C: Individual / Community Benefit** – Services that promote individual physical and mental well-being and provide an intermediate level of recreational skill development. This level provides more Individual Benefit and less Community Benefit and should be priced to reflect this. Programs and services in this category shall recover 75% of direct program costs.

Examples of current programs in this area:

Day Camps

Enrichment Classes - dance, art, martial arts and music.

After School Activity Program

Tiny Tots Pre-School Program

**Fee Example – Tiny Tot Pre-School**

Expenses:

Staffing	\$480.00
Equipment & Supplies	\$200.00
Total:	\$680.00

15 Students divided into \$680      \$45.33

75% Cost Recovery = \$34.00 fee

**Category D: Mostly Individual Benefit** – Specialized services generally for specific groups and may have a competitive focus. In this category, programs and services may be priced to recover 100% of direct costs.

Examples of current programs in this area:

Father/Daughter Dance

Specialty Camps & Sports Camps

Kendo

Adult Sports – soccer, softball, basketball, volleyball

Swim teams

Diving Classes

**Fee Example – Adult Volleyball**

Expenses:

Hourly Staff	\$ 800.00
Equipment	\$ 600.00
Awards	\$ 400.00
Gym Rental	\$1800.00
Total	\$3600.00

18 Teams into \$3600 = \$200 per team

**Category E: Highly Individual Benefit** – Programs or services that have a higher revenue potential and may fall outside of the core mission. In this category, programs and services are priced to cover all direct and indirect costs. Examples of this include elite athletic programs, food concessions and trips.

Examples of current programs in this area:

Haunted House  
Photos at the Mall  
Bus Trips  
Certification Courses  
ViTri (triathlon)

## **DETERMINING FEES FOR PROGRAMS**

The Parks and Recreation Department will work to recover a percentage of or all *Direct Program Costs*. The following describes factors that are considered to calculate direct costs:

- Part-Time, Hourly and Contractual Staff - leaders, instructors, officials, scorekeepers , including hourly benefit cost of 5.49%
- Equipment - including stage, light rental, tables, chairs, sound systems and other such items.
- Supply/ Materials - awards, balls, crafts, tickets, certificates, videos, copies, etc.
- Maintenance/Custodial – building attendants, facility opening & closing, maintenance issues directly related to program.
- Maintenance Supplies/Materials – maintenance and/or custodial supplies needed specific to the operation of program or activity.
- Membership/Training – memberships, subscriptions, trainings specific to a program or activity.
- Special Insurance - special event or food product liability insurance
- Security – contract security or Police Department charges
- Marketing - newspaper, radio, flyers, posters
- Program Discounts, Scholarships
- Transportation - bus rental, transit tickets
- Postage
- Equipment Purchase - Total cost of equipment purchase divided by # of years for life expectancy of equipment
- Utilities
- Facility Rental Cost – cost to rent outside facilities

## **DIFFERENTIAL FEES, VARIANCES AND FEE WAIVER**

It is understood that on occasion special consideration may be needed in determining fees for groups or individuals having circumstances uncommon to those in the fee structure criteria. In these cases, the Parks and Recreation Commission will be the approving party for all requests. Requests for a variance shall be submitted in writing to the Parks and Recreation Department 60 days prior to the date of use.

## **PARKS & RECREATION COMMISSION REVIEW OF FEES:**

The Parks and Recreation Commission shall review and provide oversight of specific program and/or activity fees and charges. Such review shall take place at least bi-annually during a regularly scheduled Parks and Recreation Commission meeting.

**Resolution 2009-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA  
FINDING A SEVERE FISCAL HARDSHIP WILL EXIST IF ADDITIONAL  
LOCAL PROPERTY TAX FUNDS ARE SEIZED AND ADDITIONAL  
UNFUNDED MANDATES ARE ADOPTED BY THE STATE OF CALIFORNIA**

WHEREAS, the current economic crisis has placed cities under incredible financial pressure and caused city officials to reopen already adopted budgets to make painful cuts, including layoffs and furloughs of city workers, decreasing maintenance and operations of public facilities, and reductions in direct services to keep spending in line with declining revenues; and

WHEREAS, since the early 1990s the state government of California has seized over **\$8.6 billion** of city property tax revenues statewide to fund the state budget even after deducting public safety program payments to cities by the state; and

WHEREAS, in FY 2007-08 alone the state seized **\$895 million** in city property taxes statewide to fund the state budget after deducting public safety program payments and an additional \$350 million in local redevelopment funds were seized in FY 2008-09; and

WHEREAS, the most significant impact of taking local property taxes has been to reduce the quality of public safety services cities can provide since public safety comprises the largest part of any city's general fund budget; and

WHEREAS, in 2004 the voters by an 84% vote margin adopted substantial constitutional protections for local revenues, but the legislature can still "borrow" local property taxes to fund the state budget; and

WHEREAS, on May 5 the Department of Finance announced it had proposed to the Governor that the state "borrow" over \$2 billion in local property taxes from cities, counties and special districts to balance the state budget, causing deeper cuts in local public safety and other vital services; and

WHEREAS, in the past the Governor has called such "borrowing" proposals fiscally irresponsible because the state will find it virtually impossible to repay and it would only deepen the state's structural deficit, preventing the state from balancing its budget; and

WHEREAS, the Legislature is currently considering hundreds bills, many of which would impose new costs on local governments that can neither be afforded nor sustained in this economic climate; and

WHEREAS, state agencies are imposing, or considering, many regulations imposing unfunded mandates on local governments without regard to how local agencies will be able comply with these mandates while meeting their other responsibilities; and

WHEREAS, the combined effects of the seizure of the City's property taxes, increasing unfunded state mandates, and the revenue losses due to the economic downturn have placed the city's budget under serious fiscal pressure; and

WHEREAS, our city simply can not sustain the loss of any more property tax funds or to be saddled with any more state mandates as they will only deepen the financial challenge facing our city; and

WHEREAS, a number of the City's financial commitments arise from contracts, including long term capital leases and debt obligations which support securities in the public capital markets, that the City must honor in full unless modified by mutual agreement of the parties.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF VISALIA has determined that the City will experience a severe fiscal hardship if the recommendation of the Department of Finance to "borrow" \$2 billion of local property taxes is supported by the Governor and the Legislature; and

RESOLVED FURTHER, that the Visalia City Council strongly and unconditionally opposes the May 5 proposal of the Department of Finance and any other state government proposals to borrow or seize any additional local funds, including the property tax, redevelopment tax increment, and the city's share of the Prop. 42 transportation sales tax; and

RESOLVED FURTHER, that the Visalia City Council strongly urges the state legislature and Governor to suspend the enactment of any new mandates on local governments until such time as the economy has recovered and urges the state to provide complete funding for all existing and any new mandates.

RESOLVED FURTHER, that the City Clerk shall send copies of this resolution to the Governor, our state senator(s), our state assembly member(s) and the League of California Cities.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2009.