Call to Order: 6:00 p.m.
Roll Call: Councilman West, Mayor Pro Tem Irish, Councilman Hamilton, Mayor Martinez
Absent: Councilman Stadtherr

CLOSED SESSION:
A. Closed Session Pursuant to:
   1 - Government Code § 54956.9(c) - Conference with Legal Counsel - Anticipated Litigation:
      One Case.

At 6:50 p.m. Council Member Stadtherr arrived.

7:00 P.M. RECONVENE OPEN SESSION
REPORT ON ANY ACTION TAKEN IN CLOSED SESSION
   No Action.

Pledge of Allegiance:
   Mayor Martinez welcomed Troop 132, and asked Mike Taylor of Troop 132 to lead the pledge.
Invocation by Mayor Martinez

PROCLAMATIONS
   “Porterville Kids Day” - August 7, 2004

PRESENTATIONS
   • Employee of the Month - Tony Espinosa

   Mayor Martinez stepped out for a few minutes due to a family emergency. Mayor Pro Tem Irish began Oral Communications.

ORAL COMMUNICATIONS
   • Linda Miyai, representing Colonial Community Homes in Porterville, residence in Orange County, came forward and asked the Council to consider that 65% of the landscaping plants on the list given to her by staff were not compatible to the area. She stated that Mr. Vollmer and Chris Kaylor, her landscape contractors, came to the City to change the layout for her CUP, but they were told that unless she put in a modification, the process could not go forward. Mrs. Miyai stated that she started the process, but she found out that unless she came to this meeting and asked the Council to expedite the modification plan, she could not meet the September 18 deadline.

   Mayor Pro Tem Irish told Mrs. Miyai that she should continue to work with staff because this was time sensitive, and should contact staff again tomorrow and work this matter out before coming back to Council.
Mrs. Mayai stated that staff told her that even if she submitted the modification plan and it was passed through on the 18th, it would not allow Council time to act upon it before the September 20 date, so she needed to ask the Council to help the City Planning Department to expedite the modification plan.

Mayor Pro Tem Irish stated that staff had the direction of working with Mrs. Mayai, and she needed to get in intact with staff, who would work this out with Mr. Dunlap or Randy Rouda, who also had their direction. He stated that if she would meet with them tomorrow, they would help her get it worked out.

City Manager Longley stated that Council could give direction, but could not act on this matter this evening as the item had not been advertised. He stated that if Mrs. Mayai checked with staff tomorrow morning, and they would work with her to get through the various steps.

Mayor Pro Tem Irish stated that staff knew to expedite the matter also.

Mayor Martinez re-entered the meeting.

- Pete McCracken, 657 Village Green, came forward and addressed his remarks to Item No. 12. He spoke about repayment on self-funding, keeping fiscal prudence in mind, and the life of the project as relates to the term of the loan.

- Dorothy Broome, 863 Crystal, came forward and addressed landscape maintenance districts.

- Josh Kittrell, 1359 N. Grand, thanked the Council for reinstating the monthly fees at the Golf Course, and for prorating the fees for July. He also thanked the staff for adding sand to the bunkers.

- Tracy Leach, 6731 Park West Circle, Bakersfield, came forward representing the Campaign Against Proposition 68, a November Ballot Initiative. She stated that the proposition would grant 30,000 slot machines, gaming devices to be operated in urban and suburban California. She asked Council to endorse this in terms of a resolution opposing Prop 68. She handed out information packets to the Council.

Council clarified that the League had taken no action on Proposition 68 at that time. City Manager stated that Council could direct staff to place this on the agenda in the future if they wished.

**CONSENT CALENDAR**

Item 5 was removed for discussion.

1. **CITY COUNCIL MINUTES OF JULY 6, 13 and 27, 2004**

   Documentation: Minute Order 01-080304
   Disposition: Approved

2. **CLAIM - CONSUELO GUZMAN**
Recommendation: That the Council allow said claim in the amount of $1,441.00 and refer the matter to the City's insurance adjustor, and direct the City Clerk to give the claimant proper notification.

Documentation: Minute Order 02-080304
Disposition: Approved

3. BUDGET ADJUSTMENTS FOR THE 2004/2005 FISCAL YEAR

Recommendation: That the Council approve the budget adjustments and authorize the staff to modify revenue and expenditure estimates as described on the attached schedule.

Documentation: Minute Order 03-080304
Disposition: Approved

4. PURCHASE OF SPECIALIZED EQUIPMENT

Recommendation: That Council authorize purchase by negotiation of the specialized equipment listed and authorize payment for said equipment upon satisfactory delivery

Documentation: Minute Order 04-080304
Disposition: Approved

6. SCHEDULING A PUBLIC HEARING FOR THE REVISED DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM

Recommendation: That the City Council schedule September 21, 2004, as the date for a Public Hearing to hear testimony regarding the proposed new 11% goal and revised program.

Documentation: Minute Order 05-080304
Disposition: Approved

7. APPROVAL FOR COMMUNITY CIVIC EVENT DOWNTOWN PORTERVILLE ASSOCIATION NUESTRO PRIDE CAR SHOW, SEPTEMBER 26, 2004

Recommendation: That the Council approve the Community Civic Event Application and Agreement submitted by the Downtown Porterville Association, subject to the stated requirements contained in Exhibit “A”.

Documentation: Minute Order 06-080304
Disposition: Approved

COUNCIL ACTION: MOVED by Council Member Stadtherr, SECONDED by Council Member West to approve Items 1 through 4, 6 and 7. The motion carried unanimously.
Mayor Martinez stepped out of the meeting.

5. AWARD OF CONTRACT - WILLIFORD DRIVE STREET RECONSTRUCTION AND DRAINAGE PROJECT

Recommendation: That the City Council:

1. Award the Williford Drive Street Reconstruction and Drainage Project to Halopoff and Sons, Inc. for the base bid in the amount of $146,855.45;
   a. Authorize a 10% contingency to cover unforeseen construction costs; and
   b. Authorize progress payments up to 90% of the contract amount.

OR

2. Award the Williford Drive Street Reconstruction and Drainage Project to Halopoff and Sons, Inc. for the base bid and additive alternate in the amount of $172,079.36;
   a. Authorize the transfer of funds in the amount of $12,000 from the overlay program, which is special gas tax monies; and
   b. Approve a 7.5% contingency to cover unforeseen construction costs; and
   c. Authorize progress payments up to 90% of the contract amount.

Public Works Director Baldo Rodriguez presented the staff report.

Council Member Hamilton asked about the additives of curb and gutter.

COUNCIL ACTION: MOVED by Council Member Hamilton, SECONDED by Council Member West to award the Williford Drive Street Reconstruction and Drainage Project to Halopoff and Sons, Inc. for the base bid and additive alternate in the amount of $172,079.36; to authorize the transfer of funds in the amount of $12,000 from the overlay program, which is special gas tax monies; approve a 7.5% contingency to cover unforeseen construction costs; and authorize progress payments up to 90% of the contract amount.

M.O. 07-080304

AYES: West, Irish, Hamilton, Stadtherr
NOES: None
ABSTAIN: None
ABSENT: Martinez

Disposition: Approved

PUBLIC HEARINGS

8. MAINTENANCE OF LANDSCAPE AND LIGHTING MAINTENANCE DISTRICTS, CONFIRMING THE ENGINEER’S REPORT AND ASSESSMENT FOR FISCAL YEAR 2004-2005
Recommendation: That the City Council approve the Resolution Ordering the continued maintenance of Landscape and Lighting Maintenance Districts, and confirming the Engineers’s Report and assessment for Fiscal Year 2004-2005.

The City Manager presented the item and the Parks and Leisure Services Director gave the staff report.

Mayor Pro Tem Irish opened the hearing to the public at 7:35 p.m.

Dorothy Broome, 873 Crystal, came forward and asked about the maintenance districts and whether the landscaping for Colonial Mobile Home Park could be placed in a district. Mrs. Broome was informed that the mobile home park was not part of any landscape district. It was stated that the districts cover areas that were public property right of way and common areas, which were maintained by the City, and for which the affected property owner could be assessed. It was stated that Colonial Mobile Home Park was completely, privately owned.

Mrs. Broome stated that on the east side of Westwood, all the way north of Henderson, and south to Olive Avenue, there is a problem were the landscape was not being maintained outside the wall. And the street medians were only maintained by two people. She stated that she had a problem with a street median.

Mayor Pro Tem Irish asked Mrs. Broome to speak to him during the break.

The hearing was closed to the public at 7:44 p.m.

COUNCIL ACTION: MOVED by Council Member West, SECONDED by Council Member Hamilton that Council approve the Resolution Ordering the Continued Maintenance of Landscape and Lighting Maintenance Districts, and confirming the Engineers’s Report and Assessment for Fiscal Year 2004-2005.

Resolution 103-2004

AYES: West, Irish, Hamilton, Stadtherr,
NOES: None
ABSTAIN: None
ABSENT: Martinez

Disposition: Approved

Council took at 10-minute break at 7:43 p.m.


Recommendation: That the City Council:
1. Conduct a public hearing to receive comments on the report of the Advisory Board; and
2. Adopt a resolution confirming the report of the Advisory Board which shall constitute the levy of an assessment for the fiscal year 2004/2005.
City Manager presented the item and the Deputy City Manager presented the staff report.

The Mayor opened the public hearing at 7:55 p.m.

Dick Eckhoff, Chairman Downtown Porterville Association, 180 North Main, came forward and spoke in favor of the Association and the assessments. He spoke about their plans for downtown.

The hearing was closed to the public at 7:57 p.m.

Council Member Hamilton stated that he was disappointed that the people in opposition did not come to the meeting to speak.

COUNCIL ACTION: MOVED by Council Member Hamilton, SECONDED by Council Member Stadtherr to adopt the resolution confirming the report of the Advisory Resolution 104-2004 Board which shall constitute the levy of an assessment for the Fiscal Year 2004/2005. The motion carried unanimously.

Disposition: Approved

10. CONSIDERATION TO REMAIN IN PHASE II OF THE WATER CONSERVATION PLAN AND CONTINUATION OF PUBLIC HEARING

Recommendation: That City Council:
1. Open the Public Hearing to receive comment; and

The Public Works Director presented the staff report.

Mayor Martinez reopened the public hearing at 8:00 p.m. and closed the hearing at 8:01 p.m. when no one came forward.

Council Member Stadtherr asked that the color of 2002 on the graph be changed because it was barely visible.

Mayor Pro Tem Irish stated that he would like to continue to hold the City at a higher standard for water conservation.

Mayor Martinez continued the public hearing to August 17, 2004.

Disposition: Continued

SECOND READING

11. SECOND READING - ORDINANCE 1657, AMENDING ORDINANCE 1198 PERTAINING TO THE ESTABLISHMENT OF BUSINESSES SELLING ALCOHOL
Recommendation: That Council give Second Reading to Ordinance No. 1657 and waiving further reading, and adopt said ordinance.

The City Manager presented the item.

COUNCIL ACTION: MOVED by Council Member Hamilton, SECONDED by Council Member Stadtherr to waive further reading and adopt the ordinance, being AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE AMENDING ORDINANCE NO. 1198, BEING THE ZONING ORDINANCE OF THE PORTERVILLE MUNICIPAL CODE, PERTAINING TO THE ESTABLISHMENT OF BUSINESSES SELLING ALCOHOL. The motion carried unanimously.

The City Manager read the ordinance by title.

Disposition: Approved

SCHEDULED MATTERS

12. FUNDING OPTIONS FOR WASTEWATER TREATMENT FACILITY IMPROVEMENTS

Recommendation: That the City Council:
1. Authorize the Mayor to execute Exhibit “A”, which will allow the City Manager to execute the Enterprise Fund Installment Sale Agreement in the amount of $5,356,000.
2. Authorize the named Department Heads or individuals to execute the various exhibits attached to this item.
3. Authorize the Public Works Director to deliver by certified mail the executed documents for counter signature and final execution.

The City Manager presented the item and the Deputy City Manager presented the staff report. The Deputy City Manager stated that if the portfolio earned more than 3.5%, they would be money ahead to use the CIEDB Loan. He stated that in their communication with outside sources, he obtained a copy of the City of San Luis Obispo Financial Budget and Fiscal Policy document which contained an analysis of when to borrow and when to use reserves. He stated that the document contained a lot of good information, and should the Council wish to have staff prepare such a policy to outline criteria to examine when these decisions are to be made, they would be happy to do so.

Council Member Hamilton asked about the second graph, 1992 to 1993, and how they accomplished a 100% increase in the portfolio.

He stated that according to Susan Slayton, Chief Financial Officer, stated they gained a new portfolio manager at that time. She stated that they also went from investing most of their money in money market funds to investing in securities.
Council Member Hamilton questioned when the citizens would get back the money they had paid into the City’s reserves. The City Manager stated the citizens were already getting returns from projects paid through the Enterprise funds. Mr. Longley stated that General Fund Reserve has been allocated out over a two year period to pay for deficiencies from State actions. He recommended that a presentation be made to Council of an analysis of each fund, its status, and what the prudent level of reserve was for that fund. He stated that there were rules for each of the funds, and they needed to be taken separately. He stated that it was a big issue, and the information should be provided to the Council as part of the financial planning.

Deputy City Manager Pyle stated that as part of policy direction, one of the components that would fit nicely into such a fiscal policy, especially as relates to those enterprise fund activities where ten-year capital project plans were part of their life and they tried to prepare for inevitable events to account for growth in the system and population, and as part of the preparation of such a policy, a decision on what adequate minimum levels of reserves should be, with guidelines for establishing out much of a reserve they should attempt to build to accomplish large components of infrastructure, could be made. He stated that they were looking at $9 million for water improvements to maintain adequate water pressure and reserve balances, and in the event the goal was to build reserves adequate to prevent the need to issue debt, there would be substantially more cash running through the portfolio, as they accumulated massive reserves in some of the enterprise funds. What it would look like on paper while they were achieving those balances, would be a consideration.

Council stated that every new Council would be looking at that balance. Council also spoke about the longevity of the loan versus the longevity of the project.

Mayor Pro Tem Irish thanked Council Member Stadtherr, staff, and really the Council for taking the time to review this matter. He questioned Mr. Pyle on guidelines for the inter-transfer of monies. He stated that he would like to see better guidelines in place. He stated that it needed to be tightened up. He stated that they should address the issue of that when they borrow money from another account, they are not just borrowing it at a fixed rate, so that the taxpayers would be investing back to themselves.

Mayor Pro Tem Irish questioned the amount being borrowed.

Council Member Stadtherr reviewed the spreadsheet he prepared. He stated that they would be better off to use the portfolio to pay down loans the City has borrowed at higher rates.

COUNCIL ACTION: MOVED by Council Member Hamilton, SECONDED by Council Member West that Council use the CIEDB funding as recommended. The motion Resolution 105-2004 carried unanimously.

Disposition: Approved

The City Manager stated that direction from Council seemed to be that they wanted to look into this more as an agenda item or study session, and asked if they could use as a base for consideration the San Luis Obispo policies.
Council concurred that it should be a study session.

Mr. Pyle asked Council if they would consider using CIEDB loans in the future, which could be done by staff. City Manager Longley stated that he would not recommend using CIEDB, but at Council’s direction it would be included as an option for Council consideration. Mr. Longley stated that they would bring back a report recommending proceeding with COPs, with options for financing and time, to look to reserves, COPs, CIEDB, and anything else they can come up with.

Council Member Stadtherr stated that he would like to see a General Ledger cash worksheet showing balances and what was projected out, with prudent reserves. He stated that he would like to see it between now and Thanksgiving.

The City Manager stated that when they did the study session on financial policies that would be one of the exhibits.

13. AIRPORT POLICY ON LEASING INDIVIDUAL PRIVATE HANGARS

Recommendation: That the City Council:
   a. Set as a guiding policy “OWNER OCCUPIED” for the Porterville Municipal Airport, private hangar area.
   b. Authorize staff to acquire the hangars, at fair market value, when deemed appropriate by staff.
   c. Authorize staff to make a “contingent offer to purchase” hangars at the airport, subject to CalTrans approval of the loan agreement and Council approval of the loan document.

The City Manager presented the item and the Fire Chief gave the staff report.

COUNCIL ACTION: MOVED by Council Member Hamilton, SECONDED by Mayor Pro Tem Irish to set as a guiding policy “Owner Occupied” for the Porterville Municipal Airport, private hangar area; authorize staff to acquire the hangars, at fair market value, when deemed appropriate by staff; and, authorize staff to make a “contingent offer to purchase” hangars at the airport, subject to CalTrans approval of the loan agreement and Council approval of the loan document. The motion carried unanimously.

Disposition: Approved

Council adjourned to a Meeting of the Porterville Redevelopment Agency at 8:44 p.m.

PORTERVILLE REDEVELOPMENT AGENCY AGENDA
August 3, 2004

Roll Call: Redevelopment Agency: Agency Member West, Agency Vice Chair Irish, Agency Member Hamilton, Agency Member Stadtherr, Agency Chair Martinez
WRITTEN COMMUNICATIONS
None

ORAL COMMUNICATIONS
None

SCHEDULED MATTER

PRA-1.  APPROVAL FOR COMMUNITY CIVIC EVENT DOWNTOWN PORTERVILLE ASSOCIATION NUESTRO PRIDE CAR SHOW, SEPTEMBER 26, 2004

Recommendation: That the Redevelopment Agency approve the use of the parking lot on Second Street, from Garden to Olive, in conjunction with the Community Civic Event Application and Agreement from Downtown Porterville Association, subject to the stated requirements contained in Exhibit “A”.

The Agency Secretary presented the staff report.

AGENCY ACTION:  MOVED by Agency Member Irish, SECONDED by Agency Member Stadtherr that the Redevelopment Agency approve the use of the parking lot on Second Street, from Garden to Olive, in conjunction with the Community Civic Event Application and Agreement from Downtown Porterville Association, subject to the stated requirements contained in Exhibit “A”. The motion carried unanimously.

Disposition: Approved

The Agency adjourned to a Meeting of the Porterville City Council at 8:46 p.m.

ORAL COMMUNICATION
None

OTHER MATTERS/COUNCIL COMMENTS

• Council Member West thanked the Public Works Director for his professionalism on seeking bids for the Nelson Building demolition project. The City Manager explained where they were with the project and when it might be finished.

• Council Member Hamilton asked about the Indiana Street Project, and the Public Works Director gave him an update.

• Mayor Martinez congratulated Mr. Singh on the expansion of his Subway restaurant, and his appointment to the Board of Directors of the Chamber of Commerce.

• Mayor Martinez asked the City Manager to prepare a certificate of achievement for the Porterville Twirlerettes, as a group, for representing Porterville at the State level.
ADJOURNMENT
At 8:51 p.m. to the meeting of August 10, 2004, at 6:00 p.m.

Georgia Hawley, Deputy City Clerk

SEAL

Pedro R. Martinez, Mayor