PORTERVILLE CITY COUNCIL MINUTES
ADJOURNED MEETING - MAY 30, 2006
COUNCIL CHAMBERS – 291 N. MAIN ST.
6:00 P.M.

Roll Call: Council Member Irish, Council Member West, Mayor Pro Tem Hamilton, Council Member Stadtherr, Mayor Martinez (arrived late)

It was announced that the Mayor would be arriving late. In the Mayor’s absence, Mayor Pro Tem Hamilton opened the Meeting.

Pledge of Allegiance Led by Council Member Stadtherr
Invocation - a moment of silence was observed

ORAL COMMUNICATIONS
None

SCHEDULED MATTER
1. 2006/07 ANNUAL BUDGET - PRELIMINARY REVIEW

Recommendation: That the City Council review the City’s 2006/2007 Annual Budget and schedule a public hearing to consider and adopt the final Budget.

City Manager John Longley presented the item and the proposed Budget. Mr. Longley indicated that the booklet that had been distributed to the Council provided a general overview as to what was proposed in the Budget and how it related to previous years. Mr. Longley then proceeded to review the following areas, each of which were depicted by graphs:

• Revenues and Expenditures - All City Funds (historical and projected Fiscal Year 2005/2006 and 2006/0007)

Mr. Longley noted that staff was proposing a Budget that was significantly increased over the prior year, which he attributed primarily to increased proposed capital expenditures. He stated that funding for said capital expenditures had generally been obtained through loans or grants, or had been compiled from development fees, particularly with regard to the water and sewer funds.

• Fiscal Year 2006/2007 Net Increase (Decrease) in Fund Balance

It was stated that a significant imbalance existed in some of the funds, particularly Water Replacement, Sewer Revolving, General, Special Gas Tax, Transportation Development, and Storm Drain Development. Mr. Longley attributed the net decrease in fund balance in Water Replacement and Sewer Revolving to major capital projects. He noted that every dollar that would be spent was covered by cash that had accumulated over time, or by cash that would be received through special grant funds or loan funds through CIEDB. Mr. Longley stated that in the event loan monies were not forthcoming in the Water Replacement Fund through CIEDB, staff would return to the Council with a modified strategy. With regard to the General Fund, Mr. Longley stated that cash was available to cover every dollar of expenditure, and that recurring expenditures were covered by
revenues. He indicated that monies not covered by specific revenues largely represented carry-over monies proposed to be used for various projects. He added that with regard to Transportation and Storm Drain, the monies were generally accumulated funds or grants that had been received in prior years. Mr. Longley attributed the net decrease in the Transit Fund to a bus that had been budgeted in the previous year and had been proposed for expenditure in the current year. As to the Building Construction, Mr. Longley indicated that the small net decrease in funds was due to capital costs. He then summarized that the other funds were basically balanced.

Mayor Pro Tem Hamilton pointed to the deficit in the Landscape Maintenance District Fund and questioned the reason. Jim Perrine, Director of Parks and Leisure Services, indicated that while assessments were placed on properties, people did not always pay the assessments. He stated that the deficit represented such delinquencies.

In response to questions posed by Council Member Irish, a discussion ensued as to delinquent Landscape Maintenance Districts and how assessments were handled. Mr. Perrine confirmed that staff would provide the Council with a list identifying those Landscape Maintenance Districts with deficits, and that said list would also identify those Districts with CPI adjustments. Council Member Irish voiced support for holding District elections to allow either increases in assessments or to discontinue those Districts that were not paying for themselves.

Mayor Pro Tem Hamilton clarified with staff that Federal 5307 monies had funded the purchase of one CNG bus in the amount of $350,000, and that said funds were carry-over from the prior year. A discussion next ensued as to the Water Replacement Fund, during which Mr. Longley clarified that $6.7 million represented CIEDB projects, $5.6 million were projects that were covered by developer fees, and $887,956 covered capital projects.

• Revenues and Expenditures - Other City Funds (historical and projected Fiscal year 2005/2006 and 2006/2007)

Mr. Longley pointed to the increase reflected in Fiscal Year 2006/2007 expenditures (other than General Fund) and attributed the spike to the major capital projects that the Council had identified as priorities, particularly in the Water Replacement and Sewer, as had just been discussed. With regard to Revenues, Mr. Longley noted the increase was not as large, primarily due to the anticipated revenues from CIEDB for both Water and Sewer, and some CMAQ funds.

• Major Fund Expenditures (projected Fiscal Year 2005/2006 and 2006/2007)

The City Manager next reviewed the Major Fund Expenditures, noting the projected increase across the board.

• Revenues and Expenditures - General Fund (historical and projected Fiscal Year 2005/2006 and 2006/2007)

As to the General Fund, Mr. Longley stated that the Revenues and Expenditures were somewhat more symmetrical in the General Fund, and pointed to the projected increase in both, which he primarily attributed to the tax measure.
• **Major General Fund Tax Revenues and Other Revenues (historical and projected Fiscal Year 2005/2006 and 2006 and 2007)**

As to Major Tax Revenues, Mr. Longley indicated that the graph reflected the relationship of Property Tax, Franchise Tax, Utility Users Tax, and Sales Tax Revenues. He pointed to the increase in Property Tax Revenue, which he attributed to the City receiving a larger portion of the Property Taxes. With regard to Sales Tax Revenue, Mr. Longley indicated that while the City was down as a result of the triple flip, the projection for 2006/2007 was higher, primarily due to Measure H. He then commented on the consistent growth of the Utility Users Tax, and the flat movement of Franchise Tax Revenue.

In response to a question posed by Council Member Irish, Mr. Longley indicated that past increases in User Utility Tax Revenue could be attributed, to some extent, to a growth in the economy. He stated that the projected increase for Fiscal Year 2006/2007 was primarily due to the annexations, adding that growth in the community and increasing costs were also factors. A discussion ensued as to what the User Utility Tax encompassed, and the current legislation. Council Member Irish questioned the idea of favoring a tax on cable television, but opposing a change because of the possibility of losing revenue. He commented that he did not believe that approach to be fair and consist with all communications. A discussion ensued as to what was being proposed.

With regard to Other Major General Fund Revenues, Mr. Longley indicated that the graph reflected the relationship between Licenses and Permits, Intergovernmental Revenues, and Charges for Services. He pointed to the spike for Intergovernmental Revenues in FY 2002/2003, a significant portion of which he suggested was due to Vehicle License Fees (“VLF”), and possibly grant monies. He then noted the decrease in Intergovernmental Revenue in subsequent years, which he attributed to the shift in revenue from VLF to property taxes. Mr. Longley next addressed Revenue from Charges for Services.

• **Full Time Employees (Fiscal Year 2001/2002 through projected Fiscal Year 2006/2007)**

Mr. Longley indicated that the data reflected on the graph included filled positions, and noted the dip in Fiscal Years 2003/2004 and 2004/2005. A discussion ensued as to projected staffing levels for FY 2006/2007, during which it was stated that there were actually 175 miscellaneous positions and that 14 were currently vacant.

Upon the arrival of Mayor Martinez, Mayor Pro Tem Hamilton requested a brief synopsis of the information covered thus far, which City Manager John Longley provided. A discussion ensued as to the Landscape and Lighting Maintenance Districts, during which Council Member Irish reiterated his desire to hold District elections.

• **Actions and Policies, City of Porterville, Proposed Draft Budget Fiscal Year 2006/2007**

Mr. Longley proceeded to review each of the items detailed under Actions & Policies of the proposed Budget. In response to a question posed by Council Member Irish, Mr. Longley elaborated on the budgeting concept of “structural deficit.” With regard to the Zalud House, Parks & Leisure
Services Director Jim Perrine came forward to address an inquiry from Council Member Irish. Mr. Perrine indicated that staff proposed to initiate a Master Plan for the Zalud House and the adjacent property, the expense of which made the budget for the Zalud House out of balance. He estimated that approximately $25,000 of General Fund monies were budgeted to support the Zalud House, adding that funds would be drawn equally from the Zalud Trust and carryover to support the Master Plan. A discussion ensued as to the length of term left on the Zalud Trust funds and what could be done in terms of funding options.

Council Member Irish voiced concern with keeping the status quo on the Zalud House and spoke of the necessity to find a solution.

With regard to increases in staffing levels for Police and Fire, Mayor Martinez inquired where the City stood in comparison with other cities of like size. A discussion ensued as to the number of sworn officers added to the Police Department and whether it included the five additional officers proposed to be hired with UUT monies. City Manager John Longley indicated that the ten additional officers reflected in the budget was consistent with the plan. He then confirmed that a comparative analysis of Porterville staffing levels to other local cities of similar size would be provided to the Council.

A discussion next ensued as to what constituted a “major service ramp-up.” It was stated that police, fire, development, and parks and leisure (i.e. street trees) services were involved in the ramp-up.

Pertaining to the expansion of library hours, Parks & Leisure Services Director Jim Perrine elaborated on the planned addition of hours at the Heritage Center.

Street maintenance was discussed next, during which Mayor Martinez mentioned a machine to repair potholes that the County was currently utilizing, and questioned whether such a machine might be beneficial to Porterville. A discussion ensued as to how the City currently handled pothole repair, the equipment utilized by the County, and how much roadway could be repaired with the proposed $175,000, which staff estimated would be approximately ½ mile.

Council Member Irish voiced concern that not enough money had been budgeted for street maintenance and asserted that something needed to be done.

Mayor Pro Tem Hamilton noted that the turn around time for the delivery of the street repair machine that the County was utilizing was significant and that if the Council chose to go in that direction, it should keep that in mind.

Mayor Martinez voiced support for looking into the purchase of said equipment.

With regard to initiating master plans for a new primary library facility, Mr. Longley offered further elaboration. He indicated that the foundation of the existing library was problematic, and noted the need for upgrading and expanding the collection for City growth. He pointed out that the project would be lengthy, and stated that the City should begin the process. The changing services of libraries in general was then discussed.
In response to concerns raised by Council Member West regarding the deteriorated condition of Henderson Avenue between Indiana Street and Main Street, Public Works Director Baldo Rodriguez informed the Council of the status of work. He stated that the City had submitted a grant application and was being considered for funding for the design of the project.

Council Member Irish recalled that monies had been previously budgeted for the project, but that the Council at that time had redirected those monies.

Mayor Pro Tem Hamilton inquired as to whether any plans for improvements to G Street north of Henderson Avenue had been made. Mr. Rodriguez stated that there were drainage concerns there, that design work had been started, and that the work was budgeted for FY 2007/2008.

Mr. Longley proposed that adoption of the budget be placed as a public hearing on the next agenda, with the new Council having an opportunity for ratification.

Mayor Pro Tem Hamilton voiced interest in obtaining more information on the equipment utilized by Tulare County for pothole repairs.

Council Member Stadtherr proposed purchasing the equipment in partnership with another city, perhaps through a JPA.

Council Member Irish voiced support for putting the $175,000 towards the purchase of said equipment rather than repairing ½ mile of road.

Mayor Martinez agreed with the comments made by Council Member Irish, yet noted that some repairs were needed immediately.

Mr. Longley indicated that staff would prepare an issue paper addressing pothole repair generally; information on the equipment, including purchase price, and costs of operating and maintenance; and historical per capita expenditures for road repairs. A discussion ensued as to material costs and labor costs. Mr. Rodriguez clarified that the estimated ½ mile of repairs pertained to applying a ½ inch overlay, not merely pothole repair.

Mayor Martinez confirmed with staff that the increased water costs were reflected in the proposed budget for Parks & Leisure Services.

In response to questions posed by Mayor Pro Tem Hamilton, Deputy City Manager Frank Guyton elaborated on the proposed budget for the Porterville Municipal Airport. Mayor Pro Tem Hamilton voiced concern with security issues in the event farm land was leased to a private farmer. Mr. Guyton indicated that security measures in general aviation did not constitute a “secured facility.” A brief discussion ensued.

Mayor Martinez then inquired as to the possible allocation of discretionary funds for Council Members. City Attorney Julia Lew indicated that she believed other cities did have such funds, but warned that the Council would need to be careful to utilize the funds for public purposes consistent with the powers of the City. Ms. Lew stated that she could research the issue for the Council.
Mayor Martinez next discussed the activities at the Sports Complex and the inability of many children to access the activities due to lack of transportation. He questioned whether the City could purchase a vehicle to provide transportation for the kids to the facility. Parks & Leisure Services Director Jim Perrine indicated that staff could investigate various possibilities for the Council.

In response to Council Member Irish, Mr. Perrine indicated that he was aware of approximately 6 complaints per year on the issue, but that he would need to verify that figure with staff.

Mayor Pro Tem Hamilton suggested that there were likely more kids not participating due to lack of transportation than those who called to complain.

At the Mayor’s request, Administrative Analyst Linda Clark came forward to discuss the potential use of the City’s transit system. Ms. Clark indicated that the transit buses would not be appropriate, pointing out that servicing only a select few would constitute a charter service. She did however note that as buses were replaced, there might be an opportunity for purchasing surplus vehicles.

A discussion ensued as to liability issues, during which Mayor Martinez suggested the City employees were transporting participants to the facility in their own personal vehicles.

Council Member Irish stated that he would like staff to assess whether the need existed before it expended much work on the item.

Mayor Martinez disagreed with Council Member Irish’s suggestion, stating that many children likely did not participate because of transportation issues. He indicated that he would like staff to research options. Mr. Longley confirmed that staff would prepare an issue paper on the viability of and options for transporting sports participants from the Heritage Center to the Sports Complex, and bring an agenda item to the Council at the 2nd meeting in June.

Council Member Stadtherr moved to adjourn the meeting.

Council Member West seconded the motion.

City Manager John Longley summarized what he understood the Council’s direction to be:

That staff provide the following to the Council:
1) A list identifying those Landscape Maintenance Districts with deficits and those including CPI adjustments;
2) Data comparing Porterville police and fire staffing levels to local cities of comparable size;
3) Issue paper on street repairs, purchasing equipment, and associated costs;
4) An Issue paper on discretionary funds for Council Members; and
5) As a separate item, an issue paper on the viability of and options for transporting sports participants from Heritage Center to Sports Complex. This item will be brought to the Council as an agenda item at the 2nd meeting in June.
It was noted that no vote was necessary to adjourn.

ADJOURNMENT
The Council adjourned at 7:15 p.m. to the meeting of June 6, 2006 at 6:00 p.m.

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Patrice Hildreth, Deputy City Clerk

ATTEST:

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Pedro R. Martinez, Mayor