ADJOURNED CITY COUNCIL MEETING
CITY HALL, 291 N. MAIN STREET
PORTERVILLE, CALIFORNIA
MAY 24, 2016, 5:30 PM

Call to Order

Roll Call

ORAL COMMUNICATIONS

This is the opportunity to address the City Council on any matter scheduled for Closed Session. Unless additional time is authorized by the Council, all commentary shall be limited to three minutes.

CITY COUNCIL CLOSED SESSION:

Closed Session Pursuant to

1 - Government Code Section 54956.8 - Conference with Real Property Negotiators/Property: APNs: 302-390-015 and 302-390-024. Agency Negotiators: John Lollis and Jenni Byers. Negotiating Parties: City of Porterville and GreenPower Motor Company, Inc. Under Negotiation: Terms and Price.

RECONVENE OPEN SESSION AND REPORT ON REPORTABLE ACTION TAKEN IN CLOSED SESSION

Pledge of Allegiance Led by Council Member Ward

Invocation

ORAL COMMUNICATIONS

This is the opportunity to address the Council on any matter of interest, whether on the agenda or not. Unless additional time is authorized by the Council, all commentary shall be limited to three minutes.

SCHEDULED MATTERS

1. **Consideration of Preliminary 2016-2017 Budget and Priority Project Study Session**
Re: Review and discussion of the City's anticipated capital projects work plan and Fund activities for the 2016/2017 Fiscal Year.

ADJOURNMENT - to the meeting of June 7, 2016.

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the Office of City Clerk at (559) 782-7464.

Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet.

Materials related to an item on this Agenda submitted to the City Council after distribution of the Agenda packet are available for public inspection during normal business hours at the Office of City Clerk, 291 North Main Street, Porterville, CA 93257, and on the City's website at www.ci.porterville.ca.us.

CITY COUNCIL AGENDA – MAY 24, 2016

SUBJECT: Consideration of Preliminary 2016-2017 Budget and Priority Project Study Session

SOURCE: City Manager's Office

COMMENT: The purpose of this report is to provide the basis of information with regard to the City's anticipated capital projects work plan and Fund activities for the upcoming 2016-17 fiscal year. Staff will provide a more thorough examination and review of the proposed projects during the meeting.

STREET PROJECTS

The beginning of the Jaye Street Bridge Widening Project is the primary project anticipated this coming fiscal year. The estimated total project cost is approximately $5.7 million, of which the City's match is 11.47% ($651,246), which is funded through Certificates of Participation (COP) and Local Transportation Funds (LTF). The project is anticipated to be completed in two construction phases due to the seasonal flow requirements of the Tule River; however, the project could possibly be completed in a single phase should the current drought conditions continue.

Significant previously-appropriated street projects that are anticipated to progress next fiscal year include: 1) Henderson Avenue Reconstruction - Jaye Street to Indiana Street ($1.2 million); 2) Lime Street Reconstruction – Henderson Avenue to former railroad ROW ($1.12 million); 3) Downtown Parking Lots Sidewalk ADA Improvements ($625,372); 4) Downtown Pedestrian Walkway - Garden Avenue ($589,000); 5) Lighted Crosswalks - Arterials & Collectors ($512,500); 6) Putnam Avenue and "D" Street Traffic Signal ($483,000); and 7) Date Avenue Reconstruction – Jaye Street to "H" Street ($216,569).

It is projected for the coming fiscal year that the City will receive approximately $900,000 in Measure R "Local" funds for micro-surfacing projects, for a total of approximately $3 million in projects to proceed. Consistent with the City's Pavement Condition Index (PCI), as well as previously-appropriated projects, staff recommends the micro-surfacing of Plano Street (between Highway 190 and Henderson Avenue) and Main Street (between Morton Avenue and Olive Avenue).

Significant staff time will be spent in continued facilitation with Caltrans on the implementation of the Highway 190 Corridor Study and the immediate term interchange and intersection improvements, with TCAG Measure R "Regional" funds as the source of funding.

WATER PROJECTS
Significant staff time is being devoted to the East Porterville Water Connection Project, in coordination with State and County representatives, including the equipping and connection of the new well (Well #35) near the Tule River, south of Olive Avenue. As part of the Akin Water Company Services Agreement, the development of Well #33 has begun, located north of Henderson Avenue near the Friant-Kern Canal, with approximately $1.4 million in funding to be provided by the Department of Public Health/Division of Drinking Water. Staff is also in coordination with State representatives on funding of another new well (Well #34) in support of the Beverly/Grand Water Company consolidation project. A significant proposed project is the coating and repair of the Scenic Heights water reservoir, estimated at approximately $2.13 million.

SEWER PROJECTS
With the fourth of five of the Island Annexation Sewer Extension Projects under construction, it is anticipated that more than $7 million in sewer extension projects will have been constructed during the 2012-2013, 2013-2014, 2014-2015, 2015-2016, and 2016-2017 fiscal years, with the objective of connecting to City sewer the approximate 5,000 former County residents that were subject to annexation in 2006. A proposed replacement project in preparation for upcoming street reconstruction is on Henderson Avenue, between Lime Street and Plano Street, estimated at $470,000.

GENERAL FUND, MEASURE H & MAJOR CAPITAL PROJECTS
Transit zero-emission vehicle project ($11.68 million), construction of the Blower & Dewatering and Odor Controls Projects at the Wastewater Treatment Facility ($2.2 million), construction of the Tule River Parkway - Phase III ($2.17 million), and construction of Veterans Park Trail - Phase I ($300,000) are the primary major capital projects anticipated this coming fiscal year. Potential projects for discussion include improvements to the City pool restrooms, implementation of community sports field lighting, development of an animal adoption center, improvements to the animal shelter facility, implementation of Police Officer body cameras, improvements to the access road to the Police Department shooting range, and the future utilization of the Stout building and Spencer house facilities.

GENERAL FUND BUDGET
Staff has conservatively estimated General Fund revenues for the coming fiscal year at approximately $24.5 million, which represents a modest 2.60% increase over the current fiscal year. Most notably, Sales and Use Tax revenues are forecasted to increase this next year by approximately $600,000 (11.38%), due to the expiration of the "State Sales Tax Triple Flip" and continued local retail sales growth.

Staff has estimated General Fund expenditures for the coming fiscal year at approximately $26.2 million, which represents an approximate 7.9% increase over the current fiscal year, and an estimated $1.67 million budget shortfall. A budget-balancing solution employed for the past couple of years have been to curtail Departmental spending to either 94% or 95% of budgeted expenditures, which this next year would “save” approximately $1.3 million (95%).

Based on the fiscal year 2014-15 ending, the City’s Budget Stabilization Reserve Fund was fully-funded (15% of annual budgeted operating expenditures; $3.58 million), and the Catastrophic/Emergency Reserve Fund (10% of annual budgeted operating expenditures; $2.4 million) was funded at $500,000.

RISK MANAGEMENT BUDGET
Staff has been concerned by the performance of the Risk Management Fund, and most specifically the Health & Life component of the Fund, with recent multi-year deficits of at least $1 million. To address this continuing shortfall, staff worked with its employee associations on Health Plan modifications for cost-savings, increased employer and employee contributions to the Fund, as well as increased retired employee contributions, which have resulted in a more positive Fund outlook.

RECOMMENDATION: That the City Council accept staff's presentation, and provide direction accordingly.

ATTACHMENTS:
1. Capital Projects Summary
2. General Fund Summary

Appropriated/Funded:

Review By:

Department Director:
Final Approver: John Lollis, City Manager

CITY OF PORTERVILLE
ANNUAL BUDGET
2016 - 2017

CAPITAL PROJECTS

PROJECT	ACCOUNT NUMBER	REQUIRED AMOUNTS	FUNDING SOURCE
GENERAL GOVERNMENT			
Body cameras		$ 60,000	Unfunded
Circulation element - transportation update	89-9026	150,000	LTF
Comprehensive impact fee study		100,000	Impact fees (various)
FS #2 roof repair		20,000	Equipment replacement fund
Kiwanis handicap ramp	89-9028	20,000	General Fund carryover
PD training facility ADA bathroom and parking	89-9010	30,000	Asset forfeiture fund
PD training facility road improvements		100,000	Unfunded
Porterville Hotel	89-9006	371,979	RDA bond proceeds/WHF/GF carryover
Retail development strategy		25,000	GF carryover
Tule River JPA administration	89-9046	8,000	General Fund
Tule River/Porter Slough clearing	89-9038	20,000	General Fund
Weed abatement - City ROW (UPR)	89-9404	25,000	LTF
TOTAL		$ 929,979	
STREETS & SIGNALS			
Airport toxic remediation site maintenance	89-9107	$ 18,500	STP
ADA transition plan	89-9029	100,000	TCAG grant
City Hall ADA parking spaces w/ sidewalk ramps	89-9464	30,000	LTF
Date Ave widening - 'H' to Jaye	89-9197	216,569	LTF
Downtown parking lot improvements:			
Putnam & Second, NWC		172,810	LTF
Mill & Second, SWC		180,290	LTF
Putnam & Hockett, NEC		154,770	LTF
Olive & Second, NWC		117,502	LTF
Garden Ave walkway (Main to Fig)	89-9166	589,000	LTF / Meas R-Alt / TE grant
Gibbons Ave street reconstruction	89-9190	102,678	LTF
Granite Hills High School streets record of survey	89-9145	9,218	STP
Henderson Ave - Jaye to Indiana (cold foam)	89-9121	1,190,000	LTF
Hillside development - standards & specifications	89-9124	77,000	LTF
Indiana Bridge	89-9125	37,000	General Fund carryover
Jaye Street Bridge	85-9703	5,677,819	Highway Bridge Prog / LTF / COP
Lighted crosswalks - collector & arterial	89-9113	512,500	Special gas tax / ATP grant
Lime St reconstruction	89-9158	1,115,000	LTF
Micro surfacing and rehab	89-9167	3,000,000	Measure R Local
Miscellaneous alleys	89-9103	50,000	STP
Miscellaneous City-owned curb, gutter and sidewalk	89-9104	75,000	STP
Miscellaneous curb and gutter	89-9155	75,000	STP
Newcomb Bridge	89-9178	24,500	LTF
Newcomb @ Olive traffic signal		81,000	STP / HSIP
Overlay program	89-9101	550,000	STP
Pavement mgt program implementation & maintenance	89-9127	125,000	Special gas tax

CITY OF PORTERVILLE
ANNUAL BUDGET
2016 - 2017

CAPITAL PROJECTS

PROJECT	ACCOUNT NUMBER	REQUIRED AMOUNTS	FUNDING SOURCE
Plano Bridge - revegetation plan & monitoring	89-9135	10,000	LTF
Putnam and D St traffic signal	89-9159	483,000	HSIP / STP
Rock crushing and screening		35,000	STP
SR 190 corridor improvements	89-9160	200,000	Measure R - Regional
Scenic Heights guard rail repair	89-9134	30,000	LTF
Signs and signals upgrade	89-9111	50,000	STP
Street intersection safety evaluation		5,000	STP
Vandalia median island	89-9141	67,841	LTF
Westfield / Matthew - Burton traffic mitigation		45,875	Transportation impact fees
Westfield / Westwood - Burton traffic mitigation		45,875	Transportation impact fees
TOTAL		$ 15,253,747	

STORM DRAIN

PROJECT	ACCOUNT NUMBER	REQUIRED AMOUNTS	FUNDING SOURCE
Drainage reservoir #14 expansion	89-9266	$ 119,926	Developer Fees
Drainage reservoir #49	89-9271	250,000	Developer Fees
Flood plain management	89-9261	17,500	Developer Fees
Main Street - Westfield pipe (Pond 15 to Pond 19)	89-9275	200,000	Developer Fees
Master plan payback	89-9208	144,000	Developer Fees
Master plan update	89-9258	199,963	Developer Fees
Mulberry / Second storm drain		25,000	Developer Fees
Municipal Separate Storm Sewer System (MS4) permit	89-9274	35,000	Developer Fees
N Grand storm drain - SR 65 crossing	89-9267	400,000	Developer Fees
Tomah Ave - Porter Rd to Wisconsin	89-9265	66,000	Developer Fees
Zalud Park storm drain upgrade	89-9229	235,000	Developer Fees
TOTAL		$ 1,692,389	

PARKS AND LEISURE SERVICES

PROJECT	ACCOUNT NUMBER	REQUIRED AMOUNTS	FUNDING SOURCE
Library literacy center development	89-9495	$ 85,093	Measure H / GF carryover
Library restroom remodel	89-9460	87,500	GF carryover
Program accessibility - ADA self evaluation plan	89-9029	25,000	Risk Management Fund
Putnam property improvements (Henry House)	89-9499	150,000	GF - insurance proceeds
Sports complex lighting	89-9452	61,821	CEQA mitigation
Tule River Parkway, Phase III	89-9439	2,165,000	CMAQ / Measure R - Alt
Veteran's Park trail - Phase I		300,000	Housing related parks grant
TOTAL		$ 2,874,414	

CITY OF PORTERVILLE
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CAPITAL PROJECTS

PROJECT	ACCOUNT NUMBER		REQUIRED AMOUNTS	FUNDING SOURCE
SEWER				
Annexation sewer project - Area 1 (456A & 457)	89-9662	$	912,400	Sewer revenue bonds
Annexation sewer project - Area 5 (456B & 456C)	89-9663		913,500	Sewer revenue bonds
Annexation sewer project - Area 6 (455A)	89-9661		100,000	Sewer revenue bonds
Henderson Ave - Lime to Plano			470,000	Sewer revolving fund
Lift station upgrade	89-9645		100,000	Sewer revolving fund
Lift station #7 upgrade (airport industrial development)	89-9603		73,000	Sewer revolving fund
Lift station #11 - capacity analysis (Matthew reconstruction	89-9633		15,000	Developer Fees
Master plan payback	89-9604		324,633	Developer Fees
Master plan update	89-9660		197,386	Developer Fees
Newcomb - North of Mulberry pump upgrade (LS#3)	89-9634		50,000	Developer Fees
Newcomb - W North Grand pump upgrade (LS#4)	89-9653		35,000	Developer Fees
Putnam / Railroad to Plano sewer replacement	89-9697		107,000	Sewer revolving fund
TOTAL		$	3,297,919	
WATER				
Cottage St and Union Ave meter project	89-9719	$	100,000	Water replacement fund
Deficient fire flow	89-9783		100,000	Water replacement fund
Ground water recharge - reservoir #'s 58 & 59	89-9720		117,901	Water replacement fund
Master plan payback	89-9768		400,517	Developer Fees
Master plan update	89-9703		196,000	Developer Fees
Miscellaneous E Porterville water infrastructure	89-9730		50,000	DWR
Morton - Indiana to Palm - pipe			178,000	Developer Fees
Rehabilitate wells	89-9736		100,000	Water replacement fund
Rocky Hill 3MG tank cathodic protection	89-9791		50,000	Water replacement fund
Scenic Heights tank coating and repair	89-9790		2,130,000	Water replacement fund
Scenic Heights tank overflow	89-9790		150,000	Water replacement fund
Scranton Ave water main relocation	89-9797		235,000	Developer Fees
Success Reservoir enlargement project			15,000	Water replacement fund
SGMA compliance			700,000	Water replacement fund
Urban water management plan	89-9769		50,000	Water replacement fund
Water infrastructure review	89-9798		28,000	Water replacement fund
Water meter radio read (test project)	89-9760		75,000	Water replacement fund
Water well #33 (Akin)	89-9748		1,380,000	Dept of Water Resources
Water well #35 (E Porterville)			1,300,000	OES / USDA
TOTAL		$	7,355,418	

CITY OF PORTERVILLE
ANNUAL BUDGET
2016 - 2017

CAPITAL PROJECTS

PROJECT	ACCOUNT NUMBER	REQUIRED AMOUNTS	FUNDING SOURCE
WASTEWATER TREATMENT FACILITY			
Alternative energy project (solar power)	89-9670	$ 150,000	WWTF reserve fund
Blower building floor coating/noise attenuation		125,000	WWTF reserve fund
Boiler #2		1,000,000	WWTF reserve fund
Canopy for vehicles	89-9626	24,928	WWTF reserve fund
Digester cleaning, coating and piping replacement	89-9642	111,475	WWTF reserve fund
Manhole 10A inspection / repair	89-9667	99,760	WWTF reserve fund
Odor control project	89-9658	1,200,000	WWTF reserve fund
Plant #1 evaluation and repairs		400,000	WWTF reserve fund
Scada upgrade	89-9650	30,000	WWTF reserve fund
Septic station retrofit	89-9648	331,120	WWTF reserve fund
Sludge / grit staging area		300,000	WWTF reserve fund
Tertiary treatment plant	89-9672	500,000	WWTF reserve fund
WAS pump replacement		300,000	WWTF reserve fund
Wastegas flare replacement		150,000	WWTF reserve fund
Wastewater needs assessment and master plan	89-9654	99,964	WWTF reserve fund
TOTAL		$ 4,822,247	
TRANSIT			
Automatic passenger counter system	89-9308	$ 138,785	Prop 1B
Bus maintenance and admin facility	89-9098	1,000,000	FTA grant / LTF
Bus stop shelters	89-9309	200,000	FTA grant / LTF
Bus turnouts / dowtown shuttle service		100,000	FTA grant / LTF
Bus yard renewable energy - zero emission		1,700,000	FTA grant / LTF
Facility security system - phase 2	89-9043	200,000	FTA grant / LTF
ITS electronic fareboxes (for electric buses)		300,000	FTA grant / LTF
Mobile fare payment system	89-9307	522,892	FTA grant / Prop 1B / LTF
Multi-modal corridor rail ROW improvements		60,000	FTA grant / LTF
Non-revenue vehicles		160,000	FTA grant / LTF
Signal pre-emption	89-9305	180,948	FTA grant / LTF
Vehicle security system		75,000	FTA grant / LTF
Zero-emission buses (10) and chargers (11)		9,975,692	FTA / Air District / ARB / LTF
TOTAL		$ 14,613,317	

CITY OF PORTERVILLE
ANNUAL BUDGET
2016 - 2017

CAPITAL PROJECTS

PROJECT	ACCOUNT NUMBER	REQUIRED AMOUNTS	FUNDING SOURCE
AIRPORT			
Airport layout plan narrative	89-9961	$ 34,326	FAA / State grants / Airport Dev Fund
Rehabilitate Runway 7-25	89-9959	670,000	FAA / State grants / Airport Dev Fund
		$ 704,326	
MISCELLANEOUS			
CNG sideloader refuse trucks (3)	81-3095-72	$ 905,370	CMAQ/Solid Waste reserve fund
CNG frontloader refuse trucks (2)	81-3095-72	552,080	CMAQ/Solid Waste reserve fund
Dump truck	86-3095-72	298,000	WWTF reserve fund
PD generator	03-3095-73	60,000	Equipment Replacement fund
		$ 1,815,450	
TOTAL CAPITAL PROJECTS		$ 53,359,206	

CITY OF PORTERVILLE
ANNUAL BUDGET
2016-2017
GENERAL FUND SUMMARY

	2014-2015 Actual	2015-2016 Original Estimate	2015-2016 Revised Estimate	2016-2017 Estimate
Revenues from:				
Property Taxes	$ 7,325,308	$ 6,940,354	$ 6,317,922	$ 5,990,000
Sales and Use Taxes	4,266,605	4,630,149	5,252,581	5,850,109
Utility Users Taxes	3,882,942	4,100,000	4,100,000	4,150,000
Other Taxes	2,784,467	2,606,134	2,606,134	2,731,134
Permits	526,774	403,000	403,000	492,600
Other agencies	388,168	94,000	106,920	202,351
Invested assets	319,624	388,404	388,404	440,506
Fines	65,446	71,500	71,500	56,500
Charges for services	3,885,373	4,219,663	4,618,663	4,582,569
Other revenues	254,462	70,000	70,000	65,000
Total operating revenues	**23,699,169**	**23,523,204**	**23,935,124**	**24,560,769**
Appropriations for:				
Legislation	365,877	444,125	444,125	479,219
Administration	760,241	719,572	730,912	836,507
City Attorney	221,915	225,000	225,000	225,000
Finance	1,490,236	1,596,827	1,572,930	1,714,135
Police Services	8,313,408	9,052,865	8,893,363	9,711,424
Fire Services	3,492,755	3,876,905	3,819,381	3,972,064
Community/Economic Development	632,113	821,392	812,464	949,603
Public Works	2,286,141	2,440,906	2,406,091	2,649,707
Parks and Leisure Services	4,540,665	5,053,570	5,372,542	5,665,024
Parks and Leisure Services - grant prog	21,427	20,000	24,519	24,519
Total departmental expenditures	**22,124,778**	**24,251,162**	**24,301,326**	**26,227,202**
Revenue over (under) expenditures	**1,574,391**	**(727,958)**	**(366,202)**	**(1,666,433)**
Other financing sources (uses):				
Transfers:				
Special Gas Tax	852,124	908,889	908,889	956,373
Community Development Block Grant	104,602	102,055	102,055	102,056
Traffic Safety Fund	200,490	200,200	200,200	165,500
Transportation Development	150,000	105,000	105,000	150,000
Park Development	66,261	39,750	39,750	39,670
Building Construction Fund	7,830	4,000	4,000	7,000
Zalud Estate support	(10,000)	(10,000)	(10,000)	(10,000)
Golf Support	(69,000)	(69,000)	(69,000)	(69,000)
Other Transfers	(16,151)	(1,327)	(29,381)	(1,327)
Net transfers	1,286,156	1,279,567	1,251,513	1,340,272
Capital grants / donations	47,733	178,367	700,786	300,000
Restricted Fund Balance	-	896,597	-	420,907
Special Purpose Reserve	29,638	100,000	100,000	100,000
Interfund Loan	2,400,000	-	-	-
Capital Outlay	(2,913,459)	(1,247,666)	(500,000)	(748,907)
Debt Service	(1,233,296)	(1,149,297)	(1,149,297)	(1,501,416)
Total other financing sources (uses)	**(383,228)**	**57,568**	**403,002**	**(89,144)**
Net Resources / (Appropriations)	**1,191,163**	**(670,390)**	**36,800**	**(1,755,577)**