

COUNCIL MEMBERS PRESENT: Harness, Hinesly, Smith, Morales, Gonzalez

STAFF MEMBERS PRESENT: Anderson, Barkley, Beltran, James, McCloskey, Nunes,  
Popovich, Thompson, Todd, Uota

WORK SESSION

1.1. Meet and Confer Process, Part 3

The Meet and Confer Process presentation was given by Director Nunes.

**PART I SMOOTH SAILING**

**Sustainability Plan Purpose**

- Create capacity for future service level growth as the Community continues to grow
- Create a systematic way to deal with changes in the fiscal environment
- Maintain the current level of service to the Community of Dinuba in the event of substantial revenue loss

**Multi-Year General Fund Budget Projections Assuming Current Revenue Flow**

**Multi-year Budget Assumptions of the General Fund (ranked by impact and vulnerability)**

- Taxes (Includes Sales Tax, Prop Tax and UUT) represent approx. 58% of total General Fund Revenues - \$8.0M
- Overhead represents approx. 15% of total General Fund Revenues - \$1.4M
- Vehicle License Fee represents approx. 16% of total General Fund Revenues - \$ 1.7M
- Remaining Revenues are mainly made up of Licenses and Permits and Charges for Services - \$ 1.2M

**Multi-year Budget Assumptions of the General Fund (one-time only revenue)**

Sale of Alta Hospital (FY 2012-13)	\$ 457,000
Sale of Land to KPPH (FY 2012-13)	\$ 336,000
Payback Public Works Loan for Industrial Property from Proceeds of Land Sales	\$ 500,000
Loan to Pay-off Industrial Property (FY 2012-13)	\$1,500,000
Pay-off of Loan to Rabobank (FY 2014-15)	\$1,400,000

**Multi-year Budget Assumptions of the General Fund (expenditures)**

2% Cost of Living Increase in Dept. M & O Exp.	\$ 55,000
3% Cost of Living Increases to Salaries	\$ 145,000
Increased PERS Contributions for 2% @ 50 Safety Plan (authorized 2012)	\$ 385,000
No Additional Future Staffing for Growth (No New Positions)	
Meets Internet Sales Tax Policy	
Excess Operating Reserve available in FY 2017-18	\$3,193,472

Annual amount available for additional Personnel,  
 Operating Expenditures and Capital \$ 638,700

**Typical Capital Expenditures of the General Fund**

General Fund Capital Expenditures typically for Equipment and Repairs

Computer Equipment

Phone System

Police Cars

Ambulances

Safety Equipment

Roof and Parking Lot Repairs

Other City Vehicles

Average Annual Amount Spent on Capital Expenditures from General Fund = \$99,100/Year

**Past Capital Project Expenditures of the General Fund**

Past General Fund Capital Project Expenditures on Projects over 20 year Period

Police Facility (1997-2000) \$1,100,000

Playground Equipment (2006) \$ 34,157

D.R.A.C. (2012) \$ 4,150

ADA Ramps (2012) \$ 12,850

\$1,151,157

Average Annual Amount Spent on Capital Projects from General Fund = \$57,500/Year

GF Available – Capital Exp. - Capital Projects – Personnel = Available

\$638,700 - \$99,100 - \$57,500 - ? = Available

**Potential General Fund Expenditures**

Scout House Renovation \$ 150,000

Ice Skating Rink (2 months) \$ 80,000

Zip Line (3 day event) \$ 7,800

Aerial Fireworks Show \$ 25,000

Project House \$ 45,000

Police Cars \$ 40,000

Public Safety Training Facility \$3,000,000

Road Improvements \$1,460,000

Sidewalk Improvements \$ 100,000

RV Park/Fairgrounds \$2,100,000

Additional Police Officer \$ 100,000

Additional Paramedic/Firefighter \$ 90,000

Additional Parks & Recreation Personnel \$ 65,000

Additional Support Staff (Acctg Tec II) \$ 65,000

**PART II PERFECT STORM**

**Revenue Vulnerabilities**

Potential Local Revenue Impacts

General Fund:

Internet Sales Tax Decline or Elimination \$2,400,000

Measure F:

Internet Sales Tax Decline or Elimination \$ 75,000

\$2,475,000

Potential State Revenue Impact

COPS Grant Elimination \$ 100,000

Booking Fee Reimbursement Elimination \$ 28,000

State Property Tax Borrowing \$ 84,000

\$ 212,000

Total Vulnerability \$2,687,000

**General Fund Multi-Year Budget Projections with Potential Revenue Loss**

**RDA Funds no Longer Available for Capital Expenditures**

Past RDA Expenditures on Capital Projects over 20 year Period was approx. \$62,000,000

Average Annual Amount Spent on Capital Projects from RDA = \$3.1M

Major Projects completed were as follows:

- Downtown Streetscape(94-95)
- Industrial Park Improvements (95-98)
- Industrial Park Improvements II(98-06)
- High School Parking Lot (94-96)
- High School Curb & Gutter (94-96)
- KC Vista Park (98-03)
- Bowling Alley Project (99-01)
- Neighborhood Curb & Gutter (99-08)
- Lindara Tract Improvements (01-04)
- DUSD Gymnasium (2002)
- Movie Theater/Entertainment Plaza(02-05)
- Mono & P Land Acquisition (03-04)
- Industrial Park Land Purchase (04-07)
- Downtown Storefront Improvement (04-09)
- El Monte/Westgate (04-05)
- RCR Land Purchase (2007)
- RCR Irrigation and Water Delivery (2007)
- RCR Golf Course Construction (2007)
- RCR Public Improvements (2007)
- RCR Club House/Pro Shop (2007)
- RCR Admin and Housing Dev. Costs (2007)
- WalMart Advantage (2005)

Industrial Trades Program (05-12)  
 High School Swimming Pool (07-09)  
 Town Ditch Enclosure ((07-09)

**PART III FINDING THE BEST COMPASS**

**Sustainability Plan Additional Revenues**

Possible Additional Revenues:	
Property Tax Increase from RDA	\$ 150,000
Overhead Charges (PW/Billing & Collect.)	\$ 545,000
Economic Development – Sales Tax	<u>\$ 160,000</u>
Total Revenue	\$ 855,000

**Sustainability Plan Cost Reductions and Sharing**

Possible Service Reductions:	
5% Reduction – M & O not including Travel and Training)	\$ 198,000
Reduction to Community Promo (Chamber of Commerce	\$ 54,000
Reduction to Training Expense	\$ 30,000
Elimination of Lobbyist	\$ 60,000
Elimination of Summer Night Live	\$ 10,000
Reduction in Property Services	\$ 87,500
Reduction in Vehicle Maintenance	\$ 40,000
Reduction in Employee Services (8 -10 Positions)	<u>\$ 468,500</u>
Total Service Reductions	\$ 948,000

Possible Contributions:	
Employee PERS Contribution	\$ 595,000
\$50/Month Employee Health Ins. Contribution	\$ 39,000
5% Salary Reduction	<u>\$ 250,000</u>
Total Contributions	\$ 884,000
Total Revenue and Cost Reductions	\$2,687,000

**General Fund Multi-Year Budget Projections with Potential Cost Reductions and Sharing**

**Sustainability Plan Continued Development of Regional Marketplace**

Economic Development – Sales Tax:	
Big Box Retail	\$ 400,000
General Retail Department Store	\$ 150,000
Ag Based Equipment Dealer	\$ 50,000
Total New Sales Tax	\$ 600,000

Economic Development – Employment:	
Additional Manufacturing/Industrial Co. (Increases disposable income)	<u>\$ 200,000</u>

Total Potential Economic Dev. Revenue \$ 800,000

**General Fund Sustainability Plan**

- Option 1: Watchful Waiting – Protect current options
- Option 2: Pro-active implementation – continue to build reserve and use for conservative growth
- Option 3: Implement trigger methodology – as vulnerable revenue decreases in \$250,000 increments, corresponding revenue increases/expenditure cuts shall be made to offset the loss of operating revenue

Council Member Gonzalez stepped away from the dais at 6:08 pm and returned to the dais at 6:10 pm.

Discussion followed in regard to how the Sustainability Plan ties into goal setting.

Council Member Morales arrived at 6:26 pm.

Mayor Hinesly adjourned the work session at 6:42 pm.

**CALL TO ORDER**

The regular meeting was called to order at 6:50 pm.

**INVOCATION**

The invocation was led by Council Member Harness.

**FLAG SALUTE**

The flag salute was led by Interim Chief Popovich.

**PUBLIC COMMENT**

1.2. Genoveva Islas-Hooker - Central California Regional Obesity Prevention Program

Not present

1.3. Unscheduled.

None

**CONSENT CALENDAR**

6.1. City Council Meeting Minutes, December 11, 2012

- 6.2. Master Development Schedule
- 6.3. Downtown Entertainment / Alta Heritage Square Connection Project ROW Certification, Resolution No 2013-01
- 6.4. Avenue 416/El Monte Way Widening Project ROW Certificate of Acceptance; APN 012-220-015; APN 012-220-016, 41464 Ave 416, Flavor Tree LLC

It was motioned by Vice Mayor Morales, second by Council Member Harness, to approve the consent calendar as presented.

AYES: Harness, Smith, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: None

#### WARRANT REGISTER

- 7.1. Approval –Warrant Register, December 14, 21, 2012; January 4, 2013

It was motioned by Council Member Harness, second by Vice Mayor Morales, to approve the warrant register as presented.

AYES: Harness, Smith, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: None

#### MAYOR’S MINUTE

- 8.1. Consideration of Appointment to TCAG

No discussion nor action taken.

- 8.2. Information Sharing

Mayor Hinesly shared the following:

Good Morning Dinuba meeting will be held tomorrow at the Flower Box; she attended Ethics training; she attended the Christmas event at Alta Family Health Clinic; she also attended the City Employee Christmas Luncheon.

#### COUNCIL COMMENTS

- 9.1. Request for Excused Absence – Aldo Gonzalez, December 11, 2012

It was motioned by Vice Mayor Morales, second by Council Member Harness, to excuse the absence of Council Member Gonzalez as presented.

AYES: Harness, Smith, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: None

9.2. Resignation from Historic Preservation Commission – Mike Hayes

City Manager Todd shared that Commissioner Hayes has served on the Commission since its inception and has been diligent in his representation.

9.3. Reminder – James Olvera Retirement Event, January 18, 2013

9.4. Reminder - Dinuba Chamber of Commerce Annual Dinner, January 25, 2013

9.5. Information Sharing

Council Member Gonzalez shared there was a Neighborhood meeting at Roosevelt School recently. Council Member Harness shared he attended Dr. Thusu's community Christmas event and the City employee luncheon.

Council Member Smith shared he attended the City employee luncheon and the ROMEO's luncheon. Vice Mayor Morales shared he attended the City employee luncheon.

CITY ATTORNEY

10.1. Information Sharing

None

CITY MANAGER

11.1. Request to Purchase City Real Property, APN 014-033-017 – Martin Ortega

City Manager Todd explained Martin Ortega has requested that the city sell real property to him with which he plans to expand his business toward the east. Todd indicated Ortega has agreed to pay off the prior city loan and has made an offer to purchase. He expects to have the project built out within 48 months.

11.2. Request to Purchase City Real Property; APN 014-032-012 – Octavio Montejano

City Manager Todd explained Octavio Montejano has similarly made an offer to purchase real property near Dickey Avenue for use as professional offices.

Montejano said he recently purchased the property at 747 El Monte Way with the intention of converting it into an office. He said he would like to purchase the property adjacent to the east of his property for the purposes of parking and other possible business ventures.

Martin Ortega explained he too would like to expand his business.

Mayor Hinesly said there is an issue with the zoning. City Manager Todd said the property must go through a general plan amendment and a rezone of the property. Montejano and Ortega would like an idea whether or not the Council would entertain the idea of having professional offices on the proposed purchase sites replacing residential zoning. There is also some property east of Dickey that is currently zoned residential which would have to be rezoned as commercial. Their primary question tonight is whether or not they have the support of the City Council for the rezoning; they would have to go through the process before the property can be rezoned.

Council Member Gonzalez said it makes sense for businesses to be in that particular area.  
Council Member Harness asked what Montejano plans to establish on the property. Montejano said it would be retail or a tacqueria; at the very least, office space.  
Council Member Smith said he agrees that the property should be zoned commercial.  
Vice Mayor Morales concurred.

City Manager Todd said the other request is that the property be sold to them at \$5.00 a square foot and that they receive a credit for the rezoning bringing down the purchase price to approximately \$4.50 a square foot.

Mayor Hinesly said there is also a third party that may be interested and so it could be a three-way application.

It was motioned by Council Member Harness, second by Vice Mayor Morales, to approve the general terms in the request to purchase APN 014-033-017, by Martin Ortega and, to authorize the City Manager to execute the documents.

AYES: Harness, Smith, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: None

It was motioned by Council Member Harness, second by Council Member Gonzalez, to approve the general terms in the request to purchase APN 014-032-012, by Octavio Montejano and, to authorize the City Manager to execute the documents.

AYES: Harness, Smith, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: None

### 11.3. City Manager's 2013 Schedule

City Manager Todd shared his 2013 schedule which included plans for recruiting a Police Chief and a City Manager prior to Todd's retirement date in January 2014. The Council concurred with the City Manager's schedule.

### 11.4. Information Sharing

City Manager Todd shared information about his holiday experience in New York.

## ENGINEERING AND PLANNING SERVICES

### 12.1. Award Construction Contract - Dinuba Transit Center

City Engineer Uota reported the bids were recently opened for the Dinuba Transit Center. He explained the bid scope for the project. The bids ranged from \$1.2 million to \$1.6 million and they were close to one another. Uota requested that the City Council consider awarding the project to Sequoia Construction for their bid of \$1,517,600.

Council Member Harness asked how bids are selected. Engineer Uota shared we are obligated by state law to award the bid to the lowest responsive bidder.

Discussion followed.

It was motioned by Vice Mayor Morales, second by Council Member Gonzalez to award the bid to Sequoia Construction as presented.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: Smith  
ABSENT: None

### 12.2. Award Construction Contract - El Monte Way and Hayes Avenue Lighted Crosswalk Project No. SR2SL-5143(021)

City Engineer Uota reported that the crosswalk project was bid and bids were opened in October.

The Bid results received were:

- o RDA Construction- \$66,700.00
- o Hobbs Construction Inc.-\$81,166.00
- o Lee's Paving- \$113,980.00

Uota said there were questions due to issues with good faith efforts. Uota explained there is a large differential between RDA Construction and the next lowest bidder. Staff has confirmed with RDA that the bidder has not made an error in the bid submitted and that the scope of work will be completed within the bid amounts. Uota requested that the City Council award the bid to RDA Construction for the bid amount of \$66,700 as submitted.

AYES: Harness, Smith, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: None

### 12.3. Information Sharing

## FINANCE AND COMMUNITY SERVICES

### 13.1. 2013-14 Budget Calendar

Budget and Finance Manager Cook presented the Budget Calendar. Cook reported that work has begun on the budget process and it's the intention of staff to adopt the budget in June.

It was motioned by Council Member Harness, second by Council Member Smith to adopt the Budget Calendar as discussed.

AYES: Harness, Smith, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: None

### 13.2. Information Sharing

Director Nunes said she attended the ROMEO's celebration at the Senior Center and the City employee luncheon.

## FIRE SERVICES

### 14.1. Information Sharing

Chief Thompson said he attended the ROMEO's celebration at the Senior Center and the toy give away at A-plus Auto where 400 to 500 toys were given away.

## POLICE SERVICES

### 15.1. Project Listen Update

Chief Popovich gave a brief update of Project Listen and mentioned that there will be a community meeting at the Community Center on January 31.

#### 15.2. 2011-2012 Crime Statistics

Chief Popovich shared crime statistics beginning in 2010 to present. He also shared stats on arrests made of those involved in the crimes.

Discussion followed in regard to the Neighborhood Watch Program.

#### 15.3. Information Sharing

Chief Popovich said reserve testing was completed and 5 applicants were successful--three of the candidates have pending offers. The remaining two have been placed on the eligibility list. There are four current reserve officers who plan to apply for the two police officer positions.

Mayor Hinesly asked Popovich how New Year's Eve went.

Popovich said there was extra staffing on board and there were no issues for New Years or Christmas.

### PUBLIC WORKS

#### 16.1. Authorization to Apply for Transportation Alternative Program Grant (TAP Grant)

Director Beltran reported that TCAG issued a call for projects for the Transportation Alternatives Program (TAP) for which TCAG anticipates \$2.665 million will be available to Tulare County over the next four years. The funding will provide opportunities to help enhance transportation modes and corridors through projects related to surface transportation, including facilities for pedestrians and bicycles, infrastructure safety, and educational activities for pedestrians and bicyclists.

The deadline to apply was December 20, 2012 resulting in a request for retroactive authorization. Our application was for Class II and Class III bicycle (selected by staff because of timelines). Staff submitted a grant application for a similar bicycle project last year but was not successful. The project if successful, will be consistent with the General Plan to establish a city-wide bicycle/pedestrian path system, support installation of bicycle parking racks at public and private places of assembly and promote bicycle safety education. The estimated cost of the project is \$266,000 with a local match of 11.47%. Staff intends to request Measure R funds be used to meet the required match.

Council Member Harness asked, "If Measure R denies the local match amount to the city will it have to be paid out of the General Fund?"

Staff's response was, "no, it will come out of the Transportation fund."

It was motioned by Vice Mayor Morales, second by Council Member Gonzalez, to authorize the application for Transportation Alternative Program Grant (TAP) for a Class II and Class III Bicycle Lanes project as presented.

AYES: Harness, Smith, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: None

16.2. Information Sharing

None

17. ADJOURNMENT

Mayor Hinesly adjourned the meeting at 8:12 pm.

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Janet C. Hinesly, Mayor

ATTEST:

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Linda Barkley, Deputy City Clerk