



VISALIA CITY COUNCIL STRATEGIC PLANNING WORKSHOP

FEBRUARY 10 & 11, 2012

Council member attendance – Mayor Amy Shuklian, Vice-Mayor Steve Nelsen, Warren Gubler, Bob Link, Greg Collins

SUMMARY REPORT

The Visalia City Council met on February 10th and 11th in the Hall of Fame room of the Rawhide Baseball Stadium to discuss issues of importance to the city. Council members, staff and community members in attendance shared viewpoints about issues that were selected by council members. The meeting agenda is appended to this report. Staff reports were given to provide background information prior to the Council's discussion of each issue. They are also appended to this report. Public comments were invited from community members at the beginning of each day's discussions as well as during specific topics covered throughout the two days.

The comments noted after each section title are a compilation of comments from the council members, the staff and community members. They are brief summary statements on each issue. A more complete presentation of the issue can be found in the written staff reports that are appended to this summary.

Priorities for 2012

This year's exercise to identify the focus of the organization's work program was underscored by one central theme: **no new projects**. Council members commented on the importance of continuing the work that is under way on a number of existing projects and programs. Consideration was expressed regarding the workload currently borne by a city staff that has been reduced by 40 positions over the past 4 years. In fact, the city has tightened its fiscal belt and trimmed nearly 120 positions from the organization over the past 20 years when comparing the worker-to-population ratio of 5.51 per thousand in FY 1989/90 to 4.38 in FY 2011/12.

The following work program priorities are **not** listed in any order of relative importance.

1. Stay the course on the Animal Control Facility. The new facility should be funded and begin construction before the end of 2012. Doing so is important to the morale, health, and safety of the employees working there.

The new facility will improve the city's image and may provide new marketing and economic development opportunities.

2. Secure funding for the new Public Safety Dispatch Center and break ground by the summer of 2013. Incorporate construction of the new Public Safety Center into the project if possible.

3. Conduct a new review of alternative pension programs that adequately meet the needs of the employees while being less costly to the city than the current Public Employee Retirement System (PERS) plans.

4. Complete the General Plan Update with adoption anticipated in the first quarter of 2013. Public involvement in the formulation of the Plan remains a priority.

5. Research options for a greater level of involvement by the Fire Department in the transport of emergency medical service patients. Bring a report back to the city council by mid-2012. Special attention should be given to cost recovery and compatibility with existing patient transport services.

6. Increase employee training opportunities at all levels of the organization in order to strengthen "staff infrastructure". City Council is open to increasing funding for this endeavor in the interest of encouraging team building, increasing employee "connectivity" and improving employee morale.

7. Continue to emphasize economic development in the Downtown, Mooney Blvd. corridor, and the Industrial Park. Create a marketing campaign for the East Downtown area that can be used to attract private sector investment. Pay special attention to infill opportunities on E. Main St. from Santa Fe to Ben Maddox Way.

8. Continue improving the city's image and aesthetics. Progress can be measured by a reduction in signage clutter, the number of complaints received by council members and the number of enforcement actions taken by Code Enforcement.

9. Emphasize economic development on SR 63 (Dinuba Blvd.) north of Houston Avenue. Capture retail spending by residents living to the north and east of Visalia.

10. Move forward in 2012 with a Charter amendment proposal to the voters for council member election by districts.

11. Bring city resources back to a level necessary to support a staffing-to-population ratio appropriate to the service demands of the community.

12. Continue the “Smart Team” approach to neighborhood revitalization. Excellent results are being seen from the integration of varied city and community resources in a coordinated response to neighborhood problems.

13. Continue the city’s focus on resource sustainability. Increase the city’s involvement in water conservation and educating the community about water issues. Encourage participation by California Water Company. Explore alternatives for the city to capture revenue from providing recycled water in the “purple pipe system”.

As in previous years, it is anticipated that an update will be given to the City Council at the end of six months to see what progress had been made on these goals.

FRIDAY AGENDA ITEMS

Mayor Amy Shuklian opened the Workshop with welcoming comments. She thanked the council members for their commitment of time to meet over the next day and a half and thanked staff for the work that went into preparing for the meeting. She acknowledged the continuing financial challenges faced by the organization and expressed confidence that the city will continue on its path of excellence.

Public comments were invited and Bill Huott expressed his appreciation of the support that has been shown by the City Council and employees in assisting with community cleanups in his neighborhood and surrounding areas.

Mayor Shuklian turned the meeting over to Steve Salomon, City Manager, for his opening comments. He commented on the city’s financial situation, significant cost saving measures enacted by City Council, impacts of staffing reductions, capital projects and the ever increasing importance of water. His concluding remarks were that **“the City will likely do better than many others because of past efforts by the City Council to diversify the economy and manage the City’s resources appropriately”**.

The entirety of the City Manager’s written comments are appended following the Agenda.

SHARED VALUES

Six agenda topics were discussed on Friday, February 10th. The Workshop opened with an exercise that identified shared values. The purpose of the

exercise was to refocus each council member, City Manager, City Attorney and department head on the core values with which their work as policy makers and policy implementers must align. Working individually, each person listed the top 5 to 10 single word qualities or characteristics that were most valued and shaped their service to the city. The lists were shared with the group and combined. They were later organized into 4 categories: Mind, Heart, Professionalism and Product. The attributes associated with each area were as follows:

Mind: These are the “thinking” characteristics and are influenced over time by genetics, education, training and experience. They help answer the question of **WHY** a particular thing is being done the way it is. When connected to attributes of the Heart, they shape what we commonly refer to as one’s “character”.

Positive	Insightful
Innovative	Frugality
Risk-taking	Creative
Entrepreneurial	Imaginative
Listen	Visionary
Tenacity	Honest communication
Discernment	

Heart: These are the “emotive” characteristics that are influenced over time by beliefs, sentiment, spirituality, associations, and living. These also help answer the question of **WHY** a particular thing is being done the way it is. They are the essence of the person that, when connected to attributes of the MIND, shape what we commonly refer to as one’s “character”.

Fun/Humor	Helpful
Positive	Friendly
Forthright	Cheerful
Nurture	Integrity
Motivated	Passion/Drive
Caring	Sincerity
Faith	Compassionate
Honesty	Moral
Kind	Respectful
Courteous	Thoughtful
Ethical	Courageous
Trustworthy	Loyalty
Fair	

It is the MIND-HEART connection that ultimately defines the individual’s service to others and the community! It operates as the compass by which we set our course.

Professionalism: These are the “skills” characteristics that are acquired over time through education, training, trial and error experience, successes, failures, observation, application etcetera. They help answer the question of **HOW** a particular thing is being done the way it is.

Leader	Effective
Accountable	Collaboration
Timely	Informative
Responsive	Diligent
Consistency	Persistence
Industrious	Accessible
Community	Commitment
Approachable	Openness
Inclusive	Cooperative
Team	Productive
Dedication	Efficient
Cohesion	Community-minded
Transparency	

Product: This category encapsulates the “output” side of the equation. It helps to answer the question of **WHAT** happens when Mind, Heart and Professionalism are focused on an organizational goal or objective.

Conservator	Quality
Service	Added value

Conducting the community’s business has become increasingly difficult because of a scarcity of the resources needed to meet all of the needs that come to the organization’s attention. Mutually exclusive choices must be made in deciding how time, talent and money will be used to accomplish the City Council’s goals. Measuring up to the city’s stated “Code of Ethics” and “Organizational Values” (See appended material) may be more consistently done by pausing occasionally to “square up” these choices with the core values identified in this exercise.

LAST YEAR’S ACCOMPLISHMENTS

Continued budget constraints and staffing reductions made 2011 a challenging year in which to provide city services and pursue the top priorities established at last year’s City Council Strategic Planning Workshop. Significant progress was made on the following 8 top priorities established by City Council at the Workshop. It is detailed in the appended report about this topic.

- 1. Develop a plan for greater community input into the General Plan Update process. Include community meetings that are focused on individual elements or areas of interest of the General Plan as**

well as broader meetings that address the General Plan as a whole. Include strategies for involving the city's consultant in the information sharing. Also clarify funding available for the third year portion of the comprehensive work program including in-house expense estimated at \$32,000.

2. **Present a draft balanced budget in May that is prepared in two different ways: one using General Fund reserves and one using NO General Fund reserves. Show the impacts on staffing levels, timeliness of service delivery and deferred activity for both approaches.**
3. **Better educate the General Plan Update Review Committee and the community regarding the importance of retail sales tax in paying for budgeted city services. This needs to be done prior to receiving community input on the elements of the General Plan that are impacted by this issue.**
4. **Better educate the community regarding water issues affecting the city and its surrounding area. Emphasize the interconnectivity of this critical resource among the communities and managing agencies within the Kaweah Delta Water Conservation District and allied water management groups.**
5. **Bring back to the City Council for action by late March or early April the seven recommendations to increase economic activity that are contained in the report from Mike Olmos, Assistant City Manager. (See the appended report for item 8 (1), page 1,2.)**
6. **Continue the multi-agency coordinated effort to suppress gang activity being led by the Visalia Police Department.**
7. **Begin work on identifying a "signature event" for the city. Convene a meeting within two months of the interested individuals and sponsoring organizations involved with the "Healthy Visalia" program. Explore the possibility of this program growing over time into the signature event for Visalia.**
8. **Identify infrastructure improvements needed in the Downtown and Mooney Blvd. areas. Estimate the work program and associated costs necessary to make those improvements.**

See the appended staff report for full details on this topic.

FINANCIAL UPDATE

The Finance Director provided an update to the city's financial condition and his forecast for the coming year. The report was divided into 5 sections:

- a. Inventory of 4 fiscal years of budget solutions
- b. Current fiscal forecast
- c. Historical perspective on city revenues
- d. RDA dissolution and next steps
- e. Major issues from city supervisors and managers

The overall tone of the presentation was one of guarded optimism. Prior year cutbacks have saved the General Fund \$7.1 million in "ongoing budget solutions" and \$7.4 million in "one-time budget solutions". Sales tax revenue is beginning to show a modest year-to-year increase. It is expected to contribute to a \$400,000 General Fund surplus of revenue over expenses by FY 2013/14 if current spending is restricted to current levels. However, deficits are anticipated in the current and next fiscal years and may require further reductions to balance the General Fund budget.

A historical review of the city's financial picture points to a combination of state takeaways, the national recession and erosion of Visalia's regional sales tax dominance over the years contributing to the city's economic problems. The Finance Director states, for example, "If Visalia had the same tax dominance today as it did in the 1980's, the General Fund would have another \$6 million". This amount would have been more than sufficient to balance the General Fund the past four years **without** having to rely on reserves.

The State's recent legislation that ended redevelopment programs in all city and county jurisdictions adds another layer to the city's diminishing resources. It is uncertain at this time whether or not outstanding General Fund loans totaling \$6.83 million to the Redevelopment Agency will be repaid from tax increment. It is also uncertain to what extent there may be future funding from repayments of affordable housing loans to fund additional affordable housing projects. The answers to these and other uncertainties await court decisions and further negotiations with the state legislature likely to take place this year.

Council members were also provided the results of a meeting of supervisors and managers that addressed their perspectives on major issues of concern to the organization. Quoting from the Finance Director's report; "Three themes came out of the feedback from managers and supervisors, namely:

1. **Human Resources** - Employees are tired from 4 years of cutbacks.

2. **Sustainability** – There is concern about being able to sustain the services the City provides given the cutbacks that the City has had to make.

3. **Better Tools** – If the City is to continue with limited staffing, employees need the best tools the City can afford to do their job.”

Council members acknowledged the increased workload that has been placed upon the employees and expressed their own concern regarding the loss of “connectivity” among employees who are now stationed at 9 different locations throughout the city. Several of those locations can be consolidated into the new Civic Center when it is built. Doing so will not only result in more efficient service to the community, it is also expected to improve employee morale.

There was strong consensus among council members and staff that the city is unlikely to work its way out of its financial difficulties by relying on increased sales taxes alone. Visalia is not going to regain the regional sales tax prominence it once enjoyed. Surrounding communities now have many of the large retailers in their own cities that they once traveled to Visalia to find. Therefore, alternative sources of revenue must be found to pay for deferred maintenance, capital projects and additions to staffing. Among the alternatives discussed were:

- **Add a utility users tax.** This is a revenue source that would increase over time as the community grows. Timing and the state of the economy are important considerations in deciding whether or not to ask the community to approve this. **A tax of 6% would generate \$10 million per year.** That percentage is the same as that assessed by other cities in our region with the exception of Exeter.

It was also acknowledged that not having this tax may be an incentive for industrial companies evaluating Visalia as a location for their business. The City Manager pointed out that an even greater consideration for these companies is the adequacy of city infrastructure and services. A cash-strapped city loses its competitive edge over time.

- **Increase the sales tax override.** The current override of .25% is half or less the amount of what other cities that assess this rate have. **Raising Visalia’s override to .50% would raise another \$5 million per year** for Visalia without jeopardizing our retail competitiveness with other cities in our region with a similar mix of retailers. This approach offers the additional advantage of bringing revenue from outside the community as visitors shop Visalia’s stores.
- **Increase the transient occupancy tax (TOT).** A modest increase in the TOT that currently stands at 10% would generate new revenue primarily

from those visiting the community. **A 2% increase would generate approximately \$200,000 per year.**

- **Increase fees.** Several fees for city services may not be keeping pace with the cost of the service and could be increased if that is determined to be the case. Two examples mentioned were the hazardous use inspection fees charged by the Fire Department and recreation program fees charged by the Recreation and Parks Department.

Obtaining public input is the key to making a decision to move forward with any of these revenue options. True and honest communication with the city's residents must precede any actions along this line. Designating the use of the money raised was a critical element in the passage of Measure T and Measure R and should be incorporated in some fashion if the utility users tax or sales tax override are submitted to Visalia's residents for approval.

The City Manager was asked to look into obtaining consulting assistance to analyze the issues associated with a ballot initiative. A report should be made to the City Council in mid-summer of 2012 regarding the potential cost and process associated with this research. The City Council would like to have the necessary information to engage a consultant by the Spring of 2013 if it decides to move forward.

See the Finance Director's appended report for full details on this topic.

SUSTAINABILITY OF INFRASTRUCTURE AND PROGRAMS

Concerns about the sustainability of city programs, infrastructure and services surfaced among the council members and department heads interviewed for the Workshop. It was also singled out at the meeting with supervisors and managers that was facilitated by the Finance Director. Everyone acknowledges limitations that have been placed on the organization by declining resources. This has reduced the money available to maintain what is already in place like buildings and roads while severely limiting staff time available to attend to new infrastructure like parks.

The disparity occurs in part due to the availability of one-time revenue like grants and impact fees that pay for the construction of parks, buildings and roads but does not include funding for their ongoing maintenance. Examples mentioned include:

- Information Technology (IT): New equipment and systems are added but there is no funding for additional staffing to support the additions. Existing staff must somehow fit the new demands into their already crowded schedule.

- New Parks: Parks are added as a result of impact fees but there is no money available from those fees to maintain what is built.
- New Roads: Roads are added to the city’s inventory by way of new residential and commercial development as well as the expenditure of transportation impact fees. Maintenance is an afterthought in a tight economy and the city has little choice but to add those roads if it wants to enjoy the benefits of a growing community.

A significant backlog of deferred maintenance is growing larger every year. With that deferral come higher costs at a later date to address structural degradation that could have been prevented with earlier, less costly maintenance. This pattern has become an unfortunate reality in most public agencies as the struggle continues to ward off service cuts. Eventually, tough choices have to be made regarding the advisability of adding more infrastructure and programs even if they are initially funded by grants and impact fees.

Council members and department heads defined “sustainability” as the ability to keep going. It entails moving at a reasonable pace, using only the resources available at the time, providing basic services, providing for future needs and making maintenance of what we have the first priority.

Ultimately, a system similar to a “life cycle costing” element is needed that identifies the foreseeable maintenance costs and a funding source for them at the time a request is made to add new programs and capital expenditures. It should be simple, concise appropriate to the scale of the request. This may lead to decisions to forgo grant funds and even return impact fees if a reliable maintenance of effort cannot be assured. It may also mean identifying the key infrastructure and services the city must provide and eliminating others until they can be sustained.

Council members requested that a list be made of the deferred maintenance items for an initial review. They will decide at that time whether or not more detailed financial information is needed.

COMMUNITY SIGNAGE, BANNERS AND MARKETING DEVICES

The report to City Council begins with this summary: “The Neighborhood Preservation Code Enforcement Division has received an increase in complaints regarding non-profit signs and banners. However, the ordinance as it is currently written is ambiguous creating an enforcement issue.”

The report also points out difficulty in regulating animated signs as well. Staff recommended an amendment to the sign ordinance in order to provide greater clarity and consistency in its application.

Council members supported a revision to the ordinance in both instances. They stated their agreement with staff's intention to widely circulate proposed changes among the business and industrial community prior to bringing them to the Planning Commission and City Council for adoption.

See the appended staff report for full details on this topic.

GENERAL PLAN UPDATE PROJECT HIGHLIGHTS

Quoting from the Summary of the staff report, "The City is in the final year of its three-year General Plan Update effort. In the next couple months, it is anticipated that the General Plan Update Review Committee (GPURC) will finalize a recommended Land Use Plan (Preferred Plan) and policies, which will be considered by the Planning Commission and the City Council at a joint study session. Upon City Council's acceptance, the GPURC will prepare General Plan Elements, and adoption hearings will commence for the General Plan and Program EIR. Final adoption by the City Council is anticipated in February 2013".

Council members discussed the importance of infill development with differences of opinion on whether or not it has been adequately addressed in the Plan. There was also an emphasis placed on the importance of community involvement in the formulation of the plan.

Staff is requesting \$125,000 in the FY 2012/13 CIP to complete funding for the General Plan Update.

See the appended staff report for full details on this topic.

SATURDAY AGENDA ITEMS

Mayor Shuklian welcomed everyone back to the second day of the Workshop and invited public comments. There were none and the first agenda item of the day was discussed.

HISTORY OF EMERGENCY MEDICAL SERVICE BY THE FIRE DEPARTMENT AND POSSIBLE FUTURE STEPS

The Fire Department has been providing emergency medical services since the 1920's. The department's level of involvement has varied over the years. It has included providing ambulance transport service as well as responding to calls for service in Springville, Three Rivers and the Dinuba area.

Fire Department personnel have been trained to the level of EMS since the late 1980's but have now progressed to the point where 27 paramedics are among

their ranks. This allows them to have at least one paramedic on all fire units at all times.

It is a well established fact that a fire unit is usually the first to arrive at calls for emergency service everywhere in the city. This is due in large part to the balanced distribution of units throughout the city. The response time is a critical component in the patient's survival of traumatic situations and 2 or 3 minutes is a huge difference. That led to the Fire Department resuming its response to calls for emergency medical assistance in 1988 after a nearly 10 year span wherein city policy disallowed their involvement.

Staff is interested in evaluating the expansion of the department's role in providing emergency medical transport services as well since they are already at the scene providing paramedic service. Council members are interested in learning more about this and asked the Fire Chief to research the matter and report back to the City Council by the second council meeting in March. The following questions should be included among those addressed in the report:

- What would be the impact on dispatch services?
- How would the private sector be impacted, especially ambulance service?
- What new revenue streams would be available to cover the cost of this service? Are franchise fees available from private ambulance service?
- What changes in equipment and staffing are required?
- Would this service be sustainable without any subsidy from the General Fund?
- How might responses to emergency medical service calls be handled more efficiently?

See the appended staff report for full details on this topic.

DOWNTOWN DEVELOPMENT

Quoting from the opening paragraph of the staff report, "Increased development in the form of infill and higher densities in the downtown has been desired by the City for some time. Some development in these forms has occurred over the last few years, however two primary obstacles to this development have been identified, electrical service and fire protection connections. The City street system in the downtown operates well and at a good overall level of service and should continue at this level if the city's planned projects are completed per the circulation element. Some localized street improvements, connections and completions along with improvement of alternate modes of transportation and street lighting will be needed in

the future. In addition, future improvements and upgrades to the City's downtown storm and sanitary systems will be needed to keep up with demand."

Staff has identified utility "nesting areas" in each downtown block that could provide a means of upgrading electrical service with minimal impact to buildings, parking and downtown operations. The approach is acceptable to Southern California Edison Company and can be utilized by property owners at little or no cost above normal construction costs.

Downtown's antiquated street lighting system is in dire need of replacement. System failures become more and more difficult to repair due to the unavailability of parts. Energy costs and maintenance are considerably higher than would be required for an updated system. Unfortunately, the \$3 million to \$4 million required for its replacement is non-existent. It might be possible to borrow the funds and apply the savings in energy and maintenance costs to the debt service. If so, a partnership between the Property Owners Association and the city could be explored.

Meeting current fire suppression requirements is another of the challenges for downtown development. A plan for providing this service between West St. and Bridge St. has been developed. It relies on a series of "manifolds" located within 50 feet of an existing or proposed fire hydrant. They would be located within existing or proposed landscape areas in the downtown. The downside of the plan is that the first owner on a block to perform a remodel or expansion would have to pay the full cost of the manifold installation. Staff is researching funding options to address this.

Council members expressed an interest in identifying downtown corners that could be developed into a small park or pedestrian square. They also voiced their support for uncovering Mill Creek whenever possible during downtown development. It was also thought that a Facade Renovation Program would benefit the downtown and could, perhaps, be financed through a revolving loan fund from the Property Owners Association. City planners might play a role in encouraging façade renovations when projects are submitted for their review.

The transportation system and the storm and sanitary sewer systems were also reviewed with council members.

See the appended staff report for full details on this topic.

The Workshop concluded with council members selecting their top priorities for 2012. They are noted in the **PRIORITIES FOR 2012** section at the beginning of this report.

The Workshop adjourned at the conclusion of this exercise.