

**CORCORAN CITY COUNCIL,
JOINT POWERS FINANCE AUTHORITY,
SUCCESSOR AGENCY FOR CORCORAN RDA,
& HOUSING AUTHORITY
AGENDA**

**City Council Chambers
1015 Chittenden Avenue
Corcoran, CA 93212**

**Tuesday, March 26, 2019
5:30 P.M.**

Public Inspection: A detailed City Council packet is available for review at the City Clerk's Office, located at Corcoran City Hall, 832 Whitley Avenue.

Notice of ADA Compliance: In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the City Clerks Office at (559) 992-2151.

Public Comment: Members of the audience may address the Council on non-agenda items; however, in accordance with government code section 54954.2, the Council may not (except in very specific instances) take action on an item not appearing on the posted agenda.

This is the time for members of the public to comment on any matter within the jurisdiction of the Corcoran City Council. This is also the public's opportunity to request that a Consent Calendar item be removed from that section and made a regular agenda item. The councilmembers ask that you keep your comments brief and positive. Creative criticism, presented with appropriate courtesy, is welcome.

After receiving recognition from the chair, speakers shall walk to the rostrum, state their name and address and proceed with comments. Each speaker will be limited to five (5) minutes.

Consent Calendar: All items listed under the consent calendar are considered to be routine and will be enacted by one motion. If anyone desires discussion of any item on the consent calendar, the item can be removed at the request of any member of the City Council and made a part of the regular agenda.

ROLL CALL

Mayor:	Sidonio "Sid" Palmerin
Vice Mayor:	Patricia Nolen
Council Member:	Raymond Lerma
Council Member:	Jerry Robertson
Council Member:	Jeanette Zamora-Bragg

INVOCATION

FLAG SALUTE

1. PUBLIC DISCUSSION

2. **CONSENT CALENDAR (VV)**

- 2-A. Approval of minutes of the meeting of the City Council on March 12, 2019.
- 2-B. Authorization to read ordinances and resolutions by title only.
- 2-C. Accept the 2018-2019 Capital Improvement Plan Street Maintenance Projects and authorize the City Clerk to record the Notice of Completion
- 2-D. Approve Resolution No. 2964 declaring surplus property.

3. **APPROPRIATIONS (VV)**

Approval of Warrant Register dated March 26, 2019. *(Ruiz-Nuñez) (VV)*

4. **PRESENTATIONS**

- 4-A. Presentation on CalPERS Unfunded Accrued Liability and future budgetary impacts on the City of Corcoran. Presentation continued from previous meeting *(Meik)*

5. **PUBLIC HEARINGS** – None

6. **WRITTEN COMMUNICATIONS** – None

7. **STAFF REPORTS**

- 7-A. Request direction from Council on the pedestrian crosswalk improvements. *(Faulkner)*
- 7-B. Review the Corcoran Police Department 2018 annual report. *(Shortnacy)*
- 7-C. Request direction from Council on the lighting repairs at the skate park/basketball courts. *(Meik/Faulkner)*
- 7-D. Request direction from the City Council on potential projects to be submitted to the California Department of Parks and Recreation as part of the Prop 68 grant application process. *(Meik/Faulkner)*
- 7-E. Discuss Fire Services Funding Plan Report Prepared by Willdan Financial Services. *(Meik)*

8. **MATTERS FOR MAYOR AND COUNCIL**

- 8-A. Information Items
- 8-B. Staff Referral Items - *Items of Interest (Non-action items the Council may wish to discuss)*
- 8-C. Committee Reports

9. **CLOSED SESSION**

9-A. **CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision
(d) of Section 54956.9:

Number of potential cases: Two cases.

9-B. **CONFERENCE WITH LABOR NEGOTIATOR(S)** (Government Code §
54957.6). It is the intention of this governing body to meet in closed-session to
review its position and to instruct its designated representatives:

- Designated representatives: _____
- Name of employee organization: CPOA, Local 39, and CLOCEA
- Position title(s) of unrepresented employee(s): Management Team

9-C. **PERSONNEL** (Government Code § 54957(b)). It is the intention of this
governing body to meet in closed-session to:

- Consider the discipline, dismissal or release of a public employee.
- Hear complaints or charges against a public employee.
- Consider public employee appointment/employment for the position of:

- Consider public employee performance evaluation for the position of:
City Manager, Kindon Meik

10. **ADJOURNMENT**

I certify that I caused this Agenda of the Corcoran City Council meeting to be posted at
the City Council Chambers, 1015 Chittenden Avenue on March 22, 2019.



Marlene Spaña, City Clerk

**CORCORAN CITY COUNCIL,
JOINT POWERS FINANCE AUTHORITY,
SUCCESSOR AGENCY FOR CORCORAN RDA,
& HOUSING AUTHORITY
AGENDA**

Tuesday, March 12, 2019

The regular session of the Corcoran City Council was called to order by Mayor Palmerin, in the City Council Chambers, 1015 Chittenden Avenue, Corcoran, CA at 5:31 P.M.

ROLL CALL

Councilmembers present: Patricia Nolen, Raymond Lerma, Sidonio Palmerin, Jerry Robertson (arrived at 5:32pm), and Jeanette Zamora-Bragg (arrived at 5:41pm)

Councilmembers absent:

Staff present: Joseph Faulkner, Ken Jorgensen, Kindon Meik, Soledad Ruiz-Nuñez, Reuben Shortnacy, Kevin Tromborg and Marlene Spain

Press present: Tina Botill, "The Corcoran Journal"

INVOCATION

Invocation was presented by Palmerin.

FLAG SALUTE

The flag salute was led by Nolen.

1. PUBLIC DISCUSSION

Lilly Orosco, representing the Kings County Commission on Aging, advised Council of the upcoming fundraising event being held on March 31, 2019, at the Applebee's in Hanford, CA. Tickets are being sold, and the proceeds will go to the Kings County Commission of Aging.

2. CONSENT CALENDAR

Following Council discussion a **motion** was made by Lerma and seconded by Robertson to approve the Consent Calendar. Motion carried by the following vote:

AYES: Lerma, Nolen, Palmerin and Robertson

NOES:

ABSENT: Zamora-Bragg

3. APPROPRIATIONS

Following Council discussion a **motion** was made by Robertson and seconded by Nolen to approve the Warrant Register for March 12, 2019. Motion carried by the following vote:

AYES: Lerma, Palmerin, Nolen, Robertson and Zamora-Bragg
NOES:
ABSENT:

4. PRESENTATIONS

4-A. Kindon Meik, City Manager, presented the CalPERS Unfunded Accrued Liability and future budgetary impacts on the City of Corcoran.

4-B. Community Development Director, Kevin Tromborg, presented the Corcoran Area Transit (CAT) fare workshop.

At this time, Councilmember Robertson requested Item 7-A be moved after Item 4-B due to time constraints.

7. STAFF REPORTS

7-A. Following Council discussion a **motion** was made by Robertson and seconded by Nolen to approve Resolution No. 2961, Fiscal Year 2018-2019 fund for Low Carbon Transit Operations Program (LCTOP)

AYES: Lerma, Palmerin, Nolen, Robertson and Zamora-Bragg
NOES:
ABSENT:

5. PUBLIC HEARINGS – None

6. WRITTEN COMMUNICATIONS – None

8. MATTERS FOR MAYOR AND COUNCIL

8-A. Council received information items.

8-B. Staff received referral items.

8-C. Committee reports.

CLOSED SESSION

At 7:28 p.m. Council recessed to closed session pursuant to:

CLOSED SESSION

9-A. THREAT TO PUBLIC SAFETY

With respect to every item of business to be discussed in closed session pursuant to Sections 54957 of the Government Code:

Consultation with: Corcoran Police Department:
Police Chief Reuben Shortnacy
Deputy Police Chief Gary Cramer

9-B. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9:

Number of potential cases: One case.

9-C. CONFERENCE WITH REAL PROPERTY NEGOTIATOR(S)

With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54956.8:

Property: 032-033-005
1265 Branum Ave
429 James
1116 Sherman

Agency negotiator: City Manager

Negotiating parties: _____

Under negotiation: _____

9-D. CONFERENCE WITH LABOR NEGOTIATOR(S) (Government Code § 54957.6). It is the intention of this governing body to meet in closed-session to review its position and to instruct its designated representatives:

- Designated representatives: _____
- Name of employee organization: _____
- Position title(s) of unrepresented employee(s): ___ CPOA, Local 39, CLOCEA, and Management Team_.

The regular meeting was reconvened at 9:00 p.m.

Council received an update on the one anticipated litigation case and gave direction to the City Attorney.

In regards to Item 9-C, the City Council directed the City Manager to proceed with the sale of the following parcels and authorized the City Manager to sign relevant documents to initiate the sale of the parcels:

- 1265 Branum
- 429 James
- 1116 Sherman

ADJOURNMENT

9:02 P.M.

Sid Palmerin, Mayor

Marlene Spain, City Clerk

APPROVED DATE: _____

City of

CORCORAN

FOUNDED 1914

Public Works Department

CONSENT CALENDAR ITEM #: 2-C

MEMO

TO: Corcoran City Council

FROM: Joseph Faulkner, Public Works Director

DATE: March 20, 2019

MEETING DATE: March 26, 2019

SUBJECT: Notice of Completion for 2018/2019 Capital Improvement Plan Street Maintenance Projects

Recommendation:

Staff request that the City Council accepts the 2018/2019 Capital Improvement Plan Street Maintenance Projects as being complete and authorize the City Clerk to record the Notice of Completion.

Discussion:

The project consisted of:

- Micro-surfacing and chip seal treatment for 4th Avenue from Quebec Avenue to Plymouth Avenue.
- Type II slurry seal treatment for Dairy Avenue from Orange Avenue to Whitley Avenue.
- Type II slurry seal treatment for Whitley Avenue from Wigdal Avenue to Dairy Avenue.

This project was completed on March 1, 2019 for a total cost of \$338,120.00.

Budget Impact:

No Budget impact to record Notice of Completion.

City of

CORCORAN

Public Works Department

FOUNDED 1914

**CONSENT CALENDAR
ITEM #: 2-D**

MEMO

TO: Corcoran City Council

FROM: Joseph Faulkner, Public Works Director

DATE: March 20, 2019

MEETING DATE: March 26, 2019

SUBJECT: Approval Resolution No. 2964 declaring Surplus Property

Recommendation:

Move to approve Resolution No. 2964 as part of the consent calendar.

Discussion:

The attached resolution and Exhibit A indicates property the City is no longer using. Staff recommends the approval of Resolution No.2964 declaring park equipment surplus and available for sale.

Budget Impact:

None.

RESOLUTION NO. 2964

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORCORAN
DECLARING CERTAIN PROPERTY SURPLUS AND AVAILABLE FOR SALE**

WHEREAS, the City of Corcoran, from time to time, finds it necessary to dispose of surplus property used in the process of conducting its municipal affairs; and,

WHEREAS, the personal property sold has no practical usage to the City of Corcoran; and,

WHEREAS, it would be in the best interest of the City of Corcoran to declare this property surplus and place it for sale;

NOW, THEREFORE, BE IT RESOLVED that the items on Exhibit A are so declared as surplus and placed for sale or disposal in the best interest of the City of Corcoran. All sales will be final.

I hereby certify that the foregoing Resolution was passed and adopted at a regular meeting of the Corcoran City Council duly called and held on the 26th day of March, 2019, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED: _____
Sidonio Palmerin, Mayor

ATTEST: _____
Marlene Spain, City Clerk

CLERKS CERTIFICATE

City of Corcoran }
County of Kings } ss.
State of California }

I, Marlene Spain, hereby certify that the foregoing is a full, true and correct copy of a resolution passed and adopted by the City Council of the City of Corcoran at a regular meeting held on the 26th day of March, 2019, by the vote as set forth therein.

DATED:

ATTEST:

Marlene Spain
City Clerk

[seal]

EXHIBIT "A"
Surplus Property

Playground equipment

Burnham Smith Park playground equipment

Accounts Payable

Blanket Voucher Approval Document



User: spineda
Printed: 03/21/2019 - 9:45AM
Warrant Request Date: 3/26/2019
DAC Fund:

Batch: 00502.03.2019 - 03/26/19 Wrnt Rgstr FY19

Line	Claimant	Voucher No.	Amount
1	AT&T Mobility	000068056	41.27
2	Auto Zone, Inc.	000068057	510.37
3	Az Auto Parts	000068058	384.63
4	Best Deal Food Co Inc.	000068059	74.02
5	Bogie's Pump Systems	000068060	8,808.46
6	Borba's Auto Body	000068061	8,924.58
7	Business Card- Bank of America Credit Cards	000068062	5,509.27
8	C & H Fence & Patio, Inc.	000068063	6,438.00
9	C. A. Reding Company, Inc	000068064	48.15
10	California Boiler Inc.	000068065	755.85
11	Cannon Financial Services, Inc.	000068066	231.11
12	Central Valley Entertainment Systems	000068067	15,901.42
13	Corcoran Hardware	000068068	1,467.37
14	Corcoran Publishing Company	000068069	579.00
15	CSJVRMA	000068070	113,212.00
16	Dayco Construction, Inc.	000068071	85,638.89
17	Dept of Justice	000068072	765.00
18	Ewing Irrigation Products, Inc	000068073	304.40
19	Farley Law Firm	000068074	12,442.04
20	Fastenal Company	000068075	636.67
21	Felder Communications	000068076	4,917.35
22	Ferguson Enterprises, Inc	000068077	1,563.81
23	Ferguson Enterprises, Inc. #3325	000068078	75.74
24	Figuroa Concrete Partners	000068079	4,720.00
25	Frontier Communications	000068085	324.11
26	Frontier Communications	000068080	103.20
27	Frontier Communications	000068083	673.45
28	Frontier Communications	000068084	239.78
29	Frontier Communications	000068082	54.85
30	Frontier Communications	000068081	970.42
31	Gonzalez Lawn Service	000068086	450.00
32	Grainger Inc	000068087	116.72
33	Hach Company	000068088	214.29
34	High Desert Wireless Broadband	000068089	5,606.25
35	Hofmans Nursery	000068090	12.07
36	Home Depot Credit Services	000068091	85.63
37	Inland Potable Services, Inc	000068092	14,320.00
38	Jorgensen & Company	000068093	3,228.31
39	Kings County Area Public Transit	000068094	1,920.00
40	Kings County Fire Department	000068095	130,525.50
41	Law Enforcement Targets, Inc	000068096	276.84
42	Lawrence Tractor	000068097	330.18
43	M.W. Watermark	000068098	1,765.51
44	Mail Finance	000068099	1,202.62
45	Matson Alarm Co. Inc.	000068100	121.50
46	McMaster-Carr	000068101	478.53

Page Total: \$436,969.16

Line	Claimant	Voucher No.	Amount
47	Mid Valley Trees	000068102	315.06
48	Millers Rentaland, Inc	000068103	400.00
49	Mobile Fiberglass	000068104	1,612.06
50	NEOPOST	000068105	300.00
51	NHA Advisors	000068106	4,750.00
52	Nolan's Plumbing	000068107	976.96
53	Nutrien AG Solutions, Inc.	000068108	1,461.30
54	Office Depot	000068109	865.84
55	PG&E	000068111	24.43
56	PG&E	000068110	10.39
57	Pitney Bowes Inc	000068112	208.99
58	Pizza Factory	000068113	43.83
59	Preferred Pump	000068114	444.90
60	Price, Paige & Company	000068115	4,490.00
61	Proclean Supply	000068116	1,240.07
62	Quad Knopf, Inc.	000068117	37,015.90
63	Quality Pool Service	000068118	389.70
64	Richard's Chevrolet	000068119	263.55
65	RMA GeoScience	000068120	2,499.75
66	Rockwell Engineering & Equipment	000068121	1,247.74
67	SECO Controls, LLC	000068122	529.80
68	Serrano Construction & Remodel	000068123	320.00
69	Terminix	000068124	46.00
70	Tesco Controls, Inc	000068125	640.00
71	TETER -Architects Engineers Connected	000068126	6,561.88
72	TF Tire & Service	000068127	1,057.84
73	The Gas Company	000068128	6.36
74	The Gas Company	000068136	26.72
75	The Gas Company	000068130	30.34
76	The Gas Company	000068129	14.79
77	The Gas Company	000068132	184.02
78	The Gas Company	000068131	196.81
79	The Gas Company	000068135	1,001.59
80	The Gas Company	000068134	493.79
81	The Gas Company	000068133	314.79
82	The Lawnmower Man	000068137	631.82
83	The Printer	000068138	760.46
84	Trans Union LLC	000068139	30.00
85	TSA Consulting Group, Inc.	000068140	50.00
86	Tulare County Jail-Industries Engraving Program	000068141	113.14
87	Tule Trash Company	000068142	115,446.13
88	Turnupseed Electric Svc Inc	000068143	258.50
89	UNIFIRST Corporation	000068144	562.15
90	USA Blue Book	000068145	140.66
91	Valley Elevator	000068146	330.00
92	Verizon Wireless	000068147	387.77
93	Verizon Wireless	000068148	211.00
94	VSS International, Inc.	000068149	24,453.99
95	W3i Engineering	000068150	2,987.50
96	Wright's Electric	000068151	142.39
Page Total:			\$216,490.71
Grand Total:			\$653,459.87

Accounts Payable

Voucher Approval List



User: spineda
 Printed: 03/21/2019 - 9:47AM
 Batch: 00502.03.2019 - 03/26/19 Wmt Rgstr FY19

Voucher No.	Warrant Date	Vendor	Description	Account Number	Amount
68056	3/26/2019	AT&T Mobility	WWTP: DUTY MAN CELL PHONE	120-435-300-220	41.27
68057	3/26/2019	Auto Zone, Inc.	BUS 170-2 HEAVY DUTY BUS BATTERY	145-410-300-260	400.34
68057	3/26/2019	Auto Zone, Inc.	BUS 215-AIR FILTER & OIL FILTER	145-410-300-260	10.65
68057	3/26/2019	Auto Zone, Inc.	VEHICLE REPAIR PARTS UNIT#256	104-421-300-260	35.71
68057	3/26/2019	Auto Zone, Inc.	VEHICLE REPAIR PARTS UNIT#253	104-421-300-260	63.67
68058	3/26/2019	Az Auto Parts	DEPT SUPPLIES	105-437-300-210	94.75
68058	3/26/2019	Az Auto Parts	UNIT#147 PARTS	105-437-300-260	46.33
68058	3/26/2019	Az Auto Parts	DEPT SUPPLIES	120-435-300-210	39.35
68058	3/26/2019	Az Auto Parts	UNIT#259 PARTS	120-435-300-260	5.85
68058	3/26/2019	Az Auto Parts	UNIT#24, 117, 95 PARTS	120-435-300-140	114.18
68058	3/26/2019	Az Auto Parts	DEPT SUPPLIES	104-433-300-210	29.22
68058	3/26/2019	Az Auto Parts	EQUIPT REPAIR SWEEPER	112-438-300-140	18.92
68058	3/26/2019	Az Auto Parts	DEPT SUPPLIES	104-412-300-210	9.73
68058	3/26/2019	Az Auto Parts	DEPT SUPPLIES	104-412-300-210	26.30
68059	3/26/2019	Best Deal Food Co Inc.	DEPT SUPPLIES	104-431-300-210	30.34
68059	3/26/2019	Best Deal Food Co Inc.	DEPT SUPPLIES	104-431-300-210	43.68
68060	3/26/2019	Bogie's Pump Systems	WWTP: BAINUM/LETTS PUMP REPAIRS	120-435-300-140	8,808.46
68061	3/26/2019	Borba's Auto Body	TRUCK REPAIRS: UNIT#201	104-433-300-260	6,641.27
68061	3/26/2019	Borba's Auto Body	TRUCK REPAIRS: UNIT#244	105-437-300-260	2,283.31
68062	3/26/2019	Business Card- Bank of America Credit Cards	PACIFIC SUPPLY: IMPACT FEE: B SMITH PARK	119-412-300-200	25.21
68062	3/26/2019	Business Card- Bank of America Credit Cards	CONFERENCE REGISTRATION	104-431-300-270	625.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	INTERNATIONAL COUNCIL OF SHOPPING CENTERS-ICSC	104-401-300-270	100.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	PARKS GRANT WORKSHOP: FAULKNER & MEIK LUNCH.	104-401-300-271	30.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	AMAZON-EMERGENCY KIT	104-406-300-210	32.95
68062	3/26/2019	Business Card- Bank of America Credit Cards	LOWES CARPET ESTIMATE-418 Bennis	301-430-300-200	45.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	GRANT WRITING CLASS K TROMBORG 3/7-8/19	104-406-300-270	595.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	2016 GREEN BLDG CODE FOR PW	104-406-300-170	63.33
68062	3/26/2019	Business Card- Bank of America Credit Cards	CA BLDG OFFICIALS ASSOC MBRSHIP DUES	104-406-300-170	215.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	SUPPLIES FOR COUNCIL CHAMBERS RITE AID: DRINK	104-401-300-271	21.25
68062	3/26/2019	Business Card- Bank of America Credit Cards	SUPPLIES FOR COUNCIL CHAMBERS RITE AID: SNACKS	104-401-300-271	26.54
68062	3/26/2019	Business Card- Bank of America Credit Cards	LCW WEBINAR: LABOR NEGOTIATIONS	104-402-300-271	75.00

Voucher No.	Warrant Date	Vendor	Description	Account Number	Amount
68062	3/26/2019	Business Card- Bank of America Credit Cards	AMAZON: OFFICE SUPPLIES	104-421-300-150	-9.99
68062	3/26/2019	Business Card- Bank of America Credit Cards	AMAZON: OFFICE SUPPLIES	104-421-300-150	-14.55
68062	3/26/2019	Business Card- Bank of America Credit Cards	AMAZON: OFFICE SUPPLIES	104-421-300-150	81.06
68062	3/26/2019	Business Card- Bank of America Credit Cards	LEXIS NEXIS BACKGROUND SVC	104-421-300-200	50.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	AMAZON: SAFETY VESTS & HATS	104-421-300-210	131.56
68062	3/26/2019	Business Card- Bank of America Credit Cards	CPOA: TRAINING/PD OFFICERS	104-421-300-270	498.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	SUNSET HOTEL: TRAVEL/CHEE	104-421-300-270	89.36
68062	3/26/2019	Business Card- Bank of America Credit Cards	SUNSET HOTEL: TRAVEL/ AUGUSTUS	104-421-300-270	89.36
68062	3/26/2019	Business Card- Bank of America Credit Cards	SHERATON/ TRAINING/PADAMA	104-421-300-270	415.81
68062	3/26/2019	Business Card- Bank of America Credit Cards	UPS/SHIPPING	104-432-300-152	19.68
68062	3/26/2019	Business Card- Bank of America Credit Cards	SUNSET HOTEL/TRAVEL/CHEE	104-421-300-270	25.07
68062	3/26/2019	Business Card- Bank of America Credit Cards	SUNSET HOTEL/TRAVEL/AUGUSTUS	104-421-300-270	25.07
68062	3/26/2019	Business Card- Bank of America Credit Cards	UPS/SHIPPING	104-432-300-152	16.40
68062	3/26/2019	Business Card- Bank of America Credit Cards	AMAZON/OFFICE SUPPLIES	104-421-300-150	34.34
68062	3/26/2019	Business Card- Bank of America Credit Cards	KR TOWING/TOW SERVICE/PD UNIT	104-421-300-260	390.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	AMAZON/OFFICE SUPPLIES	104-421-300-150	19.14
68062	3/26/2019	Business Card- Bank of America Credit Cards	AMAZON/OFFICE SUPPLIES	104-421-300-150	40.34
68062	3/26/2019	Business Card- Bank of America Credit Cards	DOLLAR TREE/SUPPLIES/CHAMBER DINNER	104-421-300-210	12.93
68062	3/26/2019	Business Card- Bank of America Credit Cards	COSTCO/SUPPLIES/CHAMBER DINNER	104-421-300-210	25.86
68062	3/26/2019	Business Card- Bank of America Credit Cards	AMAZON/OFFICE SUPPLIES	104-421-300-150	14.55
68062	3/26/2019	Business Card- Bank of America Credit Cards	SHELL/FUEL/PD FUSION	104-421-300-250	26.72
68062	3/26/2019	Business Card- Bank of America Credit Cards	SHELL/FUEL/PD PRUS	104-421-300-250	24.25
68062	3/26/2019	Business Card- Bank of America Credit Cards	LEMOORE SPORTSMAN CLUB/RANGE MEMBERSHIP/ S CHI	104-421-300-200	103.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	AMAZON/OFFICE SUPPLIES	104-421-300-150	91.94
68062	3/26/2019	Business Card- Bank of America Credit Cards	SHERATON/TRAINING/ PADAMA	104-421-300-270	32.99
68062	3/26/2019	Business Card- Bank of America Credit Cards	ULINE/TRASH BAGS	104-421-300-210	228.58
68062	3/26/2019	Business Card- Bank of America Credit Cards	CHEVRON/CHIEF PD UNIT FUEL	104-421-300-250	43.90
68062	3/26/2019	Business Card- Bank of America Credit Cards	AMORE/COFFEE	104-421-300-210	49.45
68062	3/26/2019	Business Card- Bank of America Credit Cards	EARTHLINK	104-401-300-157	34.95
68062	3/26/2019	Business Card- Bank of America Credit Cards	LCW: REG RATE OF PAY WEBINAR	104-405-300-270	75.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	LCW PERB ACADEMY	104-405-300-270	425.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	PESTICIDE TRNG: R RODRIGUEZ/P MCBRIDE	104-412-300-270	198.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	PEST TRAPS	104-432-300-210	48.45
68062	3/26/2019	Business Card- Bank of America Credit Cards	COLLECTIONS SYSTEM TRNG: M CHAVEZ	120-435-300-270	245.00
68062	3/26/2019	Business Card- Bank of America Credit Cards	THEFT REPLACEMENT: TOOLS	104-412-300-210	36.88
68062	3/26/2019	Business Card- Bank of America Credit Cards	THEFT REPLACEMENT: TOOLS	109-434-300-210	36.89
68063	3/26/2019	C & H Fence & Patio, Inc.	B SMITH PARK: IMPACT FEES ORNAMENTAL IRON FENCE	119-412-300-200	6,438.00
68064	3/26/2019	C. A. Reding Company, Inc	COPIER LEASE: DEPOT	145-410-300-180	48.15
68065	3/26/2019	California Boiler Inc.	POOL REPAIR: FLOW SWITCH	138-419-300-200	755.85

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68066	3/26/2019	Cannon Financial Services, Inc.	CONTRACT & INSURANCE CHARGE 4/1/19-CITY HALL PRIN	104-432-300-180	136.93
68066	3/26/2019	Cannon Financial Services, Inc.	COPIER SVC RENTAL/MARCH 2019	104-421-300-180	94.18
68067	3/26/2019	Central Valley Entertainment Systems	AUDIO SYSTEM	138-419-300-200	15,901.42
68068	3/26/2019	Corcoran Hardware	DEPT SUPPLIES	104-412-300-210	317.42
68068	3/26/2019	Corcoran Hardware	EQUIPT REPAIR	104-412-300-140	108.23
68068	3/26/2019	Corcoran Hardware	DEPT SUPPLIES	104-432-300-210	59.89
68068	3/26/2019	Corcoran Hardware	DEPT SUPPLIES	109-434-300-210	77.17
68068	3/26/2019	Corcoran Hardware	DEPT SUPPLIES	120-435-300-210	350.70
68068	3/26/2019	Corcoran Hardware	EQUIPT REPAIR	120-435-300-260	28.43
68068	3/26/2019	Corcoran Hardware	DEPT SUPPLIES	105-437-300-210	435.19
68068	3/26/2019	Corcoran Hardware	EQUIPT REPAIR	105-437-300-140	90.34
68069	3/26/2019	Corcoran Publishing Company	AD FOR FEB 7, 2019	145-410-300-156	283.00
68069	3/26/2019	Corcoran Publishing Company	NIXLE AD	104-421-300-156	36.00
68069	3/26/2019	Corcoran Publishing Company	PUBLIC HEARING RAN FEB 28, 2019	145-410-300-156	260.00
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	104-401-300-130	474.00
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	104-402-300-130	948.00
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	104-405-300-130	1,847.55
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	104-406-300-130	355.50
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	104-411-300-130	533.25
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	104-412-300-130	1,481.25
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	104-421-300-130	11,436.30
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	104-431-300-130	829.50
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	104-432-300-130	948.00
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	104-432-300-130	118.50
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	104-433-300-130	592.50
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	109-434-300-130	1,896.00
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	112-438-300-130	355.50
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	120-435-300-130	2,726.15
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	121-439-300-130	424.00
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	105-437-300-130	6,517.00
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	145-410-300-130	2,803.00
68070	3/26/2019	CSJVRMA	LIABILITY PROGRAM	136-415-300-130	2,141.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	104-402-200-121	1,000.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	104-405-200-121	1,000.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	104-406-200-121	1,400.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	104-412-200-121	3,500.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	104-431-200-121	700.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	104-433-200-121	2,000.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	109-434-200-121	1,500.00

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68070	3/26/2019	CSJVRMA	WORKERS COMP	112-438-200-121	200.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	120-435-200-121	5,250.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	121-439-200-121	1,000.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	105-437-200-121	8,250.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	145-410-200-121	10,000.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	104-421-200-121	40,000.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	104-432-200-121	400.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	311-408-200-121	400.00
68070	3/26/2019	CSJVRMA	WORKERS COMP	301-430-200-121	185.00
68071	3/26/2019	Dayco Construction, Inc.	WTP: CAUSTIC CONTAINMENT PROJECT	105-437-500-540	85,638.89
68072	3/26/2019	Dept of Justice	LIVE SCAN FEE FOR FEB 2019	104-421-300-148	765.00
68073	3/26/2019	Ewing Irrigation Products, Inc	B SMITH PARK: IMPACT FEES/ HULLED COATED BERMUDA	119-412-300-200	304.40
68074	3/26/2019	Farley Law Firm	LEGAL EXPENSES FOR JAN 2019	104-403-300-200	9,814.04
68074	3/26/2019	Farley Law Firm	EXPENSES FOR 817 HALL AVE.	104-403-300-200	45.00
68074	3/26/2019	Farley Law Firm	EXPENSES FOR 1630 BREWER	104-403-300-200	2,124.00
68074	3/26/2019	Farley Law Firm	EXPENSES FOR 1914 ESTES	104-403-300-200	292.50
68074	3/26/2019	Farley Law Firm	EXPENSES FOR 2428 LORENA	104-403-300-200	166.50
68075	3/26/2019	Fastenal Company	EQUIPT MAINT: PIPILING	105-437-300-140	10.91
68075	3/26/2019	Fastenal Company	EQUIPT MAINT: PARTS STOCK	105-437-300-140	259.83
68075	3/26/2019	Fastenal Company	EQUIPT MAINT: PARTS STOCK	105-437-300-140	365.93
68076	3/26/2019	Felder Communications	PD FLASHLIGHT EQUIPT/ 15117	104-421-300-141	160.75
68076	3/26/2019	Felder Communications	STREETS: PORTALE RADIO BATTRY	109-434-300-210	96.34
68076	3/26/2019	Felder Communications	PTMISEA: 15 PORT RADIOS W/ AC CHR.G. BATTERY. ANTEN	145-410-300-260	3,880.76
68076	3/26/2019	Felder Communications	RADIO MAINT & REPAIR	145-410-300-141	51.50
68076	3/26/2019	Felder Communications	RADIO MAINT & REPAIR	104-412-300-141	34.00
68076	3/26/2019	Felder Communications	RADIO MAINT & REPAIR	104-421-300-141	490.00
68076	3/26/2019	Felder Communications	RADIO MAINT & REPAIR	104-431-300-141	42.50
68076	3/26/2019	Felder Communications	RADIO MAINT & REPAIR	109-434-300-141	51.00
68076	3/26/2019	Felder Communications	RADIO MAINT & REPAIR	120-435-300-141	34.00
68076	3/26/2019	Felder Communications	RADIO MAINT & REPAIR	105-437-300-141	59.50
68076	3/26/2019	Felder Communications	RADIO MAINT & REPAIR	121-439-300-141	17.00
68077	3/26/2019	Ferguson Enterprises, Inc	REGISTER: DIRECT READ	105-437-300-140	50.00
68077	3/26/2019	Ferguson Enterprises, Inc	EQUIPT MAINT: 3/4 CARB TIP SHELL	105-437-300-140	116.38
68077	3/26/2019	Ferguson Enterprises, Inc	EQUIPT MAINT: STOCK PARTS	105-437-300-140	1,397.43
68078	3/26/2019	Ferguson Enterprises, Inc #3325	3/8 x 100 FT POLY TUBE	105-437-300-140	38.73
68078	3/26/2019	Ferguson Enterprises, Inc #3325	3/8 x 100 FT POLY TUBE	105-437-300-140	37.01
68079	3/26/2019	Figueroa Concrete Partners	B SMITH PARK: IMPACT FEES: 130 LF OF CONCRETE COLOI	119-412-300-200	4,720.00
68080	3/26/2019	Frontier Communications	ACCT#5599214080910985-PW FAX	104-432-300-220	103.20
68081	3/26/2019	Frontier Communications	ACCT#5599221510101675-CITY HALL	104-432-300-220	970.42

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68082	3/26/2019	Frontier Communications	ACCT#20914815380301955-RAO	136-415-300-220	54.85
68083	3/26/2019	Frontier Communications	ACCT#5999251511202085-PD	104-421-300-220	673.45
68084	3/26/2019	Frontier Communications	ACCT#5999241850629065-WTP	105-437-300-220	239.78
68085	3/26/2019	Frontier Communications	ACCT#5999222430604085-CITY HALL	104-432-300-220	324.11
68086	3/26/2019	Gonzalez Lawn Service	429 James Weed Abatement.	301-430-300-200	150.00
68086	3/26/2019	Gonzalez Lawn Service	418 Benrus Weed Abatement.	301-430-300-200	150.00
68086	3/26/2019	Gonzalez Lawn Service	1914 ESTES- Weed Abatement.	301-430-300-200	150.00
68087	3/26/2019	Grainger Inc	EQUIPT MAINT: TANK FITTING: GASKET	105-437-300-140	116.72
68088	3/26/2019	Hach Company	FERROVER, IRON REAGENT	105-437-300-210	103.39
68088	3/26/2019	Hach Company	TDS LOW RANGE TESTER	105-437-300-210	110.90
68089	3/26/2019	High Desert Wireless Broadband	MONTHLY CONTRACT & TOTAL BILLABLE HOURS FOR FEI	104-432-300-201	5,606.25
68090	3/26/2019	Hofmans Nursery	XMAS TREE PARK: SEED	104-412-300-210	12.07
68091	3/26/2019	Home Depot Credit Services	B SMITH PARK: IMPACT FEES: LANDSCAPE	119-412-300-200	31.88
68091	3/26/2019	Home Depot Credit Services	FR. WYATT PARK: DEPT SUPPLIES	104-412-300-210	53.75
68092	3/26/2019	Inland Potable Services, Inc	WTP UPGRADES: TANK CLEANING & INSTALL.MIXER	105-437-500-551	14,320.00
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-WTP	104-432-300-200	358.74
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-PF VEH.	104-421-300-200	257.00
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-PD	104-432-300-200	618.91
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-RAO	104-432-300-200	197.41
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-CITY HALL	104-432-300-200	55.00
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-CORP YARD	104-432-300-200	384.58
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-DEPOT	104-432-300-200	22.00
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-VETS HALL	104-432-300-200	240.52
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-VEHICLES	145-410-300-260	143.84
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-VEHICLES	104-412-300-260	53.94
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-VEHICLES	109-434-300-260	162.02
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-VEHICLES	104-433-300-260	35.96
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-VEHICLES	105-437-300-260	215.76
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-VEHICLES	120-435-300-260	143.84
68093	3/26/2019	Jorgensen & Company	ANNUAL FIRE EXTINGUISHER INSPECT-WWPT	104-432-300-200	288.79
68093	3/26/2019	Jorgensen & Company	WWTP: METER CALIBRATION	120-435-300-200	50.00
68094	3/26/2019	Kings County Area Public Transit	KART PASSES: DAY PASSES & MONTHLY PASSES	145-410-300-293	1,920.00
68095	3/26/2019	Kings County Fire Department	3RD QTR JAN TO MARCH 2019	104-422-300-208	80,525.50
68095	3/26/2019	Kings County Fire Department	3RD QTR JAN TO MARCH 2019	138-419-300-200	50,000.00
68096	3/26/2019	Law Enforcement Targets, Inc	PROS TARGETS	104-421-300-210	276.84
68097	3/26/2019	Lawrence Tractor	REFUND	104-412-300-140	-3.78
68097	3/26/2019	Lawrence Tractor	EQUIPT MAINT: MOWER BLADE	104-412-300-140	144.08
68097	3/26/2019	Lawrence Tractor	EQUIPT MAINT: CHAINSAW REPAIRS	104-412-300-140	189.88
68098	3/26/2019	M.W. Watermark	SLUDGE PRESS CLOTHS	105-437-300-140	1,765.51

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68099	3/26/2019	Mail Finance	LEASE#N19021411-FOLDING & POSTAGE MACHINE LEASE (104-432-300-180	994.45
68099	3/26/2019	Mail Finance	LEASE#N19021861 POSTAGE MACHINE LEASE @ PD	104-432-300-180	208.17
68100	3/26/2019	Mason Alarm Co. Inc.	RAO ALARM SYSTEM: MONITORING & SVC.	104-432-300-200	121.50
68101	3/26/2019	McMaster-Carr	EQUIPT MAINT: FLOAT SWITCH	120-435-300-140	478.53
68102	3/26/2019	Mid Valley Trees	TRESS FOR CIVIC/PD PARK	104-412-300-210	315.06
68103	3/26/2019	Millers Remaland, Inc	B SMITH PARK: IMPACT FEES: TRENCHER RENTAL FOR IRF	119-412-300-200	400.00
68104	3/26/2019	Mobile Fiberglass	EQUIPT MAINT & REPAIR: POOL SLIDE	138-419-300-206	1,612.06
68105	3/26/2019	NEOPOST	POSTAGE MACHINE @ CITY HALL: LOADED W/POSTAGE	104-432-300-152	100.00
68105	3/26/2019	NEOPOST	POSTAGE MACHINE @ PD: LOADED W/POSTAGE	104-432-300-152	200.00
68106	3/26/2019	NHA Advisors	CORCORAN 2019 PENSION REPORT	104-405-300-200	2,280.00
68106	3/26/2019	NHA Advisors	CORCORAN 2019 PENSION REPORT	105-437-300-200	950.00
68106	3/26/2019	NHA Advisors	CORCORAN 2019 PENSION REPORT	112-438-300-200	380.00
68106	3/26/2019	NHA Advisors	CORCORAN 2019 PENSION REPORT	120-435-300-200	380.00
68106	3/26/2019	NHA Advisors	CORCORAN 2019 PENSION REPORT	121-439-300-200	380.00
68106	3/26/2019	NHA Advisors	CORCORAN 2019 PENSION REPORT	145-410-300-200	380.00
68107	3/26/2019	Nolan's Plumbing	B SMITH PARK: INSTALL DRINKING FOUNTAIN-IMPACT FE	119-412-300-200	500.00
68107	3/26/2019	Nolan's Plumbing	B SMITH PARK:HOSE BID ON FOUNTAIN-IMPACT FEES	119-412-300-200	476.96
68108	3/26/2019	Nutrien AG Solutions, Inc.	GOAL, ROUND UP	120-435-300-210	670.32
68108	3/26/2019	Nutrien AG Solutions, Inc.	GOAL, ROUND UP, MAESTRO, MARK IT, RED.	120-435-300-210	790.98
68109	3/26/2019	Office Depot	RUBBER BANDS	104-406-300-210	4.23
68109	3/26/2019	Office Depot	DEPT SUPPLIES	104-405-300-150	171.87
68109	3/26/2019	Office Depot	PD DEPT SUPPLIES	104-421-300-150	58.90
68109	3/26/2019	Office Depot	CARTRIDGE TONER BLACK	104-406-300-210	82.66
68109	3/26/2019	Office Depot	CARTRIDGE TONER BLACK	104-406-300-210	152.57
68109	3/26/2019	Office Depot	PD DEPT SUPPLIES	104-421-300-150	182.24
68109	3/26/2019	Office Depot	COPY PAPER & PASTEL PAPER	104-432-300-210	157.74
68109	3/26/2019	Office Depot	PD DEPT SUPPLIES	104-421-300-150	55.63
68110	3/26/2019	PG&E	ACCT#8670734283-7	301-430-300-316	10.39
68111	3/26/2019	PG&E	ACCT#83308985262	301-430-300-316	24.43
68112	3/26/2019	Pitney Bowes Inc	CTY POSTAL /LSE ACCT#8000-9090-0895-2264 PSTG BY PHO	104-432-300-152	208.99
68113	3/26/2019	Pizza Factory	INMATE MEALS	104-421-300-148	43.83
68114	3/26/2019	Preferred Pump	EQUIPT MAINT: EYE BOLTS	105-437-300-140	444.90
68115	3/26/2019	Price, Paige & Company	AUDIT WORK	109-434-300-200	4,490.00
68116	3/26/2019	Proclean Supply	JANITORIAL SUPPLIES	104-432-300-210	1,004.46
68116	3/26/2019	Proclean Supply	JANITORIAL SUPPLIES	105-437-300-210	117.81
68116	3/26/2019	Proclean Supply	JANITORIAL SUPPLIES	120-435-300-210	117.80
68117	3/26/2019	Quad Knopf, Inc.	HIGH SPEED RAIL	104-431-300-201	1,800.58
68117	3/26/2019	Quad Knopf, Inc.	WATER METER REPLACEMENT PROJECT	105-437-300-200	214.65
68117	3/26/2019	Quad Knopf, Inc.	SEWER & WATER LINE REPLCMENT PROJECT	105-437-500-514	3,698.73

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68117	3/26/2019	Quad Knopf, Inc.	SEWER & WATER LINE REPLACEMENT PROJECT	120-435-500-530	2,465.82
68117	3/26/2019	Quad Knopf, Inc.	WTP: CAUSTIC CONTAINMENT PROJECT	105-437-500-540	1,406.69
68117	3/26/2019	Quad Knopf, Inc.	PW CORP: YARD BLDG PROJECT	120-435-500-530	2,606.91
68117	3/26/2019	Quad Knopf, Inc.	PW CORP: YARD BLDG PROJECT	105-437-500-520	2,606.92
68117	3/26/2019	Quad Knopf, Inc.	PW CORP: YARD BLDG PROJECT	109-434-500-520	2,606.91
68117	3/26/2019	Quad Knopf, Inc.	PW CORP: YARD BLDG PROJECT	104-432-500-520	2,606.92
68117	3/26/2019	Quad Knopf, Inc.	WTP: NEW WELL 11	105-437-500-513	987.47
68117	3/26/2019	Quad Knopf, Inc.	SEWER & WATER LINE REPLACEMENT PROJECT	105-437-500-514	4,793.29
68117	3/26/2019	Quad Knopf, Inc.	SEWER & WATER LINE REPLACEMENT PROJECT	120-435-500-530	3,195.52
68117	3/26/2019	Quad Knopf, Inc.	WATER METER REPLACEMENT PROJECT	105-437-300-200	907.20
68117	3/26/2019	Quad Knopf, Inc.	WTP: CAUSTIC CONTAINMENT PROJECT	105-437-500-540	240.00
68117	3/26/2019	Quad Knopf, Inc.	GENERAL ENGINEERING SERVICES	104-432-300-200	250.11
68117	3/26/2019	Quad Knopf, Inc.	GENERAL ENGINEERING SERVICES	120-435-300-200	250.11
68117	3/26/2019	Quad Knopf, Inc.	GENERAL ENGINEERING SERVICES	105-437-300-200	250.13
68117	3/26/2019	Quad Knopf, Inc.	WTP NEW WELL 11	105-437-500-513	2,467.85
68117	3/26/2019	Quad Knopf, Inc.	PW CORP: YAR BLDG PROJECT	120-435-500-530	915.02
68117	3/26/2019	Quad Knopf, Inc.	PW CORP: YAR BLDG PROJECT	105-437-500-520	915.03
68117	3/26/2019	Quad Knopf, Inc.	PW CORP: YAR BLDG PROJECT	109-434-500-520	915.02
68117	3/26/2019	Quad Knopf, Inc.	PW CORP: YAR BLDG PROJECT	104-432-500-520	915.02
68118	3/26/2019	Quality Pool Service	POOL: SODA BICARB.	138-419-300-206	389.70
68119	3/26/2019	Richard's Chevrolet	PARTS/AC UNIT	104-421-300-260	263.55
68120	3/26/2019	RMA GeoScience	ENGINEERING ANALYSIS/NEW PD 12/31/18-02/03/19	315-421-300-200	2,499.75
68121	3/26/2019	Rockwell Engineering & Equipment	EQUIPT MAINT.	105-437-300-140	1,247.74
68122	3/26/2019	SECO Controls, LLC	AZTEC IRON REAGENT	105-437-300-210	529.80
68123	3/26/2019	Serrano Construction & Remodel	REPLACE BROKEN WINDOW @ 429 JAMES, CORCORAN 932	301-430-300-200	320.00
68124	3/26/2019	Terminix	PEST CONTROL: 2410 BEKK AVE, -MARCH 2019 SERVICES	301-430-300-316	46.00
68125	3/26/2019	Tesco Controls, Inc	EQUIPT MAINT. CONTROLLER-2	120-435-300-140	640.00
68126	3/26/2019	TETER - Architects Engineers Connected	NEW POLICE DEPT. HQ 17-10388	315-421-300-200	6,561.88
68127	3/26/2019	TF Tire & Service	BUS 215-4 OF EA -BALANCE, MOUNT/DISMOUN-VALVE STE	145-410-300-260	740.21
68127	3/26/2019	TF Tire & Service	BUS 2016-2 OF EACH ELECTRONIC HIGH SPEED BAL	145-410-300-260	317.63
68128	3/26/2019	The Gas Company	ACCT#17449291883-429 JAMES	301-430-300-316	6.36
68129	3/26/2019	The Gas Company	ACCT#12602978541-750 NORTH AVE. WATER HEATER	104-432-300-242	14.79
68130	3/26/2019	The Gas Company	ACCT#20001594009-COUNCIL CHAMBERS	104-432-300-242	30.34
68131	3/26/2019	The Gas Company	ACCT#05463252576-NEW CITY HALL	104-432-300-242	196.81
68132	3/26/2019	The Gas Company	ACCT#00888349024-DEPOT	145-410-300-242	184.02
68133	3/26/2019	The Gas Company	ACCT#11971525008-PW	104-432-300-242	314.79
68134	3/26/2019	The Gas Company	ACCT#00891595001-PD	104-432-300-242	493.79
68135	3/26/2019	The Gas Company	ACCT#06301527005-WWTP	120-435-300-242	1,001.59
68136	3/26/2019	The Gas Company	ACCT#069814596833-VETS BLDG	104-432-320-242	26.72

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68137	3/26/2019	The Lawnmower Man	EQUIPT MAINT.-BLOWER	104-412-300-140	106.78
68137	3/26/2019	The Lawnmower Man	HEDGE TRIMMER/BARCKET	104-412-300-210	525.04
68138	3/26/2019	The Printer	PD FORMS	104-421-300-155	760.46
68139	3/26/2019	Trans Union LLC	PROF SVC/BACKGROUND MONTHLY SERVICE FEE	104-421-300-200	30.00
68140	3/26/2019	TSA Consulting Group, Inc.	FEB 2019 SVCS FEE FOR 401 A PLAN ADMIN.	104-405-300-200	50.00
68141	3/26/2019	Tulare County Jail-Industries Engraving Program	PD STICKERS	104-421-300-210	113.14
68142	3/26/2019	Tule Trash Company	CONTRACT	112-436-300-200	129,199.17
68142	3/26/2019	Tule Trash Company	FRANCHISE FEE 7.5%	104-000-316-024	-11,669.95
68142	3/26/2019	Tule Trash Company	FRANCHISE FEE/ROLL OFFS/FEB 2019	112-436-316-023	-2,093.09
68142	3/26/2019	Tule Trash Company	CANS PULLED FOR NON PAYMENT	112-436-300-200	10.00
68143	3/26/2019	Tumupseed Electric Svc Inc	DISASSEMBLE, TEST, & INSPECT MOTOR	120-435-300-200	258.50
68144	3/26/2019	UNIFIRST Corporation	UNIFORMS-COST X2	104-433-200-125	56.23
68144	3/26/2019	UNIFIRST Corporation	UNIFORMS-COST X1	104-412-200-125	28.13
68144	3/26/2019	UNIFIRST Corporation	UNIFORMS-COST X3	109-434-200-125	84.33
68144	3/26/2019	UNIFIRST Corporation	UNIFORMS-COST X6	105-437-200-125	168.60
68144	3/26/2019	UNIFIRST Corporation	UNIFORMS-COST X4	120-435-200-125	112.43
68144	3/26/2019	UNIFIRST Corporation	UNIFORMS-COST X4	145-410-200-125	112.43
68145	3/26/2019	USA Blue Book	EQUIPT MAINT. GASKET WITH RING	105-437-300-140	140.66
68146	3/26/2019	Valley Elevator	ANNUAL ELEVATOR INSPECTION	104-432-300-200	330.00
68147	3/26/2019	Verizon Wireless	CELL PH SVC	145-410-300-220	107.79
68147	3/26/2019	Verizon Wireless	WIRELESS AIR CARDS	145-410-300-220	38.01
68147	3/26/2019	Verizon Wireless	ON CALL CELL PHN	105-437-300-220	4.33
68147	3/26/2019	Verizon Wireless	WIRELESS AIR CARD	105-437-300-220	38.01
68147	3/26/2019	Verizon Wireless	CELL PHN SVC-R RODRIGUEZ	104-432-300-220	8.06
68147	3/26/2019	Verizon Wireless	CELL PHN SVC-J FAULKNER	105-437-300-220	1.13
68147	3/26/2019	Verizon Wireless	PW WIRELESS AIRCARD	105-437-300-220	38.01
68147	3/26/2019	Verizon Wireless	INSPECTOR PHONE-COM DEV	104-406-300-220	76.41
68147	3/26/2019	Verizon Wireless	AIRCARDS-COM DEV	104-406-300-220	76.02
68148	3/26/2019	Verizon Wireless	DATA SVC JAN 27-FEB26, 2019 ACCT#642052930-0001	104-421-300-221	211.00
68149	3/26/2019	VSS International, Inc.	2018 ROAD MAINT PROJECT	109-434-300-212	24,453.99
68150	3/26/2019	W3i Engineering	WWTP: SLUDGE MGNT PLAN	120-435-300-200	2,987.50
68151	3/26/2019	Wright's Electric	LIGHTS AT SUNRISE VILLA	111-601-300-202	142.39
				Warrant Total:	653,459.87

City of

CORCORAN

A MUNICIPAL CORPORATION

FOUNDED 1914

**PRESENTATION
ITEM #: 4-A**

MEMORANDUM

TO: City Council

FROM: Kindon Meik, City Manager

DATE: March 21, 2019 **MEETING DATE:** March 26, 2019

SUBJECT: CalPERS Unfunded Accrued Liability and future budgetary impacts on the City of Corcoran.

Recommendation:
Information item.

Discussion:
At the March 12, 2019 city staff provided an initial summary of the CalPERS unfunded liability. As part of that discussion, it was determined that a second presentation would be beneficial to consider the information prepared by NHA Advisors.

The report prepared by NHA Advisors is specific to the City of Corcoran and provides a solid analysis of the upcoming budgetary constraints that will result from continued unfunded liability obligations.

Budget Impact:
For the current fiscal year, the City allocated \$549,447 to be paid to CalPERS to meet its unfunded liability commitments. For upcoming fiscal years, the City anticipates the following unfunded liability costs:

	<u>FY 19-20</u>	<u>FY 20-21</u>
Unfunded Liability:	\$656,383	\$736,200

The unfunded liability payments will continue to escalate through 2023. Ongoing unfunded liability payments are expected through 2047.

Attachments:

- CalPERS Pension Cost Update – Pension Summary Report Prepared by NHA Advisors.

MARCH
2019



CALPERS PENSION COST UPDATE

NHA 2018/19 PENSION SUMMARY REPORT

"TRANSLATING THE 6/30/2017 PERS ACTUARIAL REPORT"

**INCLUDING PLAN OVERVIEW, HISTORICAL STATISTICS,
COST PROJECTIONS AND ALTERNATIVE REPAYMENT
AND COST MANAGEMENT STRATEGIES**

OBJECTIVE

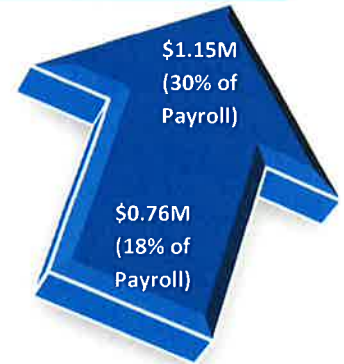
As a financial consultant and municipal advisor to cities and other local government agencies throughout the State of California, NHA Advisors, LLC (“NHA”) works with many agencies to distill and *translate* the complex nature of the CalPERS (“PERS”) annual actuarial reports. NHA’s financial expertise provides a more comprehensive historical trend analysis, simplified education materials (for elected officials, City staff and community stakeholders), and alternative repayment and cost management strategies.

Report Objectives	Page 1
Executive Summary	Page 1
Why Are Pension Costs Increasing So Rapidly?	Page 1
"CalPERS 101" - Glossary of Terms	Page 2
City of Corcoran Plans - Overview	Page 2
2018 Investment Performance & Historical Returns	Page 3
7-Year History of Normal and UAL Costs	Page 4
UAL History and Sensitivity	Page 4
30-Year Cost Projections + Total GF Debt Shape	Page 5
Alternative Repayment/Cost Management Strategies	Page 6

The NHA Pension Summary Report is meant to provide an executive summary of key PERS pension information in order to assist the City with cash flow budgeting, future fiscal sustainability planning, and general education. Pension liabilities should be considered collectively with other long-term general fund obligations. NHA believes taking a comprehensive view of the entire general fund liabilities provides a better picture of future financial commitments.

EXECUTIVE SUMMARY

Rising pension costs are the most pressing financial issue facing California public agencies. **The City’s annual pension costs have risen from \$755,000 (18% of payroll) to an estimated \$1.15 million (30% of payroll) from FYE 2014 to FYE 2020.** These costs are approximately 5% of the City’s total (all funds) budget and 13% when only including the General Fund (General Fund allocable PERS costs as a percentage of the General Fund budget). Increasing pension costs reduce the ability for the City to fund other operations, capital projects and grow reserves.



Amortization of the City’s Unfunded Accrued Liability (UAL) is the most rapidly growing component of costs given that it has **increased 141% (from \$3.2M → \$7.8M)** over the last 5 years. The overall payments for the General Fund portion of the pension cost are expected to grow from approximately \$850,000 to more than \$1.2M over the next four years, stay between \$1.0 and 1.2M from FYE 2024 to FYE 2038, and then decrease through FYE 2048.

Additionally, there are various tools cities can use to address the fiscal challenge created by rising pension costs to provide greater financial and retirement security (see Alternative Repayment and Cost Management Strategies on Pages 6 through 8). NHA encourages PERS members approach all impacted stakeholders in a collaborative manner to ensure long-term sustainability of the system. We hope that this document can help educate all stakeholders in an effective and transparent way.

WHY ARE PENSION COSTS INCREASING SO RAPIDLY?

Several factors are resulting in increased employer and in some case employee contributions:

- **The “Great Recession”:** A primary reason for pension cost increases was the economic downturn in 2008 when PERS suffered negative returns with a gross impact of a 34.75% loss to the fund. More detail can be found on Page 3 related to historical investment performance.

- **Lowering of Discount Rate:** When PERS lowers its investment return target, also known as the “discount rate,” member agencies must increase contributions to make up the difference. PERS dropped the discount rate from 8.25% to 7.75% in 2003, down to 7.50% in 2014 and then to 7.00% in 2016. This last adjustment will be phased in over three years with member rates rising rapidly each year.
- **Enhanced Pension Benefits:** These benefit enhancements authorized by state law in 2000 for public safety employees and 2001 for all other public employees also included a retroactivity credit for years of service.
- **Mortality Rates:** People are living and drawing pensions longer, leading PERS to adjust assumptions for longer lifespans.
- **Lower Active vs. Retired Ratios:** There are fewer active employees for each retiree. In 2001, there were two active workers for each retiree. By 2016, that dropped to 1.3 and PERS projects that in 10–20 years there will be just 0.6 active workers per retiree. Fewer people paying into the system means higher contribution rates from local agencies and their employees. Page 3 depicts active/retired ratios for the City of Corcoran.



“CALPERS 101” – GLOSSARY OF TERMS

- **Normal Cost (NC):** Annual cost for current employees
- **Unfunded Accrued Liability (UAL):** Actuarial Liability *minus* Actuarial Value of Assets
 - “How much we currently have vs. how much we should have
 - UAL is amortized over 20 to 30 years
- **Funded Ratio:** Percentage of assets available today to pay the pension benefits promised to employees.
- **Defined Benefit Plan (DBP):** A type of pension plan in which an employer/sponsor promises a specified monthly benefit upon retirement that is predetermined by a formula based on the employee’s earnings history, tenure of service and age. The City’s PERS plans are DBPs.
- **Actuarial Report:** An actuarial valuation is a type of appraisal that makes economic and demographic assumptions to estimate future liabilities. The assumptions are typically based on a mix of statistical studies and experienced judgment.
- **Discount Rate:** Also known as the expected rate of return or the assumed rate of return. It is the estimated long-term average return expected to be earned on investments.
- **PEPRA - Public Employees’ Pension Reform Act of 2013:** A pension reform bill that went into effect January 1, 2013. The bill impacts new public employees and establishes a limit on the amount of compensation that can be used to calculate a retirement benefit.

CITY OF CORCORAN PENSION PLANS - OVERVIEW

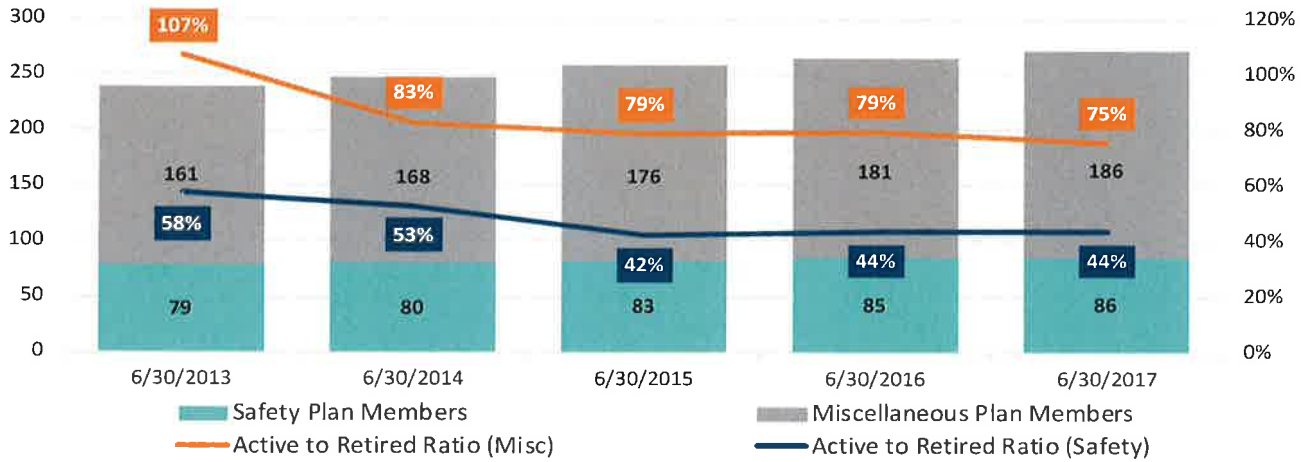
The City currently has four active plans with CalPERS. The Miscellaneous Plan and PEPRA Miscellaneous Plan (“Miscellaneous Plans”) cover all non-safety employees. The Safety Plan, PEPRA Safety Police Plan (“Safety Plans”), which cover all sworn police employees. As shown in the table below, there are 46 active employees covered by the Miscellaneous Plans and 17 active employees covered by the Safety Plans. About 28% of the active Miscellaneous Employees, and 18% of the active Safety Employees, are subject to the new PEPRA limitations, while the remaining active employees are covered under the classic (pre-PEPRA) plans. The breakdown of active employees by benefit group and benefit formula is shown below.

MISCELLANEOUS PLANS				SAFETY PLANS			
Benefit Group	# of Actives	Formula	# of Inactives	Benefit Group	# of Actives	Formula	# of Inactives
Miscellaneous	33	2.0% @ 55	132	Safety	14	3.0% @ 55	67
PEPRA Miscellaneous	13	2.0% @ 62	8	PEPRA Safety Police	3	2.7% @ 57	2

Source: 2018 CalPERS Actuarial Report (Pages 18 and 20)

The total number of employees (including active, retired, separated, and transferred employees) covered under the City’s plans has grown 13%, from 250 to 272, over the last five years. About 68% of covered employees are covered by the Miscellaneous Plans, with the remaining 32% covered by the Safety Plans. In addition to the increasing level of overall members, the ratio of active vs. retired employees continues to fall, meaning fewer people are paying into the plans compared to those receiving benefits. The ratio has fallen from 107% to 75% for the Miscellaneous Plan and from 58% to 44% for the Safety Plan as shown in the chart below.

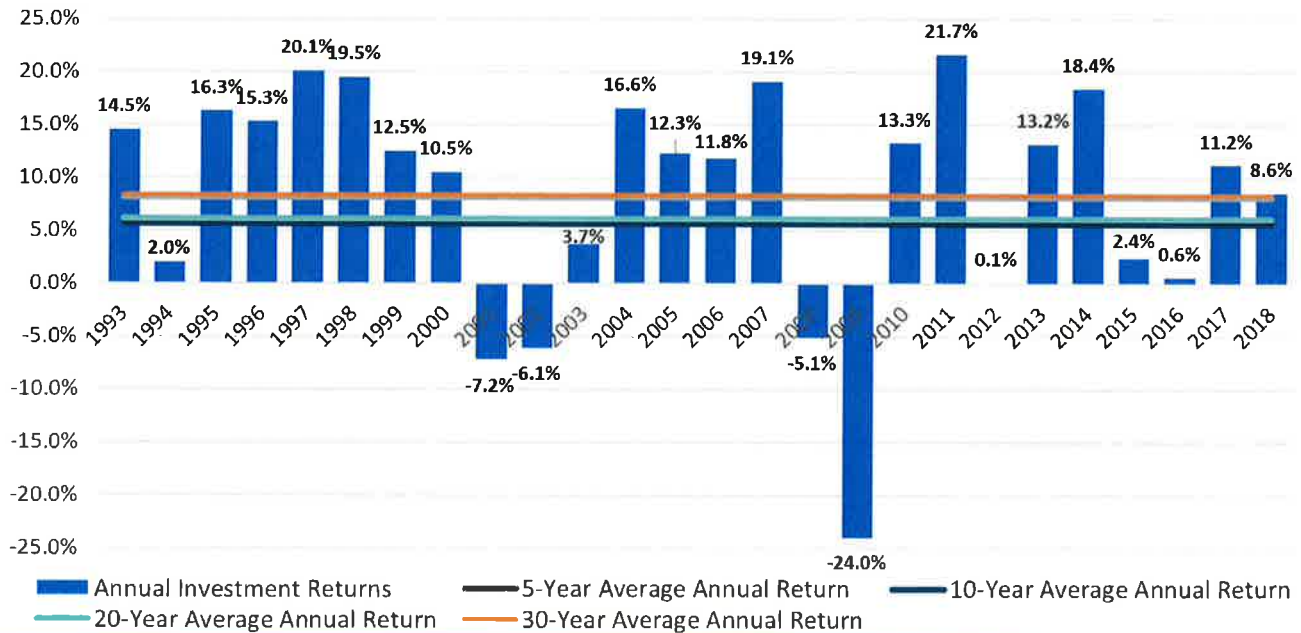
Member Statistics and Active to Retired Ratio



Source: CalPERS Actuarial Reports; Participant Data Section

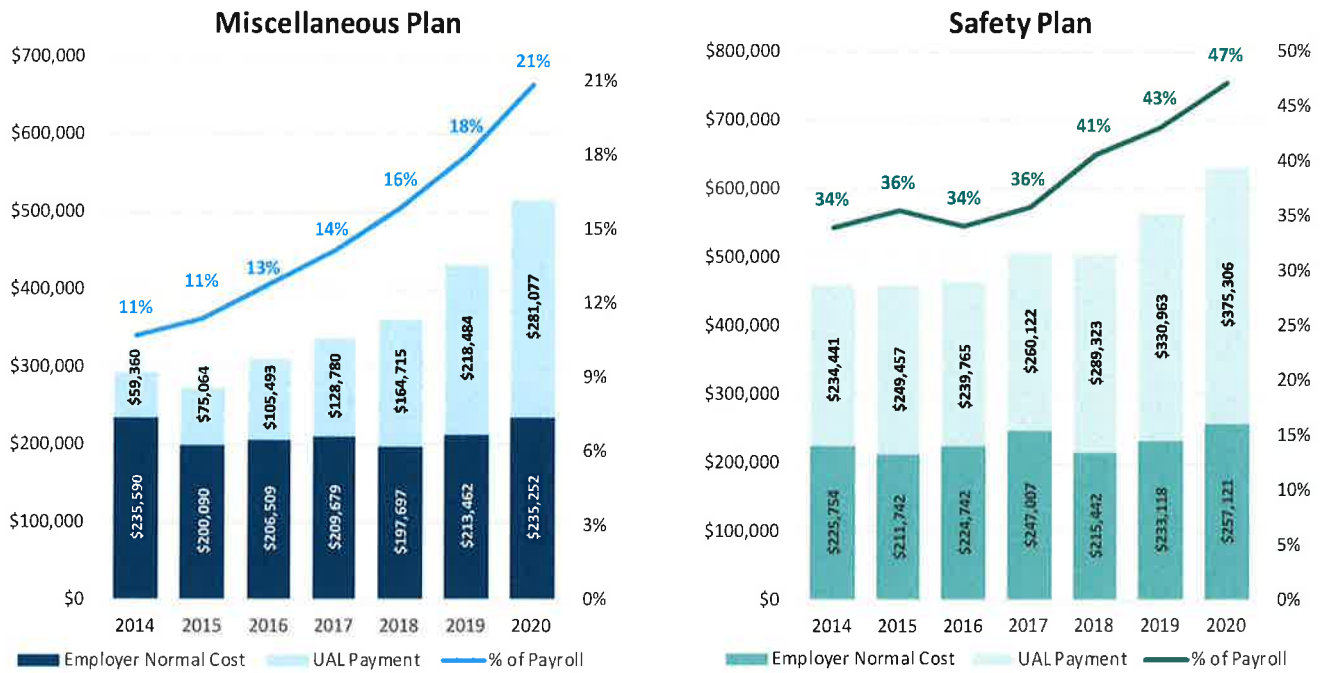
2018 INVESTMENT PERFORMANCE AND HISTORICAL RETURNS

This was the second consecutive year in which PERS outperformed its target rate, earning 8.6% in FYE 2018 following a strong 11.2% return in FYE 2017. This is a positive trend coming off two down years that returned 0.6% (FYE 2016) and 2.4% (FYE 2015). The 5-year average return is currently 8.8%, 4.4% for the 10-year average return, 6.6% for the 20-year average return, and 8.4% for the 30-year average return. Moving forward, annual investment performance will continue to be a key driver to future increases and decreases in the UAL. These changes will be incorporated annually, with increases from lower than expected investment returns (or conversely, decreases if there are strong investment returns) amortized over a 20-year period.



7-YEAR HISTORY OF NORMAL AND UAL COSTS AND % OF PAYROLL

The two charts below provided a breakdown of Normal and UAL costs for both of the City’s plans over the last seven (7) years, as well as the percentage of total payroll that those payments represent. Note that the Normal Cost component only includes the Employer share and does not include the Employee share, or any portion of the Employee share being picked up by the City. As shown, Miscellaneous Plan payments will have grown from \$294,000 (11% of payroll) in FYE 2014 to \$516,000 (21% of payroll) for FYE 2020. Similarly, Safety Plan payments will have grown from \$460,000 (34% of payroll) to \$632,000 (47% of payroll) by FYE 2020.



Source: 2014 - 2018 CalPERS Actuarial Reports

UAL HISTORY AND SENSITIVITY

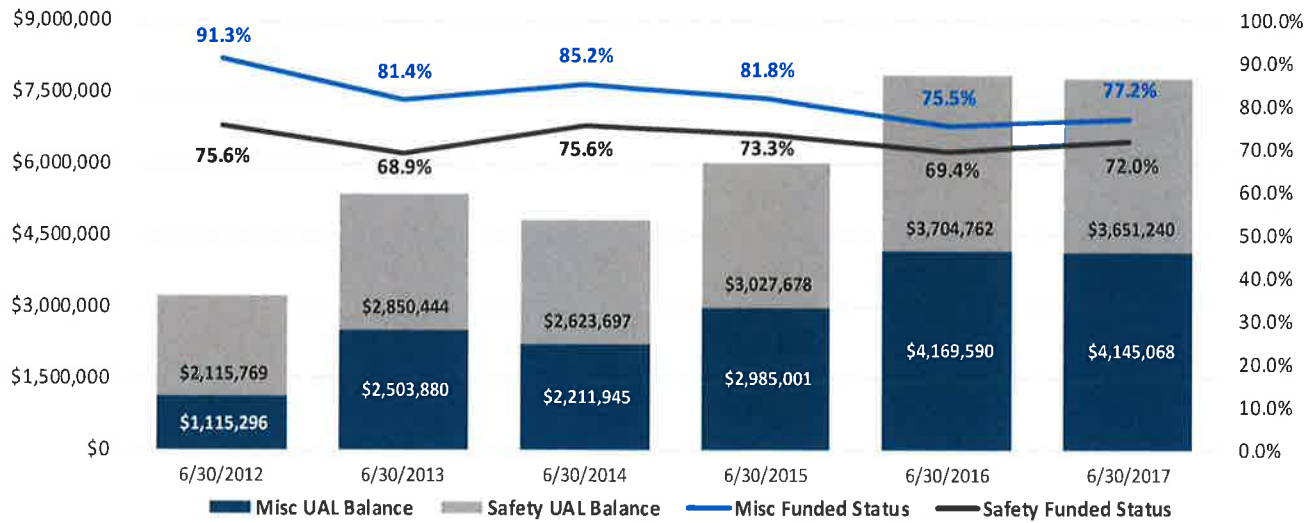
The chart at the top of the next page depicts the City’s UAL and Funded Status for each plan annually from June 30, 2012 valuation date through June 30, 2017 valuation date. Overall, the City’s UAL has more than doubled during that time, increasing by \$4.6M (from \$3.2M to \$7.8M). Funded ratios for the plans have dropped from 91.3% to 77.2% for Miscellaneous and from 75.6% to 72.0% for Safety. The key factors impacting the UAL fluctuations over this period include:

- **2013 → 2014:** Discount Rate lowered from 7.75% to 7.50%; PERS changed mortality assumptions (people living longer) and moved from an actuarial valuation of assets (“AVA”) to a market valuation of assets (“MVA”) which significantly increased the UAL
- **2014 → 2015:** Strong returns of 13.2% (2013) and 18.4% (2014) factor into a reduced UAL
- **2015 → 2016 → 2017:** Below average returns of 2.4% and 0.6%, combined with discount rate reduction from 7.50% to 7.00% (phased in over 3 years) factor into an increased UAL
- **2017 → 2018:** Above average returns of 11.2% factor into a reduced UAL

Based on the 8.6% returns for FYE 2018, we expect the City’s UAL to decrease slightly. However, it will likely be off-set by the final year of the phased discount reduction from 7.25% to 7.00%, which will drive the UAL higher.

Sensitivity Analysis: Based on the PERS report, if the discount rate is lowered to 6.0% (or long-term investment returns equal 6.0%), the City’s UAL would increase an additional 72%, or \$5.6 million.

UAL History and Funded Status

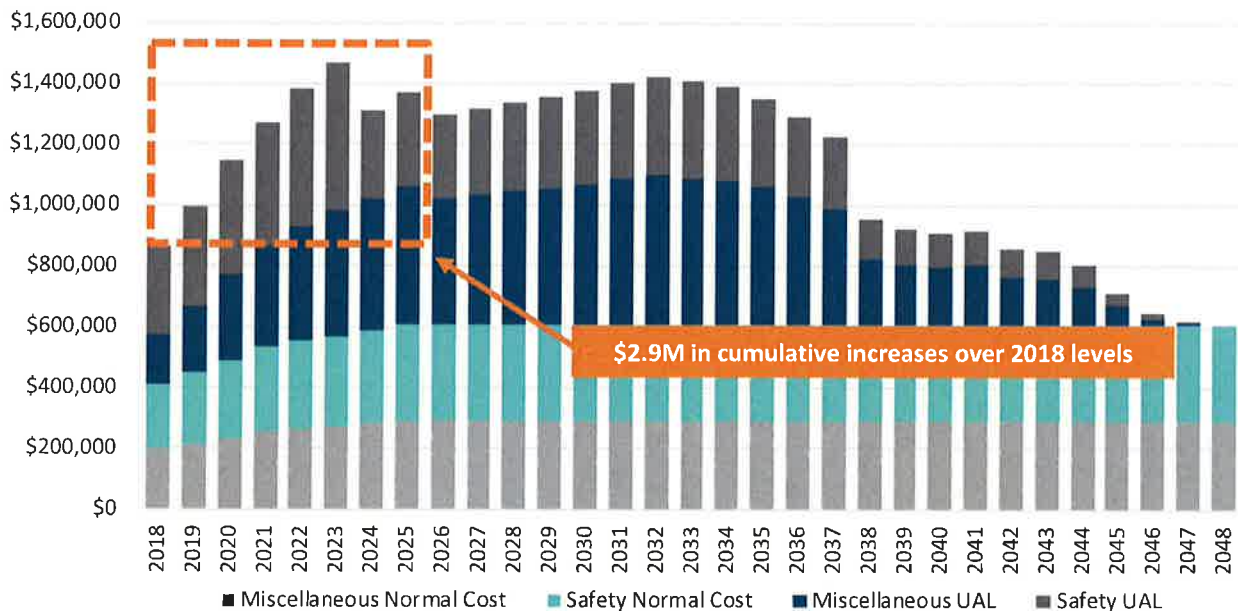


Source: CalPERS Actuarial Reports; 6/30/012 UAL based on AVA; MVA for subsequent years

30-YEAR COST PROJECTIONS

The chart below depicts cost projections for the next 30-years and is primarily based on the UAL and Normal Cost figures shown in the latest 2018 PERS actuarial report. For the Normal Cost, we have matched the growth that is presented in the PERS report for the next 5-years (3% payroll growth), but have assumed no growth thereafter given that these costs will be dependent on future employee turnover, which is difficult to predict (costs for classic employees will increase with payroll increases, but off-set by lower costs for new PEPRAs employees). As shown below, annual costs are rapidly increasing from \$870,000 in FYE 2018 to \$1.4M by FYE 2025. The orange box below highlights that, on a cumulative basis, there are \$2.9M of increased PERS required payments above 2018 levels over the next 7 years.

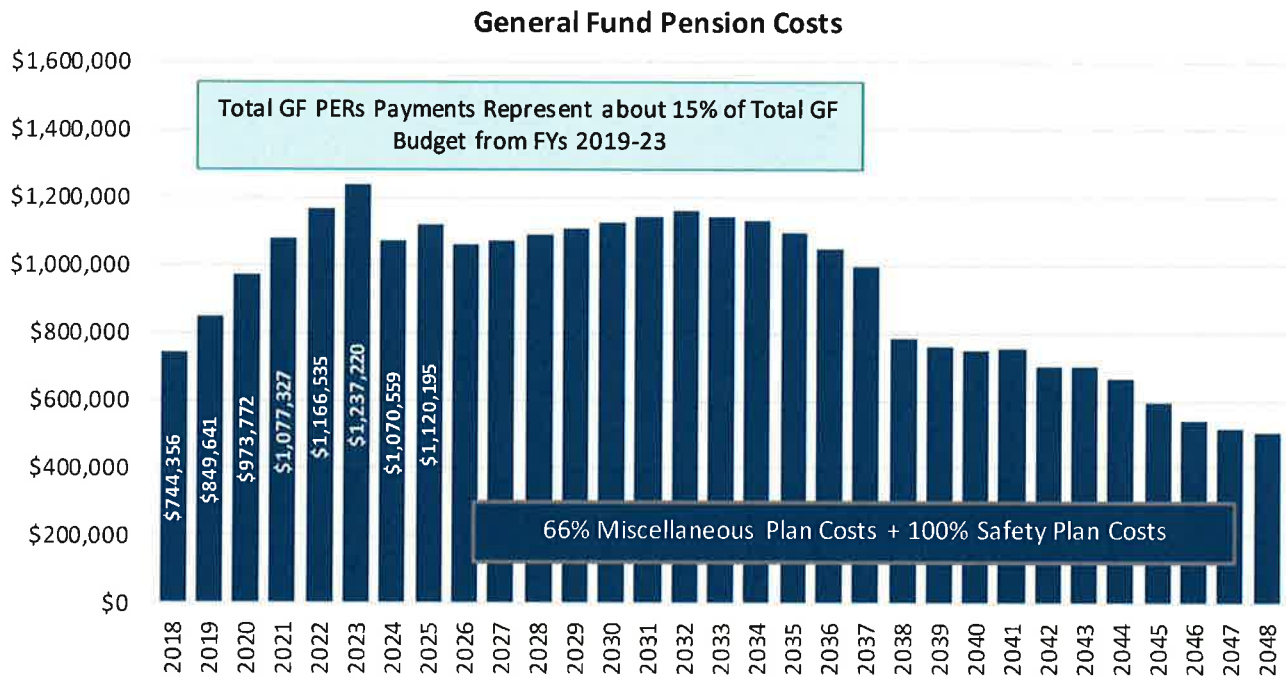
30-Year Projected PERS Costs - UAL & Normal Cost



Source: 2018 CalPERS Actuarial Reports; UAL through 2025 from page 5, UAL from 2026 through 2048 from page 11; Normal Cost assumes 3% growth for next five years and 0% thereafter

Why Is My Payment Schedule Increasing So Rapidly? – The City’s UAL is comprised of several components (called “bases”), each of which has a different time period for repayment. This schedule is shown on Page 9 of the 2018 PERS actuarial reports. When viewed in totality, a large portion of the bases and applicable UAL are being amortized over the next 20 years. Additionally, most of the recent increases are being amortized on a “step-up” schedule, meaning that the increases are phased in over the first five (5) years before plateauing at the full 100% required payment. This exacerbates the “increasing” repayment shape in the near term. Given that some of the City’s largest amortization bases are paid off over the next 20 years, the City will see a drop off in payments in FYE 2038 (this of course assumes no major changes to the UAL moving forward).

What Costs are Attributable to Only the General Fund and How Much of the Total Budget is That? – The chart below estimates projected PERS costs that are attributable to the City’s General Fund. **Based on a 33.9% allocation of Miscellaneous Plan costs to the City’s utility and other funds, only the remaining 66.1% of this Plan’s costs are included in the chart below.** While the City has no outstanding general fund debt, rising PERS costs are projected to put pressure on the City’s budget, with PERS costs representing approximately 15% of the City’s overall budget for the next 5 years.



Source: 2018 CalPERS Actuarial Reports and FYE 2017 City CAFR

ALTERNATIVE REPAYMENT AND COST MANAGEMENT STRATEGIES

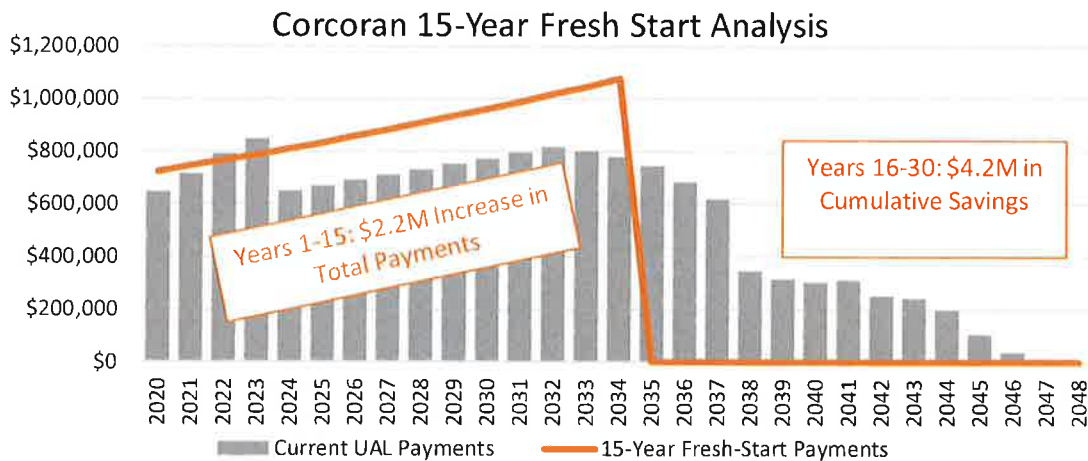
While there is no “magic bullet” to solve the issue of rising pension costs, there are several strategies that municipalities have undertaken to better manage these costs and/or create alternative repayment schedules. The information presented on the next page provides a quick summary of each. Aside from these five (5) pension specific strategies outlined, the City can also evaluate other internal cost cutting/budgetary measures. NHA can provide a more precise analysis if the City is interested in learning more about any of the five strategies shown below and the cost/benefits of each.

 Pre-Pay UAL at Start of Year • 3.5% discount	 Exit CalPERS • Cost prohibitive	 Request "Fresh-Start" Amortization • New linear payment shape	 Use Cash Reserves to Pay Extra 1. Direct Pay-Down of UAL with PERS 2. Section 115 Trust	 Borrow Money to Pay Down Portion of UAL 1. Internal Loan 2. POB Issuance
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- 1. Pre-Pay UAL at Beginning of Fiscal Year:** Instead of making monthly payments, the City can prepay its annual UAL payment and receive a 3.5% discount (half the discount rate) on the required amount. This prepayment is often made from cash reserves or from the proceeds of a Tax and Revenue Anticipation Note (TRAN).

FYE 2020 Estimated Savings: Based on a total required UAL contribution of \$656,000 for FYE 2020, the City of Corcoran would save \$23,000 by executing a pre-payment strategy by July 31st of 2019.

- 2. Exit CalPERS:** Many cities have expressed interest in leaving PERS. Unfortunately, this option is extremely cost prohibitive given that PERS uses a "risk-free" rate of return to calculate this payment (see Hypothetical Termination Liability section in PERS report). Hypothetical rates of return of 3.00% and 1.75% were used in the most recent actuarial report, translating to an estimated termination payment somewhere between \$55 million and \$63 million, respectively.
- 3. Fresh-Start:** The City can use the fresh start option that PERS provides to shorten the amortization period and create a more linear payment structure. The UAL remains the same and is amortized at the same discount rate, so there is no present value savings to the modified structure. A shorter fresh-start time horizon will increase payments in the near term even further, but will reduce the overall cumulative payments since there would be less interest being paid over time. Assuming a 15-year fresh-start for the Miscellaneous Plans and 15-year for the Safety Plans (see page 11 of the PERS reports), the annual cash flow savings over the first 15 years is negative (≈23% increase), with no payments beyond year 15, which is where the cash flow savings are realized. While the City's annual payments will be higher initially, the net impact is about \$2.0M in reduced payments over the next 30 years.



Source: 2018 CalPERS Actuarial Report

- 4. Use Cash to Increase Contributions:** The City can use cash reserves to make additional contributions in one of two ways. It can directly pay off a portion of the amortization bases with PERS or it can set up a separate Section 115 trust that is managed by a separate entity, such as Public Agency Retirement Services (PARS).

For a direct pay down, the City can choose any amortization base within either of its plans and will get credit at the discount rate of 7.0%, thereby eliminating the future payments associated with that amortization base that is paid off. It is important to note that the longer (maturity) the amortization base is, the more cumulative cash flow savings there is, but less on an annual basis. Conversely, a shorter amortize base paid off translates into more annual savings, but less on a cumulative basis. **As an example, the table to the right depicts the future payment reductions from a \$500,000 pay-down, both for a 10-year base and a 20-year base.**

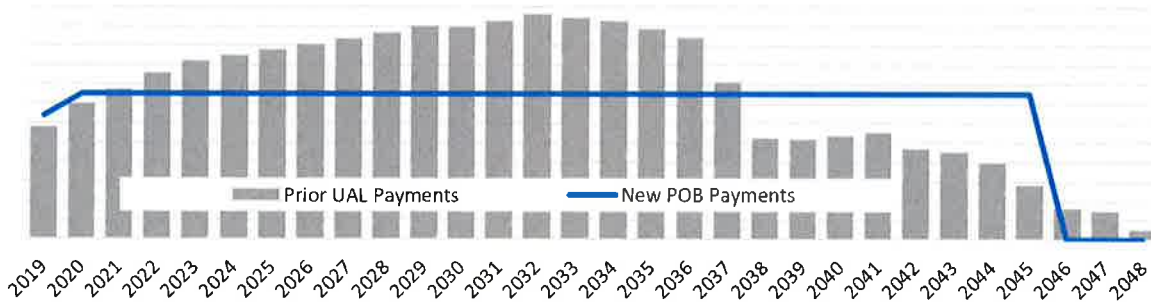
In June 2018, the City established a Section 115 trust to be used to fund pension and OPEB costs and funded it with an initial investment of \$450,000. While the funds must be used for pensions, the City can elect when and how it would like to apply these funds to the outstanding pension obligations. The funds can be invested in a variety of ways, with varying investment objectives available based on the City’s desired risk tolerance. Funds can be left in the account to grow over time, can be used to make additional contributions directly to PERS, or can be used to make the City’s required annual PERS payments during challenging budgetary years.

Fiscal Year	Reduced Payments from \$500,000 Pay Down	
	20-Year Amortization Base	10 Year Amortization Base
2020	37,356	61,963
2021	38,337	63,589
2022	39,343	65,259
2023	40,376	66,972
2024	41,436	68,730
2025	42,523	70,534
2026	43,640	72,385
2027	44,785	74,286
2028	45,961	76,236
2029	47,167	78,237
2030	48,405	-
2031	49,676	-
2032	50,980	-
2033	52,318	-
2034	53,692	-
2035	55,101	-
2036	56,547	-
2037	58,032	-
2038	59,555	-
2039	61,118	-
Reduced Payments	966,348	698,190
Initial Deposit	(500,000)	(500,000)
Net Savings	466,348	198,190

Assumes a 7.00% Discount Rate and 2.625% Annual Payroll Growth

- Borrow Money to Pay Portion of UAL:** Some cities have borrowed money (either internally from other funds, or publicly from investors through a Pension Obligation Bond (POB) issuance) to pay down a portion of their UAL and replace those PERS payments with new payments at a lower interest rate. It is important to note that any prepayment of UAL is not without risks, most notably, reinvestment/market timing risk in this instance. The rule of thumb is that a borrowing will produce positive present value (“PV”) savings if the investment earnings earned by PERS is greater than the rate paid on the new borrowing. The ability to restructure (“smooth-out”) the overall payment shape to enhance budget predictability is, in our view, a more important consideration than trying to create PV savings through arbitrage. Recently, there have been cities in California who have executed both of these strategies in order to restructure their payments and reduce and/or eliminate their UAL.

Hypothetical POB/Loan for Smoothing
Prior UAL Payments vs. New POB/Loan Service



Note: New POB/loan payments are solely estimates; graphic is meant to visually depict the strategy of “payment smoothing”

OTHER RESOURCES

- League of California Cities: <https://www.cacities.org/>
 - Pension: <https://www.cacities.org/Policy-Advocacy/Hot-Issues/Retirement-System-Sustainability>
- Government Finance Officers Association: <http://www.gfoa.org/>
 - Pension: <http://www.gfoa.org/pension-resource-center>
- CalPERS: <https://www.calpers.ca.gov/>
 - List of Actuaries: <https://www.calpers.ca.gov/docs/opeb-actuaries.pdf>

City of

CORCORAN

Public Works Department

FOUNDED 1914

**STAFF REPORT
ITEM #: 7-A**

MEMO

TO: Corcoran City Council

FROM: Joseph Faulkner, Public Works Director

DATE: March 20, 2019

MEETING DATE: March 26, 2019

SUBJECT: Pedestrian Crosswalk Improvements

Discussion:

Federal Congestion Mitigation and Air Quality (CMAQ) funds have been programmed by Kings County Association of Governments for many projects that reduce mobile source emissions and are important for improving air quality and meeting federal air quality standards.

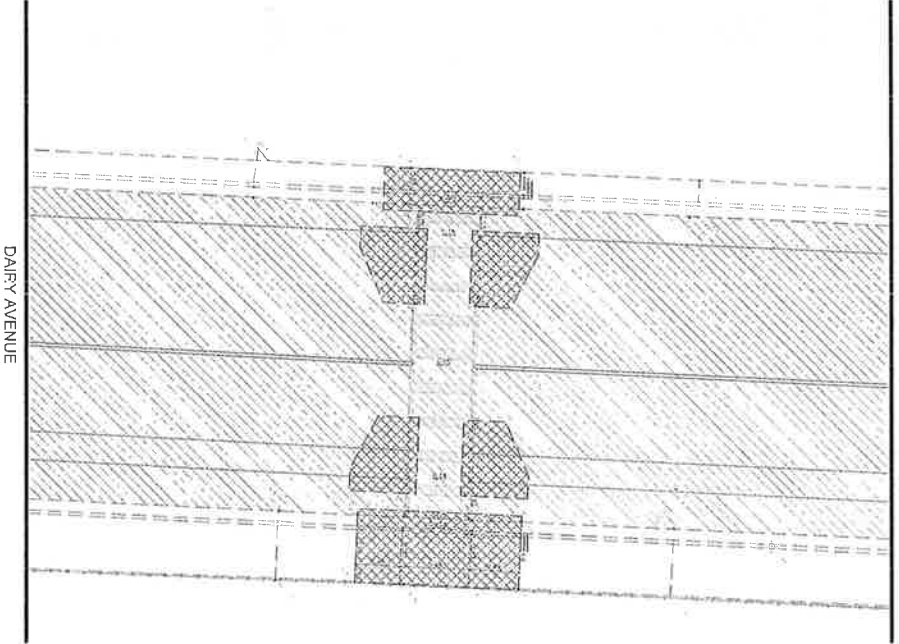
A pedestrian improvement project is programmed for Corcoran this 18/19 year. This project will consist of a pedestrian warning system coupled with lane improvements to shorten a pedestrian's exposure to vehicles. See attached for proposed layout.

Budget Impact:

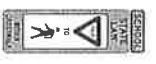
None.

LEGEND

- ▭ PROPOSED IMPROVEMENT
- ▨ EXISTING IMPROVEMENT
- ▩ EXISTING



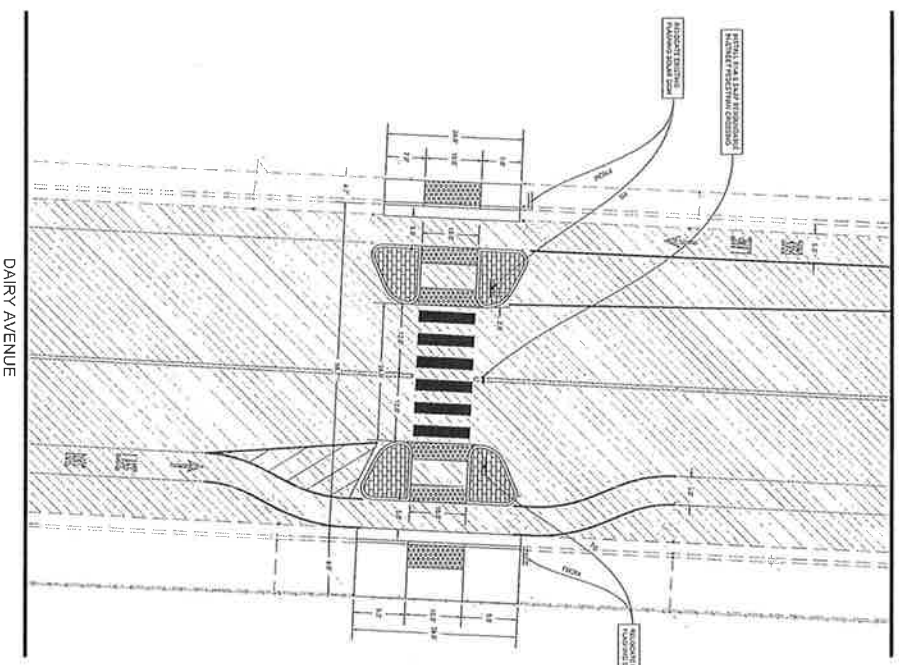
DEMOLITION PLAN
PLAN VIEW



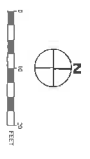
REGISTRATION NO. 10000
EXPIRES 10/1/2018
STATE OF MONTANA
PROFESSIONAL ENGINEER

CONTRACTOR NOTES

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE SPECIFICATIONS FOR THE CITY OF CORCORAN, MONTANA, AND THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS OF THE STATE OF MONTANA, LATEST EDITION.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF CORCORAN AND THE STATE OF MONTANA.
3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF CORCORAN AND THE STATE OF MONTANA.
4. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF CORCORAN AND THE STATE OF MONTANA.



PROPOSED IMPROVEMENTS
PLAN VIEW



 SHEET NO.	SCALE JOB NO. DRAWING NO. DATE	REV: 0001 00	ENGINEERING PLANS FOR CITY OF CORCORAN PEDESTRIAN CROSSWALK IMPROVEMENTS SHEET TITLE	 A & M CONSULTING ENGINEERS	
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City of

CORCORAN

Police Department

FOUNDED 1914

March 20, 2019

**STAFF REPORT
ITEM#: 7B**

To: Corcoran City Council
From: Reuben P. Shortnacy, Chief of Police
Subject: Police Department 2018 Annual Report

Discussion:

Attached is the Corcoran Police Department 2018 annual report for your review.

2018 Annual Report



Corcoran Police Department

Chief of Police

Reuben P. Shortnacy

Mission Statement

To provide quality law enforcement services to the community while maintaining the trust of those we serve.

Vision Statement

To effectively work with the community to provide safe and secure neighborhoods

Values

Integrity - Do what is right

Loyalty - To the community and to CPD

Teamwork - working together

Accountability - Holding ourselves responsible

It is my pleasure to present to you the Corcoran Police Department Annual Report for 2018. This report covers the calendar year of 2018 and contains statistical information from previous years for review and comparison. I hope you find the report informative and invite any comments and/or questions.

PERSONNEL/STAFFING

As of this report we have one full time dispatcher vacancy and one part time dispatcher vacancy. We have three police officer trainees in the current academy and when they successfully complete the academy will be appointed to full time officer status. This will bring us to our allotted full time staffing levels for officers.

INVESTIGATIONS

Narcotics Task Force (NTF):



The Kings County Narcotics Task Force initially started in 1978 under a federal grant program. Following the termination of the grant, NTF continued to operate by a formal agreement between Corcoran, Hanford and Lemoore Police Departments, Kings County Sheriff's Office and the California Department of Justice, Bureau of Narcotic Enforcement. In May of 1985, the California Highway Patrol (Hanford Office) joined NTF. In 1987, the Kings County Probation Department went to a full contribution with the assignment of a Deputy Probation Officer. In 2006 the Highway Patrol was forced to discontinue their participation with the task force, due to traffic responsibilities they needed to fulfill with their limited staffing. In February of 2012, the California Department of Justice Bureau of Narcotic Enforcement, discontinued with NTF as a result of cuts at DOJ.

NTF continues to operate under the direction of a multi-agency Board of Directors, which is responsible for establishing investigative priorities, policy decisions and general operating procedures of the unit. The Board is comprised of the Chief Administrator from each participating agency, as well as the District Attorney of Kings County.

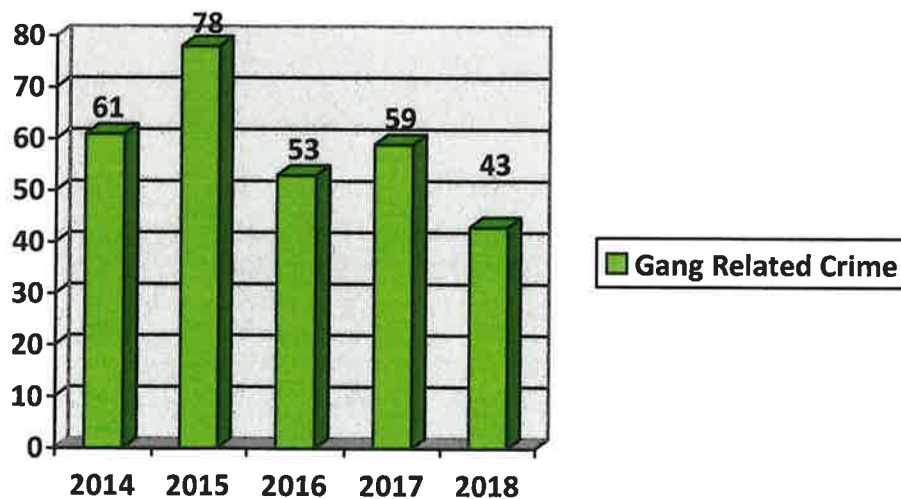
Due to staffing levels we did not have an investigator in this taskforce during 2018. However, we did get some assistance with cases from the taskforce.

Gang Task Force (GTF):



The Gang Task Force was originally formed by local law enforcement agencies in November of 1993. This was an effort to combat increasing gang problems in communities throughout Kings County. GTF operates under the direction of a multi-agency Board of Directors, which is responsible for establishing investigative priorities, policy decisions and general operating procedures of the unit. The Board is comprised of the Chief Administrator from each participating agency, as well as the District Attorney of Kings County.

Due to staffing levels we did not have an investigator in this task force during 2018. However, we did have a total of 12 Gang Enhancements.



CPD Investigations Unit:

Our local investigations unit continues to be very busy. We are still operating with only one investigator, having had to pull the second investigator back to patrol due to staffing levels. During 2018 there were 17 search warrants authored. Some of the cases that investigators have worked include identity theft, forgery, Assault With a deadly Weapon, attempted homicide, homicide and child molestation. Detectives carried a total of 48 cases during 2018, clearing 27 and 21 remain active.

K-9 Unit:



Our K9 program began April 16, 2002. In March of 2015 the Gibby family, who own several Jack in the Box restaurants in the valley, held a fundraiser for the replacement of our K9. They raised nearly \$17,000 which allowed us to purchase a dog, the equipment and complete all of the initial training with no negative impact on our budget. We also received a donation from a local community member in the amount of \$1,200 for a ballistic vest for our K9. We are thankful for the amazing support that our K9 unit has received and we are appreciative of the generosity. Our newest K9 was named "Jacki" after Jack in the Box. She is a Belgian Malinois, has completed all required training and certification and has been deployed since July of 2015.

Along with her Handler, Corporal Daniel McAlister, Jacki has conducted several presentations throughout the year and has been active with a variety of searches. Jacki was utilized for a total of 30 searches. She was utilized for patrol 24 times which resulted in 3 surrenders. The K9 team also conducted 4 demonstrations for community groups and schools. Jacki and her Handler have completed 57.5 hours of training during 2018 and re-certified on 12-1-18 by the Commission on Peace Officer Standards and Training. She has been a tremendous addition to the Corcoran PD team and continues to contribute to the safety of all those who live and work here.

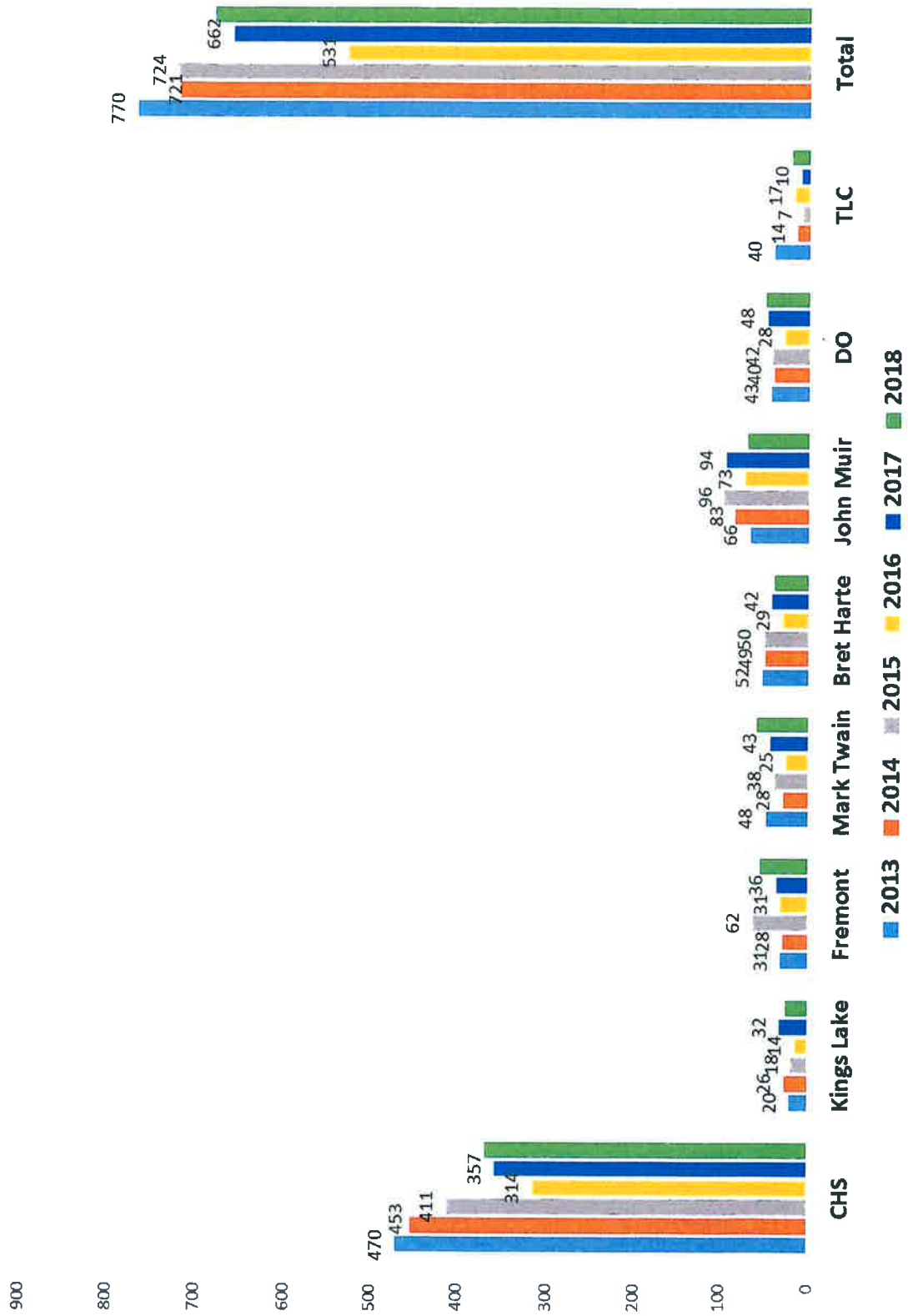
School Resource Officer:



I know that we can agree that one of a community's most precious assets is its children. We believe that and make their safety a priority. The School Resource Officer's (SRO's) presence alone is a crime deterrent on campus to include sporting and special events. We continue to enjoy success with our SRO program. So much of the success of an SRO program depends on the relationship between the police department and the school district. We have enjoyed an exceptional relationship with our school district and see them as a principal partner in our joint effort to keep our students safe and in an environment that is conducive to learning. During 2018 the SRO responded to 683 Calls for Service on school campuses (details illustrated on the next page). He has investigated a variety of crimes/incidents to include: battery, suspected child abuse and student attendance. When the SRO is not handling incidents at the schools he spends time working with staff on campus safety, focusing on crime prevention/community relation efforts and interacting with students in a positive environment.

SRO Activity Detailed:

School Resource Officer



Police Explorer Program:



Beginning in the early 1970's, the Corcoran Police Explorer Post 1500 is open to young men and women ages 14 through 21 years of age with an interest in learning more about careers in the law enforcement field. The program provides leadership and community service opportunities. Corcoran Police Explorers are provided a combination of classroom and practical training with Ride-Alongs in police vehicles and community policing activities. Explorers develop leadership skills, respect for community members, police officers and other explorers as well as learn law enforcement protocols. In 2018 Corcoran Police Explorers had an opportunity to participate in the Tulare County Central Valley Explorer Competition. The Explorers placed in several categories in these competitions. They assisted with Cotton Festival, Corcoran Rotary Stuff the Bus, the

Christmas Parade, and assisted with a canned food drive during Christmas. These are but a few of the events that they have participated in. These young men and women have raised over \$3,000 during 2018 to offset competition costs, educational trips and costs of uniforms etc. The Corcoran Police Explorer Post had 12 youth participating during 2018 led by their advisors; Sgt. Pedro Castro, CSO Jimmy Roark, Communications/Records Manager Kathy Gibson and Sr. Records Clerk Sandra Barboza.

Community Oriented Policing:



Our dominant philosophy continues to be that of Community Oriented Policing (C.O.P). Our primary goal and commitment is to find long-term solutions to problems in our community. Our Community Relations and Community Policing efforts go a long way towards preventing crime and solidifying partnerships with community members and groups. We participate in many events throughout the year and take advantage of opportunities to connect with people and find common goals to keep our community safe. Coffee with a cop, National Night Out, coaching youth sports are just a few. Citizen "Ride-Along's" is also a part of this effort. In 2018 we had a total of 31 individuals that went on a Ride-Along with various officers.

Chaplain Program:

The Chaplain Program began April 3, 2001 as an approach to meeting needs in our community. Chaplains work with law enforcement personnel on a professional level by making themselves immediately available as trained and caring professionals who can assist in times of loss, confusion, depression, or grief to people in crisis situations. The Chaplains provide this service not only to the community, but also to all department employees and their families as well.

The Chaplain Program is coordinated by department personnel and the Chaplain must be ordained or commissioned. He or she must attend specialized training for law enforcement chaplaincy.

We have one volunteer Chaplain, Jason Mahill (Harvest Community Baptist Church), who participates in the program. He is provided with necessary training and resources in return for many hours of volunteer service.

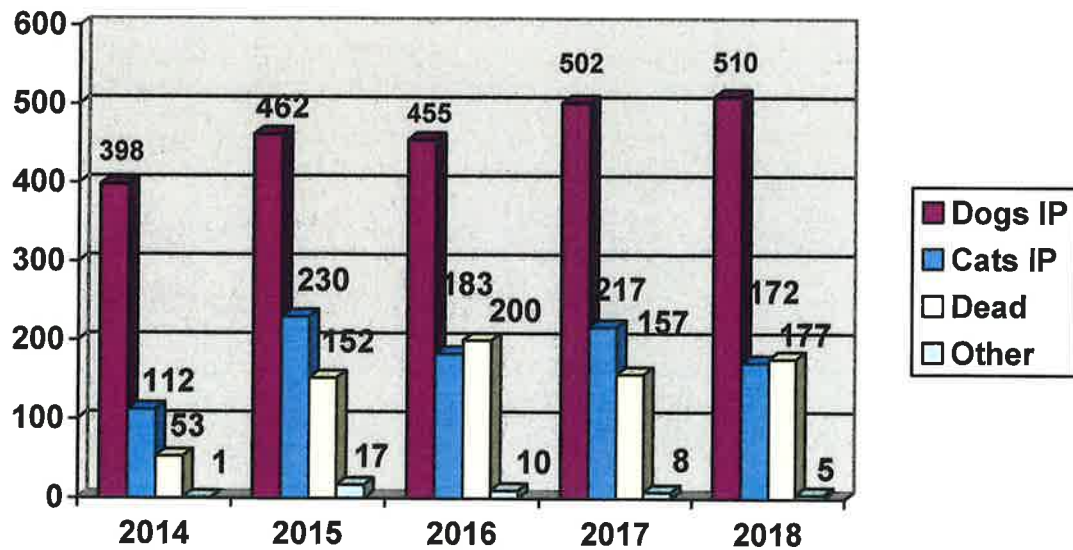
The duties of the Police Chaplain may include, but are not limited to:

- Riding along with officers on routine patrol on various shifts.
- Accompanying a police officer to assist with notification of any death or serious injury.
- Working with police officers to assist in any kind of crisis situation where the presence of a trained chaplain might help.
- Counseling Department members in response to stress or family crisis problems.
- Visiting with sick or injured members of the Department at their home or in the hospital.
- Offering invocations at special occasions such as recruit graduations, award ceremonies and dedications of buildings, etc.
- Serving on appropriate committees.
- Act as liaison with local ministerial associations and on matters pertaining to the moral, spiritual, and religious welfare of community members and police personnel.
- Assisting the Police Department in the performance of appropriate ceremonial functions.
- Providing practical assistance to victims.

Animal Control:



Our Animal Control Officer continues to be very busy. In 2018 he responded to 1,429 Calls for Service, investigated 20 dog bites, issued 12 citation and issued 60 warnings. We have held clinics to make it convenient for the community to get their dogs licensed and vaccinated, one of which was held in 2018. We licensed a total of 81 dogs and many of those were also vaccinated. We will continue to introduce more animal care education to the community in the coming years as well as host clinics for vaccination, licensing and “chipping.” The “other” category represents animals such as coyotes, rabbits, snakes etc.



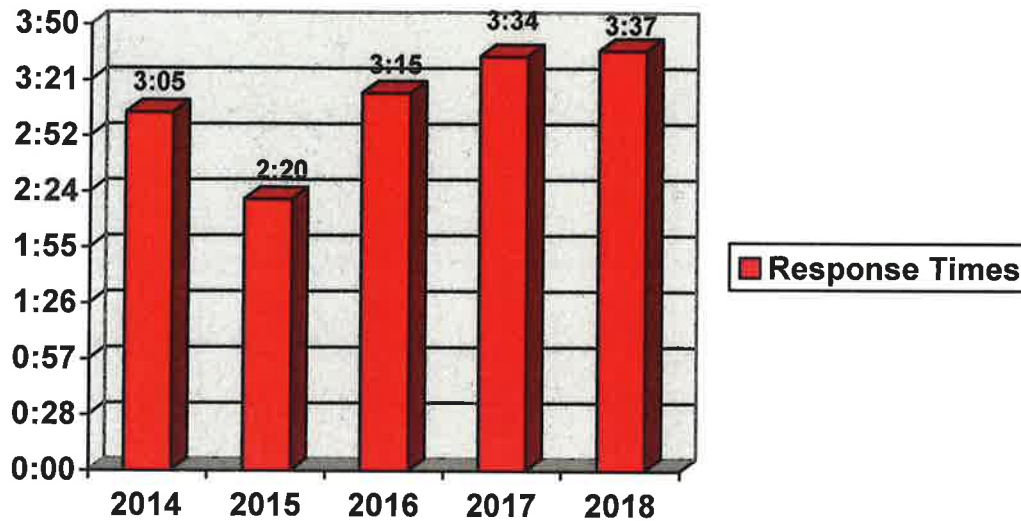
Training:



It is important for us to maintain our skill level and expertise in a variety of areas so that we are prepared to respond to and address any incident that may develop. The quality of

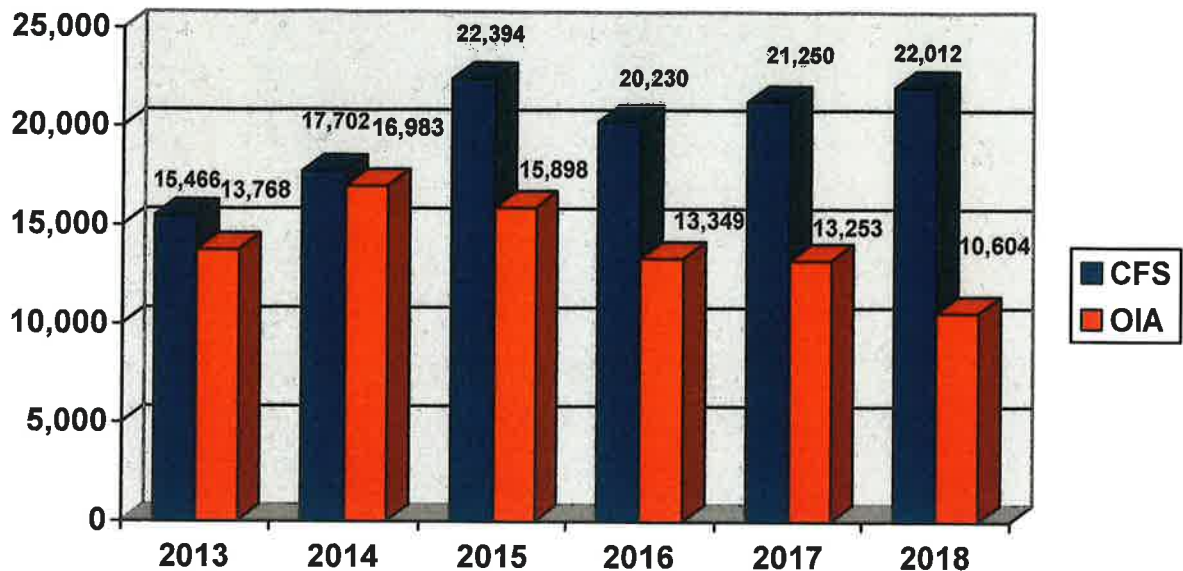
the training that we receive directly impacts the quality of service that our community receives. During 2018 department personnel completed over 1,300 hours of training in various topics. Some of the training topics include: Internet Crimes, Crisis Intervention Training, Leadership, Management, Gang, SWAT, Officer Involved Shooting, Public Records Act, Records Supervision, Hostage Negotiation, Use of Force and Title 15.

Response Times:



These numbers represent an average response time for all priority-1 calls. There are a lot of things that impact this number such as staffing, call volume etc. However, we have maintained a good average response time overall.

Calls for Service / Officer Initiated Activity:

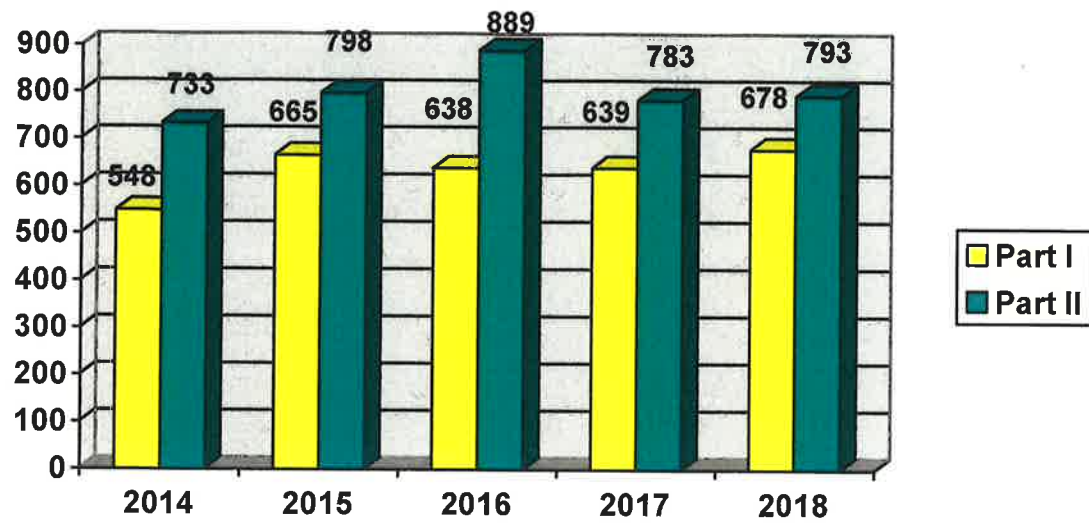


Calls for Service (CFS) over the past several years have increased steadily. Although there will be some fluctuation, these numbers will continue to increase over time with the impact of AB 109, Prop 47 and Prop 57. There was a decrease in CFS from 2017 to 2018 of 5.46%.

CRIME STATS

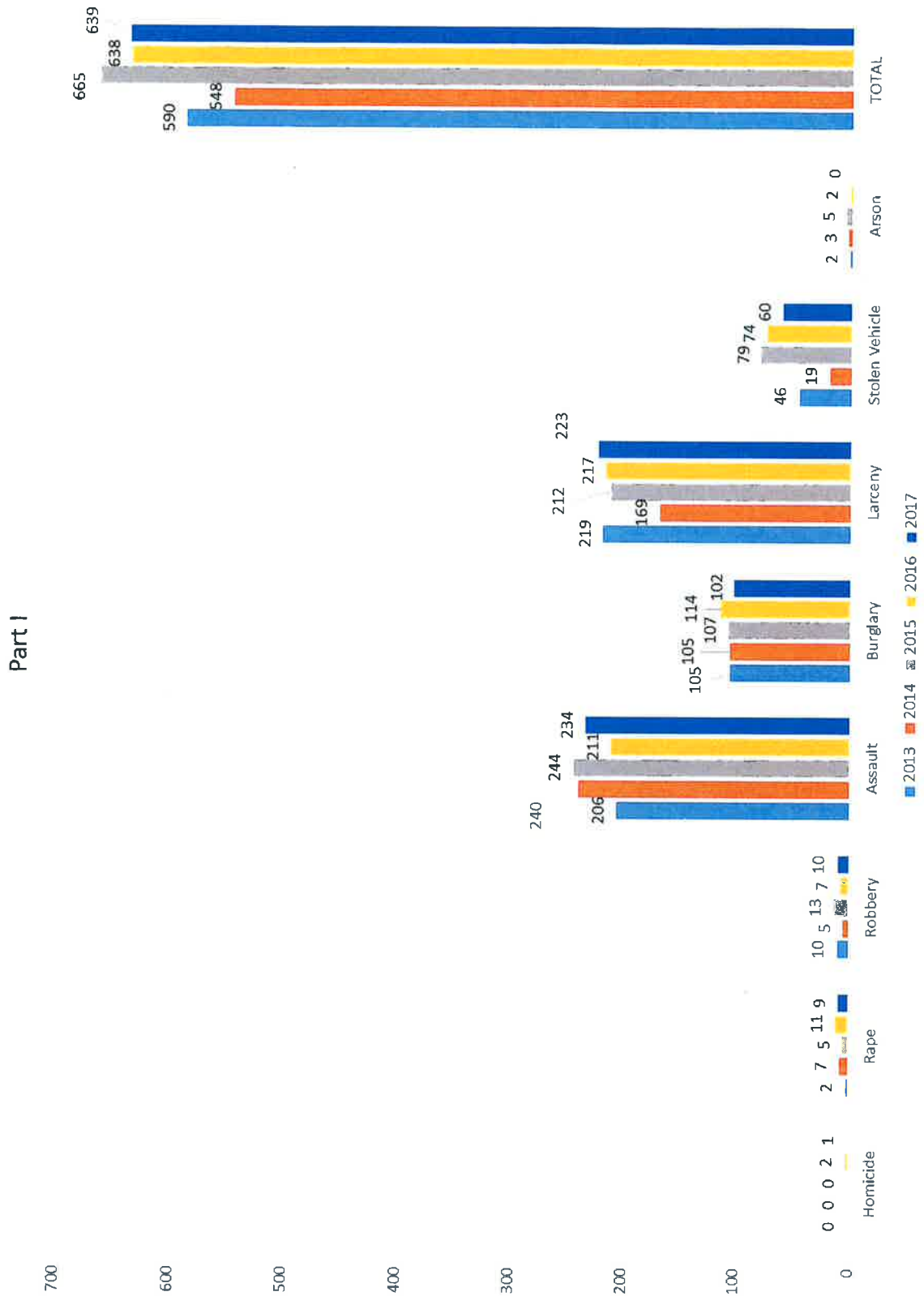
Much of our focus continues to be on Part I crimes. These are the more serious crimes and are represented in the following categories: homicide, rape, robbery, vehicle theft, burglary, assault, larceny and arson. Part II crimes are crimes such as embezzlement, vandalism etc. You can see in the illustration below that our Part I crimes have been consistent over the past few years. Part I crimes are up 6.10% compared to 2017. Part II crimes have increased 1.27%. Some of this is due to the changes / decriminalization of some laws and less officer initiated activity due to staffing. These numbers will fluctuate from time to time for a variety of reasons. There are many variables that affect this number to include staffing levels, trends and changes in the law. Although we have had much success in keeping Part I crime down overall, I anticipate that we may continue to see some increase in our Part I crimes. These categories are directly impacted by changes in the law such as AB 109, Prop 47 and Prop 57. On page 16 there is a chart that reflects a more detailed breakdown of Part I crime. Preventing and addressing Part I crimes will continue to be our priority, as these are the crimes that most significantly impact quality of life.

Part I / Part II Crimes:

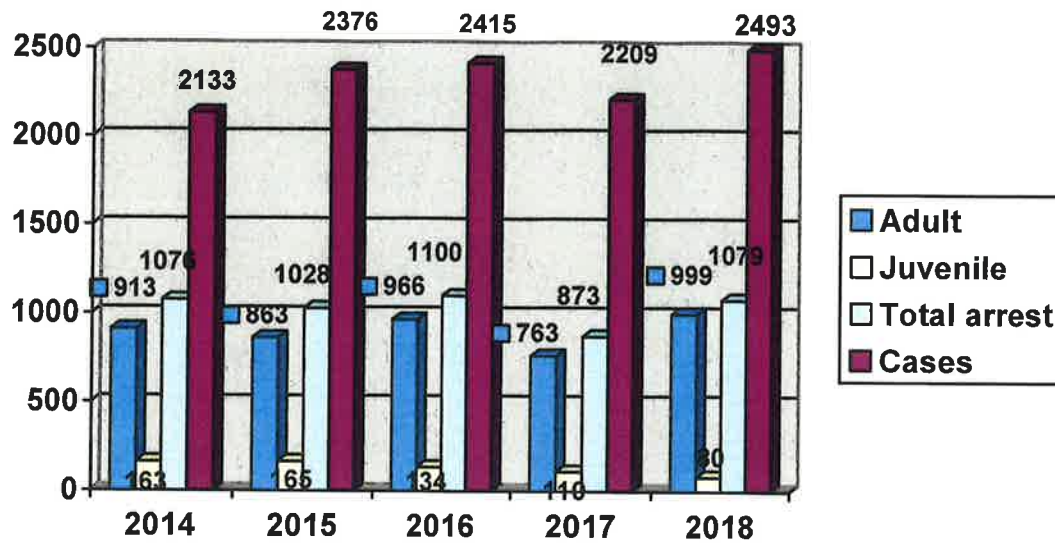


There is a 6.10% increase in Part I crimes compared to 2017. In 2018 we had a 1.27% increase in Part II crimes compared to 2017.

Part I Crimes detailed:



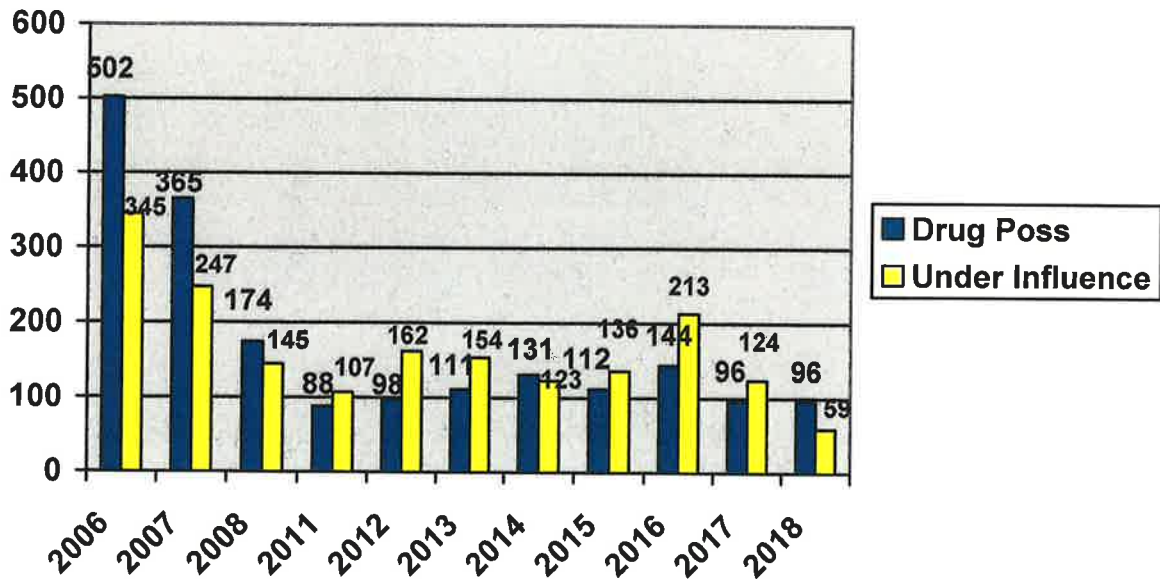
Arrests / Cases:



Arrests have increased by 23.59% overall with a 12.85% increase in total cases. Adult arrests are up by 30.93% compared to 2017 and juvenile arrests are down by 27.27%.

DRUG ENFORCEMENT

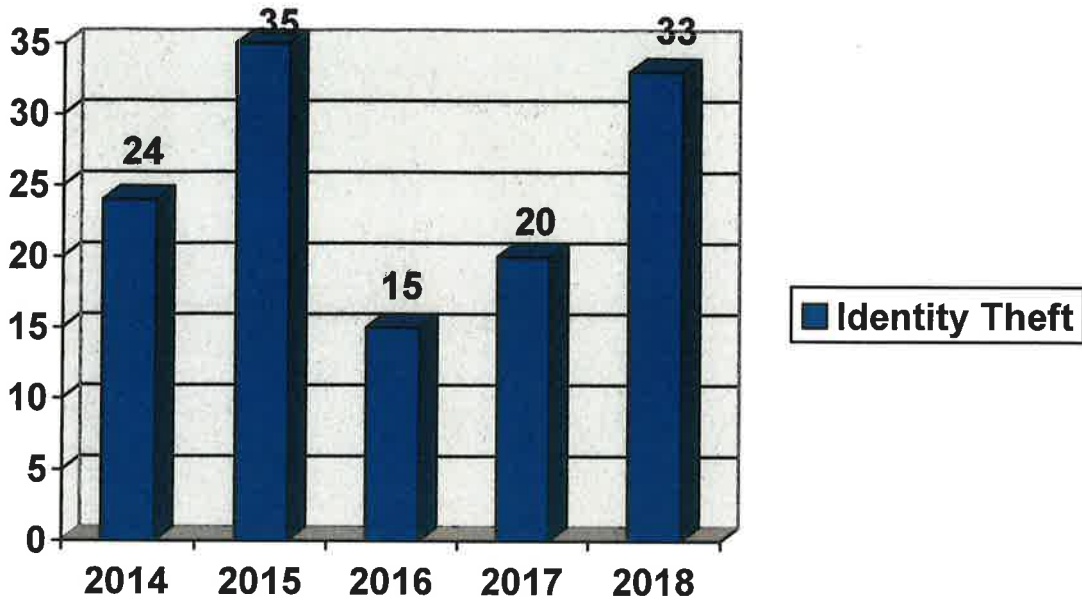
Drug possession / under the influence of drug arrests:



Over the years drug interdiction has been a council and police priority. We have enjoyed a decline in drug arrests for several years. However, we may likely experience crime and incidents related to drug use but with statistical drops in arrests. Many drug crimes have changed recently from felony to misdemeanor. The primary problem continues to be

meth and heroin. Heroin has become much more dangerous as a result of the use of fentanyl.

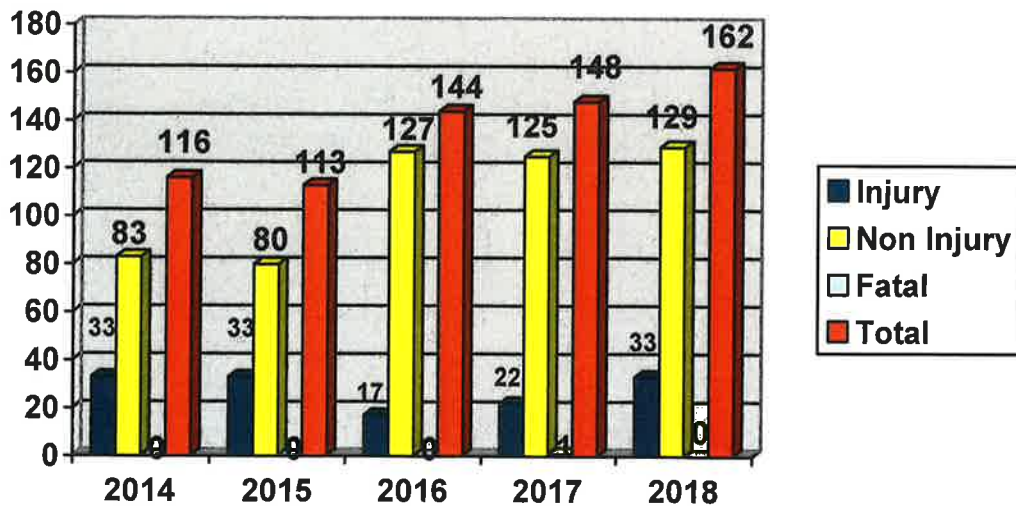
Identity Theft:



We have seen an increase in identity theft cases of 65% compared to 2017. These crimes are often directly connected to drug crimes / use. We will continue to aggressively investigate these cases. The impact of these crimes on victims can be significant.

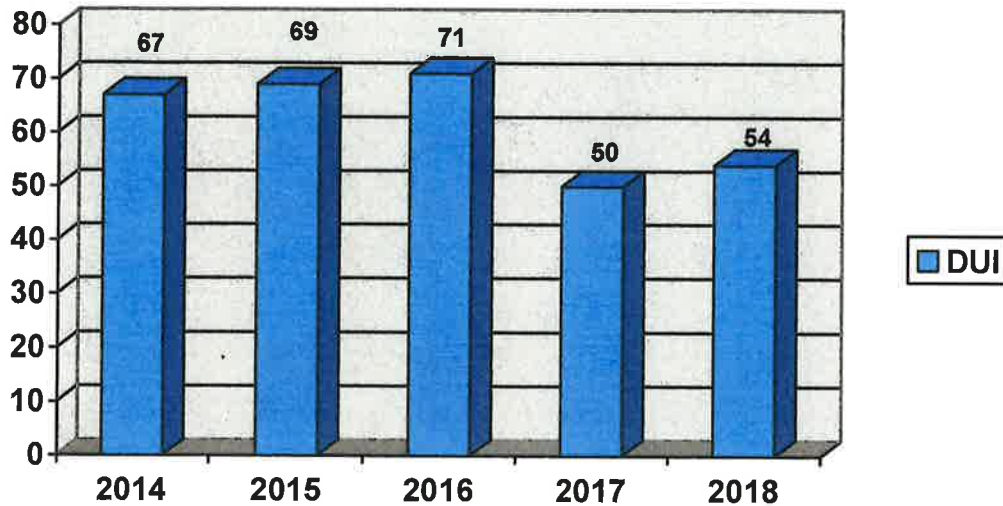
TRAFFIC

Traffic Accidents:



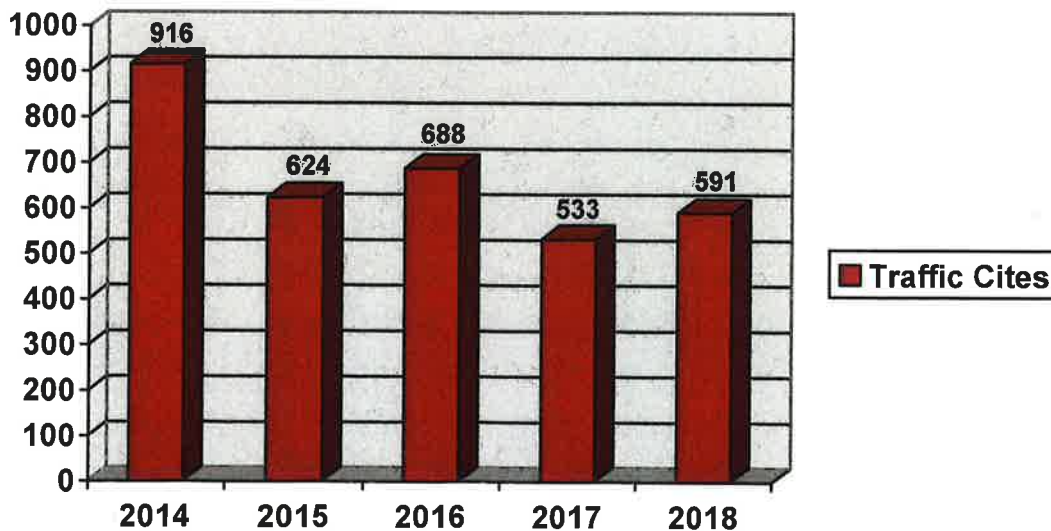
Traffic safety is consistently an area of public concern. We are sensitive to this, especially as it relates to our schools and business district and set it as a high priority. Right of Way violations are the primary cause for accidents and a significant part of our enforcement efforts. Total accidents have increased 9.45% compared to 2017.

Driving Under the Influence:



DUI arrests are fairly consistent although we have seen an 8% increase in arrests compared to 2017. Staffing impacts this number significantly as most DUI arrests are officer initiated opposed to reported.

Traffic Citations:



We continue to address a variety of traffic issues and concerns. We are sensitive to complaints such as u-turns, speeding, loud music and right of way violations. We concentrate a lot of our effort in school zones. Our goal is to keep our pedestrians and motorists safe while being responsive to traffic related complaints.

FINAL COMMENTS

I can never say enough what an honor and a privilege it is to lead and serve with the men and women of the Corcoran Police Department as well as working with all of our stakeholders who make Corcoran such a great community. We have seen a lot of visible changes this past year. We deployed a new badge and shoulder patch design, updated graphics on our police vehicles and the most exciting was the start of construction on our new police facility. We are approximately 70% complete at this point and very excited to see the completion of the facility. It will be much more conducive to providing the service that Corcoran residents deserve. We remain committed to using proactive and innovative approaches to reduce crime in our community so we may keep businesses, schools and neighborhoods as safe as they can be. We constantly look for ways to improve our service to those who live, work or visit Corcoran. Becoming more efficient and continuously improving is a priority. We value the relationships that we have with those we work with and work for.

Our number one mission will always be the protection of life, property and the prevention of crime. While there are challenges in meeting our goals, it doesn't change our tenacity or commitment. Our continued pledge to the community is to always work towards improving and maintaining quality of life.

Thank you Corcoran City Council and the community of Corcoran for supporting your police department. It is truly our pleasure to serve you.

City of

CORCORAN

A MUNICIPAL CORPORATION

FOUNDED 1914

**STAFF REPORT
ITEM #: 7-C**

MEMORANDUM

TO: City Council

FROM: Kindon Meik, City Manager
Joe Faulkner, Public Works Director

DATE: March 21, 2019

MEETING DATE: March 26, 2019

SUBJECT: Lighting repairs at skate park/basketball courts.

Recommendation:

Staff is requesting direction from the City Council on the lighting repairs at the skate park/basketball courts.

Discussion:

In recent weeks it has come to the attention of City Council and staff that the lights at the skate park/basketball courts have not been working. Staff has been working with the RAC personnel. Council direction and input is requested to proceed.

Budget Impact:

Repair costs unknown at this time.

Attachments:

None.

**STAFF REPORT
ITEM #: 7-D**

MEMORANDUM

TO: City Council

FROM: Kindon Meik, City Manager
Joe Faulkner, Public Works Director

DATE: March 21, 2019

MEETING DATE: March 26, 2019

SUBJECT: Prop 68 Statewide Park Development and Community Revitalization Program.

Recommendation:

Staff is requesting direction from the City Council on potential projects to be submitted to the California Department of Parks and Recreation as part of the Prop 68 grant application process.

Discussion:

The California Department of Parks and Recreation is currently soliciting applications for funding as part of the Prop 68 Statewide Park Development and Community Revitalization Program. The application deadline is August 5, 2019.

Based on an initial review of the application, staff recommends that the City Council consider submitting applications for the following:

Creation of a New Park

- Corner of Otis Avenue and Orange Avenue
- Potential amenities may include soccer field, playground, picnic arbor, fishing pond, walking track

Park Improvements

- Additional amenities at existing parks depending on potential competitiveness of grant application

Budget Impact:

The City may apply for the full cost of the proposed project. General Fund monies will be used to secure preliminary engineering costs and to prepare the grant application. The amount of City funds needed for the grant application will be presented to the City Council for approval once determined.

Attachments:

None.

City of

CORCORAN

A MUNICIPAL CORPORATION

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**STAFF REPORT
ITEM #: 7-E**

MEMORANDUM

TO: City Council

FROM: Kindon Meik, City Manager

DATE: March 21, 2019

MEETING DATE: March 26, 2019

SUBJECT: Discuss Fire Services Funding Plan Report Prepared by Willdan Financial Services.

Recommendation:

Review and discuss the initial findings presented by Willdan Financial Services as presented in the report entitled "Corcoran Fire Services Funding Plan".

Discussion:

In September 2018, the City contracted with Willdan Financial Services to provide a financial analysis of fire services. The initial report was completed by Willdan in February 2019 and is included for review by the City Council.

As part of the study, Willdan analyzed the cost allocation by Kings County Fire Department to Station 11 and identified potential opportunities available to the City and the County to increase revenues to fund fire services.

Following completion of the initial study, Willdan and City staff agreed that additional research is needed to further understand the cost allocation utilized by Kings County Fire, the methodology by which the City is charged for fire services, the amount of fire fund or AB8 monies that are generated within the Station 11 service area, and the potential of County Service Area No. 3 as means of generating revenues to offset fire services costs.

Budget Impact:

The continued analysis by Willdan will be utilized by the City to adequately budget for ongoing fire services costs.

Attachments:

Corcoran Fire Services Funding Plan

2019

Corcoran Fire Services Funding Plan

PREPARED FOR THE CITY OF CORCORAN
WILLDAN FINANCIAL SERVICES

WILLDAN FINANCIAL SERVICES | 27368 Via Industria, Suite 200 | Temecula, CA 92590 | (951) 587-3500

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Executive Summary

In Summer 2018, Willdan participated in a series of phone calls and correspondence with the City of Corcoran (City) discussing the current state of funding for fire services. The present state of fire services funding may be summarized as follows:

- Fire services are provided by Kings County Fire (County Fire).
- Kings County utilizes its budget of expenditures to allocate costs to each fire station within its service area based on the direct costs associated with the station and an allocation of central costs to each station based on use.
- Kings County also provides an Excel analyses to the City and other cities showing the costs allocated to the city's jurisdiction less the amount received through AB8 property taxes to arrive at a net cost.
- The remaining balance is paid with contributions from both the city and County Fire.

The Fiscal Year 2017-18 Budget provided by County Fire for the City of Corcoran's share of expenditures is shown below.

Station 11 Budget FY 2017-18 (City of Corcoran Allocation)

County Administration ¹	\$11,950	1.1%
Battalion Chiefs ²	\$61,271	5.5%
Station 11 Regular Staffing ³	\$968,630	87.7%
<u>Station 11 Overtime⁴</u>	<u>\$62,213</u>	<u>5.6%</u>
Station 11 Staffing Costs	\$1,104,064	100.0%
<u>LESS: Discount⁵</u>	<u>(\$136,229)</u>	
Grand Total of Station 11 Direct Staffing Cost	\$967,835	
Direct Operations Costs ⁶	\$70,840	
<u>Dispatch Services⁷</u>	<u>\$44,344</u>	
Total Operating Costs	\$1,083,019	
City of Corcoran Property Tax Revenues	\$448,913	41.5%
City of Corcoran General Fund Contribution	\$466,100	43.0%
<u>Unreimbursed Direct Costs</u>	<u>\$168,006</u>	<u>15.5%</u>
Total Revenues	\$1,083,019	100.0%

1: County analysis shows 8.3% allocation to Station 11. Methodology not specified.

2: County analysis shows 12.1% allocation to Station 11 based on 58 City calls out of 479 total calls.

3: County analysis shows 51.4% to 52.3% allocation to Station 11. Methodology not specified.

4: County analysis shows 14% allocation to Station 11. Methodology not specified.

5: County analysis shows 12.34% discount for "relief and OT to call volume percentage". Methodology not specified.

6: County analysis shows 89.97% allocation to City of Corcoran based on percentage of Station 11 calls within City.

7: County analysis shows 23.65% allocation to City of Corcoran based on percentage of County Fire calls within City.

The objective of this study is to identify potential ways to either reduce or eliminate the general fund contribution for fire services through the use of available financing mechanisms. Specifically, Willdan's analysis will consist of the following:

- A financial analysis showing the allocation of costs from County Fire to Station 11 (the station that serves the City and proximate unincorporated areas) and the AB8 property tax revenues generated by Station 11's service area;
- A financial analysis showing the allocation of costs from Station 11 to the City of Corcoran and the revenue potential to cover those costs;
- Discussion of existing County Service Area No. 3 for fire protection, the formation of a special district for the service area of Station 11 (including unincorporated areas) and its potential to reduce the cost burden on the City;
- Discussion of a Fire Suppression Assessment and its potential to cover the funding shortfall for fire services;
- Discussion of a Community Facilities District and its potential to cover the funding shortfall for fire service costs (especially for new construction);
- Discussion of a parcel tax as an alternative or a complement to a Fire Suppression Assessment and its potential to cover the funding shortfall for fire service costs;
- A financial analysis of several potential scenarios for reducing City's general fund contribution for fire services; and
- A summary of the results and recommendations based on the analysis.

In reviewing information provided by County Fire, Willdan was able to determine that the allocation of costs to the City appears to be based on a valid allocation methodology (subject to the confirmation of some calculations). Willdan was not able to obtain a map of the Station 11 service area, and therefore was not able to determine the property tax revenue potential of the Station 11 service area.

Likewise, Willdan was only able to obtain limited information regarding the existing County Service Area No. 3, which funds fire services. The details of how this district operates are important to developing a path forward for creating a special district for the Station 11 service area.

When reviewing County Fire's budget, we noticed that the user fee revenues collected by County Fire are lower on a percentage basis than the user fee revenues of most fire departments. Only 0.11% of the County's fire expenditures are reimbursed through user fees. Since several of a fire department's services specifically benefit an individual or group, we recommend that County Fire implement a more robust user fee program. User fees may be implemented without approval by the property owners or the registered voters since they only affect the person or entity receiving the service.

To summarize the results of the analysis and the recommendations contained above, Willdan is recommending that the City do the following:

- Form a CFD for fire services that will only apply to new development to offset any increases in costs that result from new homes and businesses being added to the City's service area.
- Request that the County implement a user fee program for fire services that achieves at least 20% cost recovery.

- If the County does not want to do so, create an FPD or CSD and use the existing AB8 property tax apportionment to fund a portion of fire services while also implementing a user fee program that achieves 20% cost recovery.
- If a revenue/cost differential remains, decide whether to implement a fire suppression assessment, a parcel tax or both and (if both) decide how to split the needed revenues between the two mechanisms.
- If one or both of the measures above fails, then continue to contribute general fund money to fire services, recognizing that because of the CFD, the percentage of general fund revenues going towards fire services will shrink over time as new development pays its own way.
- If the County does not wish to implement a user fee program and the City or a newly formed FPD/CSD does not take over Station 11 from the County, the City may still implement a fire suppression assessment, parcel tax or both to help offset the operation shortfall.

Given that not all of the City's questions were addressed in this study, Willdan will prepare a second phase of the study to answer the following questions:

- Is CSA No. 3 still in operation, and if so, what are its revenues, expenditures and methods of funding fire services?
- What property taxes can be generated from the Station 11 service area?
- What are the expenditures associated with Station 11 – not just the City portion?
- What would the financial balance of a special district formed to fund Station 11 services look like?

1 INTRODUCTION

In Summer 2018, Willdan participated in a series of phone calls and correspondence with the City of Corcoran (City) discussing the current state of funding for fire services. The present state of fire services funding may be summarized as follows:

- Fire services are provided by Kings County Fire (County Fire).
- Kings County utilizes its budget of expenditures to allocate costs to each fire station within its service area based on the direct costs associated with the station and an allocation of central costs to each station based on use.
- Kings County also provides an Excel analyses to the City and other cities showing the costs allocated to the city's jurisdiction less the amount received through AB8 property taxes to arrive at a net cost.
- The remaining balance is paid with contributions from both the city and County Fire.

The Fiscal Year 2017-18 Budget provided by County Fire for the City of Corcoran's share of expenditures is shown below.

Table 1

Station 11 Budget FY 2017-18 (City of Corcoran Allocation)

County Administration ¹	\$11,950	1.1%
Battalion Chiefs ²	\$61,271	5.5%
Station 11 Regular Staffing ³	\$968,630	87.7%
<u>Station 11 Overtime⁴</u>	<u>\$62,213</u>	<u>5.6%</u>
Station 11 Staffing Costs	\$1,104,064	100.0%
<u>LESS: Discount⁵</u>	<u>(\$136,229)</u>	
Grand Total of Station 11 Direct Staffing Cost	\$967,835	
Direct Operations Costs ⁶	\$70,840	
<u>Dispatch Services⁷</u>	<u>\$44,344</u>	
Total Operating Costs	\$1,083,019	
City of Corcoran Property Tax Revenues	\$448,913	41.5%
City of Corcoran General Fund Contribution	\$466,100	43.0%
<u>Unreimbursed Direct Costs</u>	<u>\$168,006</u>	<u>15.5%</u>
Total Revenues	\$1,083,019	100.0%

1: County analysis shows 8.3% allocation to Station 11. Methodology not specified.

2: County analysis shows 12.1% allocation to Station 11 based on 58 City calls out of 479 total calls.

3: County analysis shows 51.4% to 52.3% allocation to Station 11. Methodology not specified.

4: County analysis shows 14% allocation to Station 11. Methodology not specified.

5: County analysis shows 12.34% discount for "relief and OT to call volume percentage". Methodology not specified.

6: County analysis shows 89.97% allocation to City of Corcoran based on percentage of Station 11 calls within City.

7: County analysis shows 23.65% allocation to City of Corcoran based on percentage of County Fire calls within City.

As shown above, approximately 41.5% of the expenditures are covered by the City's property tax apportionment for fire services. \$466,100 (43.0%) was paid out of the City's general fund, with the remainder being covered by County contribution. However, the City has agreed to pay \$522,102 for the next two fiscal years.

The objective of this study is to identify potential ways to either reduce or eliminate the general fund contribution for fire services through the use of available financing mechanisms. Specifically, Willdan's analysis will consist of the following:

- A financial analysis showing the allocation of costs from County Fire to Station 11 (the station that serves the City and proximate unincorporated areas) and the AB8 property tax revenues generated by Station 11's service area;
- A financial analysis showing the allocation of costs from Station 11 to the City of Corcoran and the revenue potential to cover those costs;
- Discussion of existing County Service Area No. 3 for fire protection, the formation of a special district for the service area of Station 11 (including unincorporated areas) and its potential to reduce the cost burden on the City;

- Discussion of a Fire Suppression Assessment and its potential to cover the funding shortfall for fire services;
- Discussion of a Community Facilities District and its potential to cover the funding shortfall for fire service costs (especially for new construction);
- Discussion of a parcel tax as an alternative or a complement to a Fire Suppression Assessment and its potential to cover the funding shortfall for fire service costs;
- A financial analysis of several potential scenarios for reducing City's general fund contribution for fire services; and
- A summary of the results and recommendations based on the analysis.

2 FIRE SERVICES FUNDING STRATEGY OVERVIEW

In developing a services funding strategy, Willdan takes the following steps:

- Identify all available funding mechanisms;
- Prioritize the list of available funding mechanisms by important factors such as ease of implementation, cost effectiveness and funding capacity;
- Make recommendations based on the priority developed in the second step until all or most of the funding gap is covered.

Willdan has identified the following funding strategies and mechanisms that may be combined to arrive at a comprehensive strategy for fire services funding:

- Form a local Fire Protection District/Community Services District to take over responsibility for fire services from the County;
- Request changes to the cost allocation strategy used by the County to allocate central costs to each fire station;
- Develop an AB26 user fee program that targets full cost recovery for services provided by the fire department to individuals and small groups;
- Implement a fire suppression assessment to help offset costs associated with providing fire services;
- Implement a Community Facilities District that new residential development may use to offset the negative impact they have on the provision of fire services; and
- Implement a parcel tax to help offset costs associated with providing fire services.

A discussion of each of these strategies may be found in the sections below, followed by the prioritization of each mechanism and the analysis of different funding scenarios. Finally, Willdan will summarize its recommendations to help close the funding gap for fire services.

3 SPECIAL DISTRICTS

One of the primary funding mechanisms that Willdan has investigated to aid in the City's objective to provide fire services to the local community is a special district. Generally, a special district is a special purpose limited powers public agency that may raise revenues and provide services to residents within

its jurisdiction. The types of special districts discussed in this chapter are Fire Protection Districts (FPDs), Community Services Districts (CSDs) and County Service Areas (CSAs).

While the authority granted to CSDs and CSAs is more comprehensive than FPD law, CSDs and CSAs for fire services are generally used in much the same way as FPDs. As such, this discussion will focus on FPD law, acknowledging that a CSD or a CSA may also be used to provide fire services as well as other municipal services, such as water, garbage collection, wastewater management, security, public recreation, street lighting, mosquito abatement and other services. Since the legislative requirements and powers of these districts are more similar than dissimilar, they will be collectively referred to as "Special Districts" in this chapter, with relevant differences noted when necessary.

Special Districts are limited powers public agencies with the ability to collect tax and fee revenues and provide municipal services to residents within the boundaries of the Special District. The formation of a Special District requires approval from the county's board as well as any other public agency that will be granting the Special District authority to provide services. Approval of the residents within the territory may also be required. Finally, an application with the Local Agency Formation Commission (LAFCO) is generally required for the Special District to receive AB8 property tax revenues.

Since Special Districts take over responsibility for providing certain services and revenue allocations from other agencies (most often the county), they do not create new revenues per se; however, they do allow for the segregation of service-related revenues and costs and flexibility in determining the service area for collection of revenues and provision of services. They are often used to collect revenues and provide specialized public services relating to an unincorporated or multi-jurisdictional area of a County.

3.1 BACKGROUND

The Fire Protection District Law of 1987 (Health & Safety Code Section 13800, et seq.) and the provides statutory authority for communities to fund and implement fire protection within a specified area. Hundreds of communities within California use this structure to fund fire protection and suppression services, as well as emergency medical services and first responder services.

Community Services District (CSD) law was initially passed in 1955, but it was revised in 2005 to expand the types of services that can be provided. A CSD that specifically funds fire services may be referred to as a Community Fire District.

County Service Area (CSA) law was enacted in the 1950s to give counties direct authority to create special districts that provide public services to residents of unincorporated areas. The law was revamped in 2009, allowing all or a portion of an incorporated City to be included in a CSA with consent of the city's council. Kings County has an existing CSA No. 3, which was created to provide fire services. As of August 2014, CSA No. 3 was still active. At this time, our research has not yielded any additional information about this district. We will continue to research this district and provide additional information in the Phase II report.

3.2 REVENUES AND EXPENDITURES

Special Districts generally have two paths to formation: the county may initiate the formation of a Special District to handle the revenues and expenditures associated with specific service needs in a

specific area, or the residents of a particular community may petition for the formation and may also be required to vote in favor of the Special District in a ballot proceeding. When the territory of a Special District overlaps with the territory of a city, the city may need to provide formal consent for the Special District to be formed.

The formation proceedings require an application to the Local Agency Formation Commission and is subject to approval by the County. Any services that the Special District takes over responsibility for will be considered in allocating the AB8 property tax apportionments.

When a new Special District is formed that takes over responsibility for all or a portion of municipal services that were previously provided by another public agency, LAFCO has the final say on the amount of AB8 revenues that will be transferred from the previous service provider to the new special district. This decision is based on objective fiscal impact analysis provided by the special district and potentially the previous service provider if there is a disagreement.

The fiscal impact analysis used to determine the new AB8 apportionment is based on the net impact of the LAFCO action on both public agencies. Specifically, a fiscal impact analysis for the creation of a Special District would measure the following:

- The net impact (net change in revenues minus net change in expenditures) of the allocation of new services to the newly created Special District, and
- The net impact (net change in revenues minus net change in expenditures) of the re-allocation of County services to the Special District.

For a simple example, consider that a city served by a single fire station has decided to take over responsibility for fire services from a County fire department. The analysis would be quite straightforward. This action would result in a net positive impact to the county that is equal to the net negative impact to the city, and which is equal to the operation budget of the fire station in question.

These studies can also be quite complex and may involve the transfer of services and revenues from multiple public agencies, such as for an incorporation. However, the creation of a Special District to take over Station 11 from the County would be relatively simple and measure the following impacts:

- Reduction in property tax revenues to the County
- Reduction in fire services costs to the County
- Increase in property tax revenues to the Special District
- Increase in fire services costs to the Special District

Since the AB8 apportionment that is currently allocated to County Fire only applies to fire services and a hypothetical new Special District would take over all fire service responsibilities from the County, the City should expect the Special District to receive the full AB8 property tax apportionment that the County currently receives for areas within the City.

If a Special District wishes to create new revenues to supplement the AB8 property tax apportionments, it may implement one or more taxes, assessments or fees subject to the restrictions of Proposition 13, Proposition 218 and other relevant codes. FPD law also expressly allows for the following additional sources of funding:

- A special tax enacted pursuant to Government Code Section 50075;
- Community Facilities Districts;
- A special tax enacted pursuant to Government Code Section 53970;
- A fire suppression assessment;
- A Local Improvement District (LID) formed pursuant to the 1911 Act and 1915 Act; and
- User fees that are implemented consistent with Proposition 26.

Other Special Districts have similar powers to create special tax and/or assessment district revenue sources.

Of these ongoing revenue sources, only user fees implemented consistent with Proposition 26 would not require approval from either the property owners or the registered voters.

3.3 FORMATION

The formation procedures for Special Districts are very similar. Since the most relevant type of Special District is an FPD, the formation steps of a Fire Protection District (FPD) are detailed below:

- To form the district through the petition process:
 - Publish a notice of intention including a written statement not to exceed 500 words in length setting forth the reasons for forming the district.
 - File a petition with the Local Agency Formation Commission (LAFCO) which contains all of the requirements detailed in California Health & Safety Code Section 13816 and has been signed by 25% of the registered voters within the proposed service area.
- To form the district by resolution:
 - Publish a notice of public hearing to discuss the application to LAFCO to form an FPD.
 - Adopt a resolution of application to form an FPD that consists of territory wholly within its boundaries that contains all of the requirements detailed in Section 13816.
 - Hold a public hearing on the issue of forming an FPD.
 - Submit a certified copy of the resolution to LAFCO.
- After LAFCO approves the application for formation, the legislative body shall give notice of an election.
- The election shall be held on the next regular election date from 113 to 150 days from the date of the notice.
- The district shall be formed with a majority approval of the electorate.
- The initial Board of Directors for the FPD shall be elected by the registered voters within the FPD boundaries (with elections occurring on the same day as the statewide general election pursuant to Section 10404 of the Elections Code) or appointed by the County Board of Supervisors and the City Council according to the proportionate share of population within the district.

3.4 GOVERNANCE

The legal authority for the formation of an FPD is the Fire District Law of 1987 which is found in the California Health and Safety Code. The District is also bound by other State and Federal Guidelines including the Brown Act. The specific duties of an FPD are consistent with those of other limited powers

special districts (such as Community Services Districts) except that the FPD has a narrower list of authorized services.

Specifically, an FPD is authorized to provide any of the following services:

- Fire protection services,
- Rescue services,
- Emergency medical services,
- Hazardous material emergency response services,
- Ambulance services, and
- Any other services relating to the protection of lives and property.

Each FPD is governed by a Board of Directors, elected by the voters or appointed by the County Board of Supervisors and the City Council (with proportionate weight being given to each governing body based on the population of residents within the incorporated area versus the unincorporated area). Each Board Member serves a 4-year term and elections occur every two years with either two or three Board positions up for election. A district board meets at least once every three months.

3.5 ANALYSIS AND DISCUSSION

The principal advantage of creating an FPD/CSD for fire services would be to give the FPD full control over how fire services are funded. In other words, if the City proposes that the County implement additional funding mechanisms to offset costs and the County disagrees with that approach, the City may approach LAFCO and start the process of forming an FPD.

Whether or not the FPD will just contain the area within the City limits or whether it should contain the entire Station 11 service area is something that will require further discussion and analysis. If the City chooses to either take over fire services directly or form an FPD around City limits, the City will have much more control over the process. If the intent is to have the FPD cover the Station 11 service area, a petition will need to be submitted to the County, which will then play a much more active role.

Either way, the City should first approach the County with its recommendations for implementing additional funding mechanisms and then weigh the benefits of increased control in the process versus the time and money that will need to be invested in forming an FPD/CSD. Many of the funding mechanisms described below may be implemented by the City alone without assistance from the County.

4 OVERHEAD ALLOCATION AND COST INPUTS

4.1 SUMMARY OF KINGS COUNTY COST ALLOCATION METHODOLOGY

Willdan has reviewed the County's methodology for allocating County Fire Costs to the City from May 2018. The allocation methodology was contained in a protected Excel workbook. Although we could not directly verify the figures with the underlying data, we were able to analyze the methodology itself and determine if it is sound. The methodology is detailed in Table 1 above.

The County uses a direct allocation method with a single distribution basis for each expenditure class.

A direct allocation method involves directly allocating central services costs to stations without considering the effect that central services have on each other. While direct allocation is the simplest method available, it makes sense to use it in this case due to the hierarchical nature of fire services, the fact that only the fire department is being analyzed rather than the entire County, and the geographical separation of each station.

The methodology can be summarized as follows:

- Fire Marshal costs are allocated to the City based on an unknown distribution basis at a rate of 8.33%.
- Battalion chief costs are presumably allocated based on the percentage of battalion chief calls associated with the City (12.10%). This assumption needs to be verified with County Fire.
- A, B and C shift employees of Station 11 are allocated to the City at rates ranging from 51.4% to 52.3%. This allocation methodology does not correspond with the call statistics placed beside it in the analysis. The basis of the allocation methodology needs to be verified with County Fire.
- Overtime costs are allocated based on an unknown distribution basis at a rate of 14.00%.
- A 12.34% discount is applied to City costs for “Discount relief and overtime to call volume percentage”. The basis of this discount is unknown.
- Direct operating costs for Station 11 are multiplied by 89.97% to allocate to the City.
- Dispatch costs are presumably allocated based on the percentage of dispatch calls within the City (26.63%). This assumption needs to be verified with County Fire.

4.2 ANALYSIS AND DISCUSSION

Willdan would like to do the following to bolster its analysis of the cost allocation plan:

- Request the distribution methodology for the Fire Marshal;
- Request the distribution methodology for overtime costs;
- Request an explanation for “discount relief and overtime to call volume percentage” as well as the methodology; and
- Request raw data backup for the different types of calls within different service areas, specifically for (i) the entire County, (ii) the Station 11 service area, and (iii) the City of Corcoran.

If the missing parts of the County’s allocation methodology are as simple and straightforward as the portions that we were able to review, we do not see any issues with continuing to allocate central overhead costs using this methodology.

One critical question that the City had was whether the City is paying for services based on a flawed methodology. While service calls are a good tool for determining the rate of usage of fire services, which may be considered a special or distinct benefit of those services, the value in fire protection and suppression is more concerned with the availability of those services than usage. For complex services such as fire, it may be appropriate to implement a more complex allocation method. For example, the allocation could be modified to lend greater weight to availability by incorporating one or more of the following factors:

- Square mileage within the City in Station 11's maximum response time area versus square mileage within the unincorporated county
- Total assessed value within the City in Station 11's maximum response time area versus square mileage within the unincorporated county
- Population within the City in Station 11's maximum response time area versus square mileage within the unincorporated county

Another critical question is whether the property tax revenues generated by the entire Station 11 service area compare more favorably to the costs associated with operating Station 11 in its entirety than the City's property tax revenues compare with the costs that County Fire has allocated to the City. This will require further research, since County Fire has not provided a map of Station 11's full service area, nor is such information available online.

It should be mentioned that even if the City creates a special district to take over fire services, the County will continue to charge Station 11 for its share of central overhead costs such as management and dispatch.

5 PROP 26 USER FEES FOR FIRE SERVICES

5.1 SUMMARY OF USER FEES FOR FIRE SERVICES

Through Propositions 13, 218 and 26, which were passed by referendum and incorporated into the California Constitution, Californians sought to classify the different types of revenues that local agencies and municipalities may implement and place different restrictions on each type. These revenues may be broadly separated into taxes, fees and assessments. Of these three categories, fees are unique in that cities and other public agencies may implement them without voter approval.

The reason user fees are excluded from the requirement to obtain voter approval is that a fee is paid by an individual or group to fully or partially fund the cost of a service that only benefits that individual or group. While public agencies have the option to subsidize these types of services, they also have the power to recover the cost of these services when there is little to no benefit to the public associated with providing the service.

Fees charged for fire services generally include the following:

- Permits
- Inspections and re-inspections
- Plan checks
- False alarm fees
- Stand-by fees
- Emergency medical response fees
- Citations
- Self-inspections
- Rental fees
- Weed abatement

Of these fee categories, those not associated with the development industry such as emergency medical response fees, weed abatement fees, citations and rental fees can offset a sizable percentage of a fire department's annual costs.

5.2 EXISTING USER FEE STRUCTURE

We requested the County's fire user fee schedule and also searched online and could not locate it. After reviewing the County's budget, we discovered that County Fire collected a total of \$14,800 in user fees for the most recent fiscal year compared with a total Fire budget of \$14,013,328, for a cost recover percentage of 0.11%.

5.3 COMPARISON WITH OTHER CALIFORNIA FIRE DEPARTMENTS

Willdan compared the cost recovery percentage of Kings County with other FPDs and county fire departments. While there was a range of percentages, Kings County was the lowest cost recovery percentage of the agencies studied.

Agency	Fees for Services (Fire)	Total Fire Expenditures	Percent Cost Recovery
Kings County Fire	\$14,800	\$14,013,328	0.11%
Fresno County Fire	\$320,000	\$22,924,061	1.40%
Monterey County Regional FPD	\$1,200,560	\$15,726,674	7.63%
Kern County FD	\$25,370,602	\$147,958,085	17.15%
Tulare County FD	\$668,291	\$20,502,622	3.26%
Merced County FD	\$204,905	\$16,301,947	1.26%
North County FPD	\$79,244	\$6,275,559	1.26%

When reviewing this information, it is important to bear in mind that our research was restricted to reviewing the budgets of agencies that only provide fire services. Most cities and counties provide a single line-item for fee revenues, and it is impossible to separate the fire services fees from the rest of the fees. We know from our work preparing user fee studies that it is both recommended and not uncommon for municipal fire departments to implement a set of fees that is intended to achieve full cost recovery.

5.4 ANALYSIS AND DISCUSSION

While it is difficult to definitively determine how much of a fire department's expenditures are related to specific individual benefits as opposed to general benefits, courts have generally recognized the need for fire departments and other municipal agencies to recover costs that benefit individuals to lower the burden on taxpayers.

Specifically, courts have said that user fees for emergency medical services may include all direct operating expenditures as well as staff time spent on the call and standby time. In response to this, many cities have implemented new user fees for emergency medical services that recover a great deal of the costs needed to provide those services to the public.

One caveat of emergency medical fees in general is that Medicare recipients will only be reimbursed by Medicare up to a certain amount and typically refuse to pay the remainder. Of the fire departments we have discussed this issue with, none plan to recover the remaining fee amount above the

reimbursement rate for Medicare recipients. Depending on the average age of the community, this may hurt an agency's ability to recover as much of the cost as intended.

Of the potential funding sources discussed in this study, a user fee program is the only mechanism that does not require an affirmative vote from either registered voters or landowners. The ability to implement user fees without an election is directly related to the fact that services funded with user fees benefit only the individual or group that has requested the service and not others. As such, we find that when compared with other fire departments and other counties, Kings County has overlooked an important component of any public services funding strategy and required its partners to subsidize services that do not benefit the entire service area with general fund monies. We strongly recommend that public agencies which provide services such as these implement fees with the intent of achieving full cost recovery for any services that do not result in a benefit to the public-at-large. As such we strongly recommend that if a Special District is formed to take over fire services for Station 11, the district should implement a robust user fee schedule. Alternatively or in addition, the County should implement its own user fee schedule and use those revenues to offset fire expenditures for its member agencies.

6 FIRE SUPPRESSION ASSESSMENT DISTRICT

6.1 BACKGROUND

Special Assessments are used by local governments to pay the costs of providing facilities and/or services to a specific area within a community. The use of special assessments to fund public facilities in California stretches back to the early 20th century, with assessments for services being authorized in the 1970s and 1980s. A special assessment for services is different from a fee for service, because in the case of the assessment, the service is generally ongoing and benefits several different individuals or groups, whereas fees allocate the cost of a service that benefits one party to that party. Additionally, assessments are always property-related, where as a fee may be property-related (sewer rates, water rates, impact fees) or not property related (user fees).

Special assessments differ from special taxes in that special assessments are "engineered" to be less than or equal to each property's proportionate share of the costs based on an allocation of the "special benefits" conferred on the property as calculated in the Engineer's Report. "Special benefits" are distinct from "general benefits" insofar as "special benefits" are directly conferred on the property. "General benefits" constitute the indirect and/or incidental benefits that result from the facility or services.

6.2 LEGAL REQUIREMENTS AND TYPICAL STRUCTURE

Article 3.6 "Fire Suppression Assessments" of Chapter 1 of Part 1 of Division 1 of Title 5 the Government Code permits any local agency which provides fire suppression services to levy an assessment for the fire suppression services according to the procedures set forth in the article.

The Article requires that the agency establish a methodology for calculating the assessment to be levied which is related to the benefit received by each parcel within the District. Section 50078.2 provides that:

“The Ordinance or Resolution shall establish uniform schedules and rates based upon the type of use of property and the risk classification of the structures or other improvements on, or the use of, the property. The risk classification may include, but not be limited to, the amount of water required for fire suppression on the property, the structure size, type of construction, structure use, or other factors relating to potential fire and panic hazards and the cost of providing the fire suppression by the district to the property...”

Combined with Proposition 218, the government code gives authority to a special district that provides fire suppression services to determine and levy an assessment for fire suppression services with two-thirds voter approval. The assessment may be made for obtaining, furnishing, operating, and maintaining fire suppression equipment, or for the purpose of paying the salaries and benefits of firefighting personnel, or both.

6.3 ELIGIBLE COSTS

There are several types of benefit assessments that commonly appear on property tax bills. These assessments allow counties, cities and other agencies to finance the costs of needed services by assessing area property owners. Specific types of benefit assessments include:

- Fire suppression assessments
- Flood control assessments
- Storm drain assessments
- Water assessments
- Sewer assessments
- Sanitation assessments

Section 50078 of the Fire Suppression Law authorizes assessments only for the purpose of “obtaining, furnishing, operating, and maintaining fire suppression equipment or apparatus or for the purpose of paying the salaries and benefits of firefighting personnel, or both, whether or not fire suppression services are actually used by or upon a parcel, improvement, or property.” Section 50078.1(c) of the Fire Suppression Law defines “fire suppression” to include “firefighting and fire prevention including, but not limited to, vegetation removal or management undertaken, in whole or in part, for the reduction of a fire hazard.”

Classification of Fire-Related Expenditures

Special Benefit	General Benefit	Ineligible
False Alarm	Vehicle Fires	Medical Aid
Fire Prevention Programs	Public Service Assistance	Traffic Collisions
Inspection		Hazardous Materials
Structural Fire		Mutual Aid
Vegetation Fires		

6.4 FORMATION AND ANNEXATION

Prior to creating a new assessment, the city, county, or special district must generate a detailed professional engineer's report outlining the proposed area, proposed project costs, annual cost to each property, and the benefit formula used to determine each property's share of the cost.

Then, all owners of property within the proposed assessment district must be mailed a detailed notice of public hearing and a ballot with which to voice their approval or disapproval of the proposed district at least 45 days prior to the hearing. At the hearing, the governing body of the agency must consider all protests to formation of the district. Assessment district proceedings must be abandoned if a majority of the ballots received by the conclusion of the hearing protest creation of the district. Ballots are weighted according to the proportional financial obligation of the affected property. If the District is approved, the assessment is created and will be billed on the property tax bills each year.

Once an assessment is created, it may be repealed or reduced by popular initiative (known as a Proposition 218 challenge).

6.5 ANNUAL ESCALATION

The maximized authorized assessment rate may increase annual so that the ratio between the new authorized assessment rate and the rate of the initial is as high as the ratio between the then most recently published consumer price index for all urban consumers for the San Francisco Area All Urban Consumers and such index that is published quarterly. However, the actual implemented increase in the assessment rate for any year may not exceed 5% relative to the assessment levied in the prior year. Any increase must be implemented by resolution of the governing body.

6.6 ANNUAL ADMINISTRATION

By law, benefit assessments cannot be based on property value. Likewise, any increase in property value that is expected to result from the assessment may not be used to determine the level of special benefit. Instead, each assessment district includes a benefit formula and each parcel in the service area is assessed according to the specific benefit it directly receives from the services and improvements. The charge is calculated based on this formula and placed on the county property tax bill.

The amount of the assessment and/or the escalation factor cannot be increased without the consent of the property owners. Prior to increasing the annual assessment and/or the escalation factor, the agency is required to give written notice to all affected property owners, hold a public hearing and an assessment ballot vote. A majority vote is required to approve the rate increase. Most benefit assessments will continue as long as services are provided.

7 COMMUNITY FACILITIES DISTRICTS

7.1 BACKGROUND

CFDs provide a high degree of flexibility and capability when compared with other types of public services funding. This stems from the fact that CFDs are supported by a special tax rather than a special

assessment or a fee. This flexibility is the result of the higher approval threshold that Proposition 13 requires for taxes. Taxes be approved by a two-thirds majority of eligible electors.

While this may be an impediment when the eligible electors are registered voters, the Mello-Roos Act allows for a landowner vote in the case when there are few to no registered voters within the proposed CFD. This makes CFD a natural choice for both facilities and services funding within undeveloped project areas. In fact, a clear majority of CFDs are formed by developers and/or homebuilders on undeveloped land.

After a CFD is established on undeveloped land, the special tax is disclosed to future buyers so that it can be considered in the context of the purchase price.

7.2 LEGAL REQUIREMENTS AND TYPICAL STRUCTURE

The Mello-Roos Community Facilities Act of 1982 authorized the formation of CFDs by cities, counties and special districts to fund eligible facilities and services through the levy of voter-approved special taxes. The law provides CFDs with a great amount of flexibility in setting the rates, escalating for inflation, determining the territory, funding services and performing annexations.

While there are several different types of CFDs, the type that is most relevant to the City's needs is the following structure:

- The average cost of fire services for each property type is calculated through the preparation of a fiscal impact report.
- A small CFD for services is created on a new project.
- Conditions are implemented to ensure that all new projects are required to offset their impact on the City's fire services budget, with annexation to the CFD as the recommended funding option.
- As new projects are approved, they annex to the CFD and fully fund their impact on the City's fire services budget, guaranteeing that any past fiscal deficits will not occur for future developments.

7.3 ELIGIBLE COSTS

The City may be interested in funding more than just fire services with the CFD. The following services may be funded with CFD special tax revenues:

- Police protection services;
- Jail, detention facility and juvenile hall services;
- Fire protection and suppression services;
- Ambulance and paramedic services;
- Maintenance of parks, parkways and open space;
- Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, and sandstorm protection services; and
- Environmental cleanup and remediation services.

7.4 FORMATION AND ANNEXATION

The essential steps associated with the formation of a services CFD for the City of Corcoran are detailed below:

1. First candidate project agrees to be part of the process to form the Citywide CFD. Conditions of approval would need to specify requirement to form a CFD.
2. First candidate project goes to Planning Commission for decision on Tentative Map
3. All parties attend kickoff meeting to discuss CFD formation and first steps
4. Special Tax Consultant reviews standard CFD application provided by developer of the first candidate project
5. Special Tax Consultant prepares CFD cash flow analysis, RMA and boundary map
6. General Counsel and/or Special Tax Consultant prepare resolutions and petition
7. Board approves Resolution of Intent (ROI) and Resolution Approving Boundary Map
8. Special Tax Consultant records boundary map with County (**no more than 15 days after Step 5**)
9. Special Tax Consultant requests Registrar certificate and prepares CFD Report
10. General Counsel and/or Special Tax Consultant prepare resolutions, consent/waiver and other essential documents
11. Board approves Resolution of Formation (ROF), Ordinance Levying Special Taxes and other resolutions (**30-60 days after Step 5**)
12. Special Tax Consultant records Notice of Special Tax Lien (**no more than 15 days after Step 9**)

The essential steps associated with an abbreviated annexation process are detailed below:

1. Project includes conditions of approval requiring annexation into the Citywide CFD
2. Project goes to Planning Commission for decision on Tentative Map
3. All parties attend kickoff meeting to discuss CFD annexation and first steps
4. Willdan reviews information provided by developer and/or City of Corcoran
5. Willdan prepares CFD cash flow analysis, RMA and annexation map
6. Willdan requests Registrar certificate
7. General Counsel and/or Willdan prepare resolutions, petition, and consent/waiver
8. Board approves all necessary resolutions
9. Willdan records annexation map and notice of special tax lien with County (**no more than 15 days after Step 6**)

7.5 ANNUAL ESCALATION

The City has the flexibility of including an annual escalation factor in the rates for the CFD. We recommend using the Consumer Price Index for the Bay Area region, as it should provide sufficient escalation to cover future cost increases.

7.6 ANNUAL ADMINISTRATION

After the CFD is established, it is necessary to administer the CFD on an annual basis. CFD administration generally consists of the following duties:

- Tracking and reporting delinquencies and initiating enforcement proceedings if necessary

- Tracking development status to determine the classification of all property in the CFD
- Working with the County to develop a budget of eligible costs that will be applied to the CFD tax levy
- Apportioning the taxes to taxable property within the CFD based on the methodology detailed in the RMA
- Coordinating with the County Treasurer-Tax Collector to enroll the CFD taxes for the fiscal year's levy
- Fulfilling the appropriate annual disclosure requirements for CFDs

8 PARCEL TAX

Because of limitations on property tax revenue, many local governments in California levy a parcel tax. Like the property tax, a parcel tax is imposed on parcels of real property. Unlike the property tax, however, a parcel tax is not based on the value of real property. The simplest parcel tax is a flat tax, a tax that does not vary with the size, improvements, or use of a parcel.

8.1 BACKGROUND

For purposes of reporting under AB 2109, a parcel tax, per Government Code section 12463.2, is defined as a non-ad valorem tax imposed as an incident of property ownership and collected on the annual property tax bill. Generally, the tax is charged on a parcel of property based on either a flat per parcel rate or a variable rate depending on the size, use and/or number of units on the parcel. A parcel tax includes, but is not limited to, all types of Mello-Roos taxes and special taxes for governmental purposes such as libraries, hospitals, schools, protection services, fire protection, ambulance services, parks, or museums. Please refer to the decision tree to determine parcel tax reporting for AB 2109.

The purpose of this parcel tax in Corcoran will be to ensure continued local fire suppression and protection as well as rapid emergency response services for all residents, employees, and visitors in the District. The revenues raised by this special tax will only be used to defray operating expenses and capital improvement expenditures to accomplish the foregoing purposes.

8.2 LEGAL REQUIREMENTS AND TYPICAL STRUCTURE

Parcel taxes are generally implemented with limited input from the City's special tax consultant, as they tend to have simple structures. It is required that a parcel tax be placed on the general ballot for the jurisdiction. Requirements such as the impartial analysis, arguments for and against, and fiscal impact are generally provided by the City's general counsel and financial adviser. Willdan is available to prepare basic financial analysis showing what revenues will be generated by specific levels of taxation.

While the two-thirds threshold is high, public safety parcel taxes typically perform well (as do school and library parcel taxes). A rule of thumb is that a well-marketed parcel tax has about a 50% chance of succeeding.

Since only registered voters participate in the approval of a parcel tax, it is possible for a parcel tax to have a greater chance of success than a special assessment. Businesses tend to be less supportive of tax

measures in general, and special assessments are approved by a weighted ballot based on the level of assessment. This can be problematic. In fact, many assessment elections that Willdan has presided over would have received approval if only residential homeowners were considered.

8.3 ELIGIBLE COSTS

Eligible costs that can be funded with a parcel tax include:

- Fire station staffing
- Operating expenses
- Capital improvements
- Train and equip all firefighters
- Local fire suppression
- Emergency medical response

8.4 ANNUAL ESCALATION

To help ensure that the revenues from the special tax grow in line with the inflation adjusted cost of providing local fire suppression and emergency medical services, the tax rate may increase in future years based upon the changes in the Consumer Price Index (CPI).

9 ANALYSIS OF FUNDING MECHANISMS

This section contains both qualitative and quantitative analyses of the various recommended funding mechanisms.

9.1 QUALITATIVE COMPARISON OF FUNDING MECHANISMS

Name	Revenue Potential	Ease of Implementation	Cost Effectiveness
Prop 26 User Fees	High	Moderate	High
Community Facilities District	Moderate	High	High
FPD/CSD Formation	Low	Moderate	Moderate
Fire Suppression Assessment	High	Low	Moderate
Parcel Tax	High	Low	Moderate
Cost Allocation Plan Revisions	Low	High	Low

Since the Prop 26 User Fee study results in the highest cost effectiveness, the City should opt to make this a part of their funding strategy regardless of which other funding mechanisms are used.

A city-wide (or FPD-wide) CFD is limited as to how much revenue can be provided in the near term. However, it should be a part of the City's long-term funding strategy for fire services. By requiring that all building permits issued in the City be contingent upon annexing to a fire services CFD, the City can

effectively limit fire services funding issues to properties that are currently developed and ensure that future development will pay its own way. This should also be a part of any comprehensive funding strategy.

There are three funding mechanisms that have a moderate level of cost effectiveness. The City should choose to use one of more of these mechanisms based on discussions with the funding team and/or formal or informal research into which combination of these mechanisms would yield the greatest benefit for the least cost. A qualitative discussion of each of these is contained below.

Forming a special district such as an FPD or CSD would be advantageous in that the FPD will have more control over its finances than it currently does. However, there is a cost associated with forming the FPD, and so the cost effectiveness of this strategy is contingent upon how much additional revenue the FPD could access than the City does already. Specifically, the City needs answers to the following questions:

- Would County Fire be willing to implement user fees for fire services to help offset expenditures related to services that do not benefit the public-at-large?
- Is the County willing to initiate the process of forming an FPD or CSD for the Station 11 service area (preferred) or the City's territory?
- Can LAFCO confirm that the entire AB8 property tax allocation for County Fire would be passed through to a future FPD if the FPD provides all fire services for the Station 11 service area?
- Are there any economies of scale and/or cost savings associated with making the Station 11 service area the territory of the FPD since it includes unincorporated areas?

The cost of forming an FPD should be weighed against the potential benefits to arrive at a conclusion.

The two remaining funding mechanisms with moderate cost effectiveness are the fire suppression assessment and the parcel tax. These mechanisms are very similar in implementation, so it is important to bear in mind the key differences:

- A fire suppression assessment requires 50% weighted majority (by level of assessment), while a parcel tax requires a two-thirds approval of registered voters.
- A fire suppression assessment can only fund fire suppression services, while a parcel tax can fund fire suppression services and medical services.

We recommend that the County consider implementing one of the strategies outlined below across its entire service area. This would help not just the City but all its partnering agencies to meet their funding requirements in an equitable manner without placing a long-term annual obligation on their general funds. In the absence of such action by the County, the City may choose to implement one, the other or both as a strategy for funding fire services.

The table below shows typical rates levied for CFDs, fire suppression assessments and parcel taxes by other agencies in California.

Agency	Charge Type	Parcel Count	Average Special Tax/Assessment (Residential)
Nevada County FPD -FSBA	Fire Suppression Assessment	17,181	\$112.38
Nevada County FPD	Parcel Tax	16,638	\$49.73
Ohpir Hill FPD	Fire Suppression Assessment	1,611	\$139.82
Truckee FPD	Fire Suppression Assessment	6,032	\$57.89
El Dorado County FPD	Fire Suppression Assessment	3,744	\$70.64
Borrego Springs FPD	Fire Suppression Assessment	5,743	\$43.23
Borrego Springs FPD	Community Facilities District	2	\$445.71
Fresno FPD	Community Facilities District	296	\$426.38

9.2 RECOMMENDED FUNDING STRUCTURES (QUANTITATIVE ANALYSIS)

Based on the qualitative analysis found above, Willdan has developed three funding strategies for the City to consider. These funding strategies operate under the following assumptions:

- Either the City forms an FPD coterminous with the City boundaries to implement a user fee program or the County implements a user fee program and uses it to offset costs charged to each station. In both cases, the user fee program is conservatively estimated to achieve cost recovery of 20% (however, it is recommended that the user fee program achieve as high a level of cost recovery as is feasible).
- The City implements a CFD for future development, but that CFD does not affect current budget shortfalls.

Scenario 1 assumes that the user fee program is implemented but no other funding mechanisms are enacted to help deal with the City's existing budget shortfall. This plan would reduce the City's General Fund contribution by 33% in the first year, and relative to the City's revenues, the contribution would continue to decrease over time as the CFD offsets the per unit shortfall of new construction and the City's general revenues increase while the fire services shortfall stays the same.

This scenario may be preferred because it does not require voter approval for any of the mechanisms implemented.

Scenario 1: User Fee Study

Estimated Property Tax Revenues	\$448,913	41.5%
User Fee Revenues	\$216,604	20.0%
<u>Corcoran General Fund Contribution</u>	<u>\$417,502</u>	<u>38.5%</u>
Total Revenues	\$1,083,019	100.0%

Scenario 2 assumes that the City successfully implements either a parcel tax or an assessment to cover the general fund shortfall after implementing the user fee program. In this scenario, the City's general fund contribution would be eliminated entirely, and the CFD would offset any future deficits that occur as a result of new development.

Scenario 2: User Fee Study and Parcel Tax or Assessment

Estimated Property Tax Revenues	\$448,913	41.5%
User Fee Revenues	\$216,604	20.0%
<u>Parcel Tax or Assessment¹</u>	<u>\$417,502</u>	<u>38.5%</u>
Total Revenues	\$1,083,019	100.0%

1: Using population and persons per household estimates from the Department of Finance, the parcel tax or assessment would be equal to approximately \$67 per equivalent dwelling unit.

Some public agencies have chosen to implement more than one special financing mechanism. Advantages of doing this include the following:

- Since assessment revenues can only be used for fire suppression services, the two mechanisms can be used for different purposes.
- Assessments require a lower threshold but can be controversial because the benefit analysis is part of the public report and can be difficult to pass since businesses will have a vote based on the level of their assessment.
- If both measures are put to voters, it is more likely that one will pass, and the City will get some return on its investment in the two mechanisms.

Scenario 3: User Fee Study, Parcel Tax and Assessment

Estimated Property Tax Revenues	\$448,913	41.5%
User Fee Revenues	\$216,604	20.0%
Parcel Tax ¹	\$208,751	19.3%
<u>Assessment¹</u>	<u>\$208,751</u>	<u>19.3%</u>
Total Revenues	\$1,083,019	100.0%

1: Using population and persons per household estimates from the Department of Finance, the parcel tax and assessment would each be equal to approximately \$33 per equivalent dwelling unit.

We have also included a fourth scenario that assumes that the County does not implement a user fee program and the City does not form an FPD or CSD or take over the provision of fire services from the County. In this scenario, a parcel tax and assessment may be used to offset all or a portion of the deficit. The total amount per equivalent dwelling unit would be \$102, which may be separated into two different mechanisms if desired.

Scenario 4: Parcel Tax and Assessment

Estimated Property Tax Revenues	\$448,913	41.5%
Parcel Tax ¹	\$317,053	29.3%
<u>Assessment¹</u>	<u>\$317,053</u>	<u>29.3%</u>
Total Revenues	\$1,083,019	100.0%

1: Using population and persons per household estimates from the Department of Finance, the parcel tax and assessment would each be equal to approximately \$51 per equivalent dwelling unit.

10 CONCLUSIONS

To summarize the results of the analysis and the recommendations contained above, Willdan is recommending that the City do the following:

- Form a CFD for fire services that will only apply to new development to offset any increases in costs that result from new homes and businesses being added to the City's service area.
- Request that the County implement a user fee program for fire services that achieves at least 20% cost recovery.
- If the County does not want to do so, create an FPD or CSD and use the existing AB8 property tax apportionment to fund a portion of fire services while also implementing a user fee program that achieves 20% cost recovery.
- If a revenue/cost differential remains, decide whether to implement a fire suppression assessment, a parcel tax or both and (if both) decide how to split the needed revenues between the two mechanisms.
- If one or both of the measures above fails, then continue to contribute general fund money to fire services, recognizing that because of the CFD, the percentage of general fund revenues going towards fire services will shrink over time as new development pays its own way.
- If the County does not wish to implement a user fee program and the City or a newly formed FPD/CSD does not take over Station 11 from the County, the City may still implement a fire suppression assessment, parcel tax or both to help offset the operation shortfall.

Given that not all of the City's questions were addressed in this study, Willdan will prepare a second phase of the study to answer the following questions:

- Is CSA No. 3 still in operation, and if so, what are its revenues, expenditures and methods of funding fire services?
- What property taxes can be generated from the Station 11 service area?
- What are the expenditures associated with Station 11 – not just the City portion?
- What would the financial balance of a special district formed to fund Station 11 services look like?

MATTERS FOR MAYOR AND COUNCIL

ITEM #: 8-A

MEMORANDUM

MEETING DATE: March 26, 2019
TO: Corcoran City Council
FROM: Kindon Meik, City Manager
SUBJECT: Matters for Mayor and Council

UPCOMING EVENTS / MEETINGS

- April 9, 2019 (Tuesday) Ethics Training – 4:30 PM, Council Chambers
- April 9, 2019 (Tuesday) City Council Meeting – 6:30 PM, Council Chambers
- April 11, 2019 (Thursday) SSJVD - League of CA Cities General Membership Meeting – 6:00 PM, (location to be determined)
- April 23, 2019 (Tuesday) City Council Meeting – 5:30 PM, Council Chambers
- April 27, 2019 (Saturday) Burnham Smith Park Ribbon Cutting – time to be determined.

- A. Information Items
1. Exceptions to zoning requirements on fences – application period
 2. Sea trains – Planning Commission decisions
 3. Large truck parking ordinance
 4. KWRA meeting on March 27, 2018
- B. Council Comments – *This is the time for council members to comment on matters of interest.*
1. Staff Referral Items
- C. Committee Reports



**COUNCIL REQUESTS OR REFERRAL ITEMS
PENDING FURTHER ACTION or RESOLUTION BY STAFF**

DATE Sent to Council/ Request made	REQUEST	STATUS	DEPARTMENT RESPONSIBLE Dept/Division
03/12/19	Council requested that Staff prepare ordinance specifically prohibiting smoking in public parks. It was recommended that the City also consider an ordinance prohibiting dogs in public parks.	In progress	Community Development
02/12/19	Council requested a report from the PD on gang activity in Corcoran. Report to be provided at the March 12, 2019 council meeting.	Completed	Police Chief
03/12/19	Kevin Tromborg, Community Development Director, provided a history and overview of Corcoran transit rates. Council will consider proposed rate changes at a future meeting with subsequent public hearings scheduled if rates are to be changed.	In progress	Community Development
10/09/18	Request by City Council to review transit revenues and rates.		
06/12/18	The City Council approved Finance Department Policy and Procedures Handbook.	Completed	City Manager/ Finance Director
03/27/18	City Council provided direction on the components of a General Fund reserve policy. Staff will draft language for further consideration and review.	Completed	
12/12/17	The City Council adopted a Measure A Expenditure Plan. Subsequent policies will be presented to the Council leading up to the budget process.	Completed	
05/09/17	City Council requested that Staff present draft finance policies relating to General Fund reserves, balanced budget, etc.	Ongoing	