



Revenue Measure Committee Meeting Agenda

April 10, 2024
6:00 PM – Regular Meeting
City Hall Training Room
319 N. Douty St.

CALL TO ORDER REGULAR SESSION:

ROLL CALL:

PUBLIC COMMENT:

This is the time for citizens to comment on subject matters within the jurisdiction of the Revenue Measure Committee. This is also the public's opportunity to request an item from the Consent Calendar be pulled for discussion purposes or to comment on any item on the agenda. State law does not allow the committee to discuss or take action on issues not on the agenda, except that members of the committee or staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights (Gov. Code sec. 54954.2). A maximum of three minutes is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.

CONSENT CALENDAR:

Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.

A. Approval of the Minutes of the April 3, 2024 Meeting

B. Approval of the Minutes of the April 6, 2024 Meeting

GENERAL BUSINESS:

- A. Finance: Recap of past discussion regarding RMC agenda items and follow-up on outstanding matters.
- B. Presentation to RMC and review of measures that the City of Hanford can take to improve the City's financial position.
- C. Preliminary review of National Community Survey results and group activity to establish RMC prioritization of needs of the City in relation to the General Fund such as Parks and Community Services, Police, Fire, Streets, Code Compliance and other essential

services.

ADJOURN:



AGENDA STAFF REPORT

MEETING DATE: 4/10/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Approval of the Minutes of the April 3, 2024 Meeting

RECOMMENDATION:

Recommendation: Approval of the Minutes of the April 3, 2024 Meeting

Recommended Motion: I move to approve the Minutes of the April 3, 2024 Meeting

BACKGROUND:

Minutes of the April 3, 2024 Meeting

FISCAL IMPACT:

None

ATTACHMENTS:

1. 4.3.24 minutes



**Revenue Measure Committee Regular Meeting
Minutes**

**April 3, 2024 6:00 PM
City Hall Training Room
319 N. Douty St.**

CALL TO ORDER REGULAR SESSION:

ROLL CALL:

12 members present at roll call, Member Leach 6:02pm, Member Fogg absent
13 members during meeting

PUBLIC COMMENT:

This is the time for citizens to comment on subject matters within the jurisdiction of the Revenue Measure Committee. This is also the public's opportunity to request an item from the Consent Calendar be pulled for discussion purposes or to comment on any item on the agenda. State law does not allow the committee to discuss or take action on issues not on the agenda, except that members of the committee or staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights (Gov. Code sec. 54954.2). A maximum of three minutes is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.

6:02pm Public Comment opened, no public comment

CONSENT CALENDAR:

Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.

A. Approval of the Minutes of the March 20, 2024 Meeting

Motion by Vice-Chair Strawn, Second by Member Chavarin - motion passed 13-0

GENERAL BUSINESS:

A. Finance: Recap of past discussion regarding RMC agenda items and follow-up on any outstanding matters.

Finance Director Tavarez gave a presentation and review of past RMC discussions, schedule for 4/6 RMC tour and remaining meetings. There were some questions and answers provided to the RMC by staff.

B. Parks and Community Services: Presentation by Parks and Community Services

Department and Community Development Department addressing operations, capital needs and resources

Parks and Community Services Director Brad Albert, and Parks staff presented to the RMC an overview of the department's operations, facilities and needs. There was discussion, and questions and answers period for the RMC. Deputy City Manager/Community Development Director Jason Waters and staff presented an overview of the department's operations and needs regarding Code Compliance measures and abatement of property related issues in the City. There was discussion, and questions and answers period for the RMC.

ADJOURN:

8pm meeting was adjourned



**AGENDA
STAFF REPORT**

MEETING DATE: 4/10/2024	AGENDA SECTION: CONSENT CALENDAR
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SUBJECT:
Approval of the Minutes of the April 6, 2024 Meeting

RECOMMENDATION:
Recommendation: Approval of the Minutes of the April 6, 2024 Meeting

Recommended Motion: I move to approve the Minutes of the April 6, 2024 Meeting

BACKGROUND:
Minutes of the April 6, 2024 Meeting

FISCAL IMPACT:
None

ATTACHMENTS:
1. 4.6.24 minutes



**Revenue Measure Committee Special Meeting
Minutes
April 6, 2024 8:00 AM
Hanford Police Department - 425 N. Irwin Street**

CALL TO ORDER SPECIAL SESSION:

8am called to order

ROLL CALL:

8am, Member Leach and Member Fogg absent, Member Leach arrived 8:03am
13 members present for meeting

PUBLIC COMMENT:

This is the time for citizens to comment on subject matters within the jurisdiction of the Revenue Measure Committee. This is also the public's opportunity to request an item from the Consent Calendar be pulled for discussion purposes or to comment on any item on the agenda. State law does not allow the committee to discuss or take action on issues not on the agenda, except that members of the committee or staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights (Gov. Code sec. 54954.2). A maximum of three minutes is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.

8:02am, no public comment

GENERAL BUSINESS:

A. Tour of City Facilities -

The Revenue Measure Committee will tour various City facilities in the following order, starting at 8:00 a.m., April 6, 2024:

1. Hanford Police Department - 425 N. Irwin Street
2. Fire Station 1- 350 W. Grangeville Blvd.
3. The Fitness Court at Hidden Valley Park - 2150 N. 11th Ave.
4. Heroes Park - Intersection of Grangeville Blvd. and 9 1/4 Ave.
5. Fargo Place - Northeast corner of Fargo Ave/Fargo Place
6. Lacey Improvements - Northside of Lacey Blvd. near 9 1/2 Ave.
7. Hanford Youth Soccer - 270 Gilkey Ln.
8. Fire Station 2 - 10553 Houston Ave.
9. Centennial Park - 11731 Hanford Armona Rd.
10. 12th and Lacey Blvd - The parking lot next to the Chevron gas station (1702 W. Lacey Blvd.)

11. The Plunge - 415 Ford Street
12. Lunch - Civic Auditorium Council Chambers - 400 N. Douty Street

Finance Director Chris Tavaréz initiated the tour and department heads from all departments were present and provided tour by a KART bus to members of the RMC and public for locations listed on the agenda. There were questions and answers provided at stops of the tour, and at conclusion of the tour by the Police Department.

ADJOURN:

Materials related to an item on this Agenda submitted to the Revenue Measure Committee after distribution of the agenda packet are available to public inspection at the Administration Department, located at 319 N. Douty Street Hanford, California 93230, during normal business hours. Such documents are also available at the city's website, www.cityofhanfordca.com subject to staff's ability to post documents before the meeting. If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's office, 559-585-2515, 319 N. Douty Street, Hanford, California 93230, at least 2 days prior to the meeting {28 CFR 35.102.35.104 ADA Title II}

12:07 meeting was adjourned, boxed lunch was provided to the RMC and staff



AGENDA STAFF REPORT

MEETING DATE: 4/10/2024

AGENDA SECTION: GENERAL BUSINESS

SUBJECT:

Recap of past discussion regarding RMC agenda items and follow-up on outstanding matters.

RECOMMENDATION:

Recommendation: That the RMC receive a presentation from Staff regarding any additional information or responses requested by committee members from past Revenue Measure Committee meetings.

Recommended Motion: No motion is required.

BACKGROUND:

The Revenue Measure Committee has had the following meetings:

2/13/2024 - Purpose, organization and introduction to City finance

2/21/2024 - General Fund budget, trends and condition

2/28/2024 - Police Department presentation and follow up on past meetings

3/6/2024 - Fire Department presentation and follow up on past meetings

3/20/2024 - Utilities and Engineering, and Public Works Departments and follow up on past meetings

4/3/2024 - Parks and Community Services, Community Development Departments and follow up on past meetings

4/6/2024 - RMC tour of the City

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

None



AGENDA STAFF REPORT

MEETING DATE: 4/10/2024

AGENDA SECTION: GENERAL BUSINESS

SUBJECT:

Presentation to RMC and review of measures that the City of Hanford can take to improve the City's financial position.

RECOMMENDATION:

Recommendation: That the RMC receive the presentation discussing potential revenue measures for the City of Hanford.

BACKGROUND:

The City Council has expressed concern for the fiscal health of the General Fund in the past and has directed staff to find ways for improvement, one of which was the formation of the Revenue Measure Committee (RMC). As has been shown to the RMC and was shown during the adoption of the 2023/2024 & 2024/2025 biennial budget, there are many and substantial demands of the General Fund that are not able to be financially supported. The City Council was able to adopt a balanced budget. However, this relied on one-time increased revenue and cost-saving items along with many needs, such as facility improvements and maintenance, and vehicle reserves being deferred. These needs were deferred to assist in improving the financial condition and recovering the General Fund Reserve, but must begin being addressed soon otherwise they will create heavy financial stress for the City in the future.

Enterprise funds such as Water, Sewer, Storm Drain and Refuse are supported by rates paid by the utility users. These funds are not a part of this discussion as there is a separate study being done specific to those rates.

The City's General Fund

The General Fund is the City's most discretionary funding source that receives revenues from Sales Tax, Property Taxes, Business Tax, Transient Occupancy Tax among other revenues including fees for recovery of costs. There are several areas of essential services that are paid for out of the General Fund including Police, Fire, Streets, Administration, Parks/Recreation and Planning/Community Development. The City's budget for fiscal year 2023/2024 is just under \$43.6 million for the General Fund, Table 1 shows the appropriation across areas of operation/use.

Table 1: City of Hanford 2023/2024 General Fund appropriation

Expenses*

General Fund (Non Departmental)	161,302
Admin	4,363,156
Com. Develop	1,323,488
Eng & Streets	4,734,203
Parks & CS	4,884,531
Fire	7,368,398
Police	16,781,493
Total Expenses	39,616,571
* Capital Outlay Included	
Debt Liability	2,722,754
Debt Service	1,070,624
Debt Service Transfers to Non-GF	162,688
Total General Fund Appropriation	43,572,637

For the most recent budget adoption, the City had a significant challenge having a balanced budget as required by Council-adopted resolution. In addition, economic forecasts indicate a slow down in revenue, so cost increases due to inflation and salary increases are projected to be hard pressed to be fully offset. For the past several years, the City has been 'tightening its belt' financially. However, there are limits as to what can be done as personnel costs are the majority of costs (over 70% of General Fund expenditures) and there are essential costs of operating that must be covered. All non-fixed costs are continually scrutinized by staff.

In addition, proving to be a significant challenge to balancing the City's General Fund was the \$12.5 million settlement agreed to in early 2023 of which \$7.5 million has been paid. This depleted the GF reserve to approximately 6%, well below the 35% goal (15% operating, 20% fiscal emergency). The remaining \$5 million must be paid over the next four years at \$1.25 million annually. This will have a direct impact on the General Fund budget over the next four years as the City must set aside funding for this debt payment in addition to all other operating, capital and existing debt demands. Items like this are temporary. However, with increasing costs for current operations and emergency capital needs, there is little to no room in the budget for increasing services/operations, improving services or proactively meeting capital needs.

Types of Measures to Consider

There are several options that City Council may consider of the potential revenue measures that would increase discretionary revenue for the City's General Fund. These will be discussed in more detail during the presentation. Table 2 provides a summary of revenue measure options and requirements for passage, Table 3 depicts the position of the City of Hanford and nearby cities and what measures are in place.:

Table 2: Summary of potential revenue measures with requirements for passage

	TAX- General	TAX- Parcel or Special (earmarked)	G.O. BOND (w/tax)	Fee / fine / rent
City / County	Majority voter approval	Two-thirds voter approval	Two-thirds voter approval	Majority of the governing board*

Table 3: Revenue rates of City of Hanford and surrounding cities

	County Base %	Local %	Sales Tax Total %	Utility User Tax	Transient Tax %	City Parcel Tax
City of Hanford	7.250	0.000	7.250	0	8	No
City of Lemoore	7.250	0.000	7.250	0	8	No
City of Avenal	7.250	1.000	8.250	0	6	No
City of Corcoran	7.250	1.000	8.250	0	8	No
City of Tulare	7.750	0.500	8.250	6	10	No
City of Selma	7.975	0.500	8.475	0	12	No
City of Dinuba	7.750	0.750	8.500	7	10	No
City of Visalia	7.750	0.750	8.500	0	10	No
City of Exeter	7.750	1.000	8.750	5	8	No
City of Lindsay	7.750	1.000	8.750	6	8	No
City of Kingsburg	7.975	1.000	8.975	0	12	No
City of Porterville	7.750	1.500	9.250	6	8	No
<i>Average</i>	<i>7.621</i>	<i>0.750</i>	<i>8.371</i>	<i>3</i>	<i>9</i>	

A major detail selection involves the type of measure sought. The two main alternatives generally obtained by cities are a general or special revenue measure. Special measures can be sales, property, utility users or parcel taxes or a general obligation bond and general measures are typically sales tax measures.

What if the City was to have additional revenue?

A revenue measure would increase discretionary tax revenue (in the General Fund) available for City Council's use in funding City services. The City's current discretionary revenues in the General Fund include sales tax, property tax, utility user's tax, franchise tax, transient occupancy tax, licenses, permits, etc. Areas currently funded directly by the General Fund Revenues are General Government, Parks and Community Services, Public Safety (Police and Fire) and Streets (primarily Maintenance of Effort funding as required by the State). These funds do not pay for Enterprise Fund costs such as Water, Sewer and Refuse, which are only funded by their associated rates.

Through the public process of a budget adoption, on an ongoing basis, City Council would determine how the City spends these additional revenues and adhere to a plan developed during a ballot initiative. The amount of funding potentially available would vary greatly depending on what the Council may consider for voters to decide on.

Typically, an initial proposal is developed that will begin discussions and evaluation, quite often with adjustments being made through a vetting process by Council, the community and staff.

After initial discussion in November 2023, City Council indicated that a sales tax measure may be the best option for the City and had staff begin formation of a Revenue Measure Committee. Voters may consider such a measure in November 2024 on the ballot.

FISCAL IMPACT:

Placing an item on the ballot will also have associated costs. If a revenue measure is ultimately passed, additional revenue would occur with the amount dependent on the revenue details in the

passed measure. The decision to present a potential measure is up to City Council, the RMC has opportunity to present a recommendation(s) to City Council for this effort. Ultimately, the decision of a revenue measure is with the voters.

ATTACHMENTS:

None



AGENDA STAFF REPORT

MEETING DATE: 4/10/2024	AGENDA SECTION: GENERAL BUSINESS
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SUBJECT:

Preliminary review of National Community Survey results and group activity to establish RMC prioritization of needs of the City in relation to the General Fund such as Parks and Community Services, Police, Fire, Streets, Code Compliance and other essential services.

RECOMMENDATION:

Recommendation: The RMC is to receive a preliminary review of National Community Survey results and conduct a group activity to establish RMC prioritization of needs of the City in relation to the General Fund such as Parks and Community Services, Police, Fire, Streets, Code Compliance and other essential services.

Recommended Motion: No motion is required

BACKGROUND:

Areas of focus in the General Fund to potentially protect and preserve:

Parks and Community Services

Police

Fire

Streets

Code Compliance

Facilities/Other Emerging needs

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

None