TO: CITY COUNCIL (Mtg. of 2/18/03)  DATE: July 15, 2008
FROM: FINANCE COMMITTEE  FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD JANUARY 22, 2003

At the request of Councilmember Wahl, items A and B were removed from the Consent Agenda.

A. Acceptance of Annual Financial Reports. This matter was referred to the Committee by the City Council at its 12/17/02 meeting. The Committee was provided with a memorandum dated 12/5/02 from the Finance Director submitting, for the year ended 6/30/02, the Independent Auditors’ Communication, City of Chico Annual Financial Report, City of Chico Single Audit Reports, Chico Redevelopment Agency Component Unit Financial Report, and Chico Public Financing Authority Component Unit Financial Report. Pursuant to the provisions of Section 1109 of the City’s Charter, an independent auditor, hired by the City Council to perform an annual audit of the books, financial records and related documents of the City in accordance with generally accepted auditing standards, shall submit to the City Council a report on the audit for the preceding fiscal year on or before the first regular City Council meeting in February.

Recommendation: The Committee recommended (3-0) acceptance of the Annual Financial Reports.

B. Consideration of Request from Independent Living Services of Northern California for Additional Funding for Rental Housing Accessibility Program. The Committee was provided with a memorandum dated 01/14/03, from the Economic Development/Housing Specialist providing background on the City’s Rental Housing Accessibility Improvement Program and providing an explanation for the request for additional funding from Independent Living Services of Northern California. Independent Living Services of Northern California is requesting $32,000 from the Private Activity Bond Reserve Fund to continue the accessibility program, which provides grants to install accessibility improvements in rental housing units.

The City Manager explained that the accessibility program has been in place for approximately 10 years. The Private Activity Bond Reserve Fund is a discretionary fund that was established to fund costs related to bond issuance, such as administration and litigation, as well as the accessibility program. The funds would not be subject to a state take.

Dan Halliday from Independent Living Services of Northern California said there are three projects in the pipeline.

Recommendation: The Committee recommended (3-0) approval of the request from Independent Living Services of Northern California that an additional $32,000 be allocated from the Private Activity Bond Reserve Fund to install accessibility improvements in rental housing units.

D. Consideration of Request from Habitat for Humanity of Chico for Allocation of $132,000 of HOME Investment Partnership Program (HOME) Funds for Acquisition of Land. The Committee was provided
with a memorandum dated 1/14/03 from the Economic Development/Housing Specialist transmitting a request from Habitat for Humanity for $132,000 of HOME funds for acquisition of land on 16th Street for development of low income housing. Funds in the amount of $70,000 were previously included in the 2000-01 and 2001-02 HOME programs for a future Habitat project. This request would require an additional allocation of $62,000 which could be funded from HOME program income.

In response to Councilmember Wahl, Housing Officer McLaughlin explained the allocation of funds. The City Manager said that there is no threat of losing these funds to the state since HOME is a federal program. In response to Councilmember Gruendl, Economic Development/Housing Specialist Burkland stated that the plan is consistent with program requirements, by providing housing for very low income families. Because all of the labor is done by volunteers, costs are kept low, but the process can be slow. In response to Councilmember Wahl, Tom Hayes, representing Habitat for Humanity, indicated that because the labor is done by volunteers, there will be 3 or 4 homes completed per year, and 11-17 homes per 1-2 ½ year phase. Before construction, Habitat for Humanity will need to subdivide, obtain entitlements, and annex the property into the City. Mr. Hayes explained how the ten-year equity sharing program between the owner and the City ensures that the home stays affordable over 30 years. Habitat for Humanity is repaid upon sale of the home and the money goes back into the program.

**Recommendation:** The Committee recommended (3-0) approval of the request of Habitat for Humanity of Chico for an additional $62,000 from the HOME Investment Partnership Program (HOME) for acquisition of land for the development of low income housing. HOME funds in the amount of $70,000 were previously approved for future Habitat for Humanity projects, resulting in a total allocation of $132,000.

E. **Conceptual Discussion of Community Action Agency's Request for $2.5 Million for the Esplanade House II Project.** The Committee was provided with a memorandum dated 1/15/03, from the Housing Officer transmitting a letter from Tom Tenorio, Executive Director of the Butte County Community Action Agency (CAA), requesting $2.5 million from the Chico Redevelopment Agency's Low and Moderate Income Housing Fund for the development of the new Esplanade House Transitional Housing Facility. The business plan for the development and operation of the facility was also provided to the Committee. The Committee was asked to review the request and determine whether to consider the request at a future meeting. If the Committee decides to consider the request at a future meeting, appropriate notice will be provided to the neighborhood in advance of that meeting.

Housing Officer McLaughlin explained both the need for transitional housing and that, if funded from the Low Income Housing Tax Credit, units have to be available to anyone in the community who qualified and could not be restricted to participants in the transitional program. Most residents of the Esplanade House stay longer than originally agreed upon because there are not many low income units in which to relocate.

Tom Tenorio, Executive Director of the Butte County Community Action Agency, said there is intense competition for the tax credit program and that the Community Action Agency could not even get to the competitive level. He told the Committee that the Agency also pursued funding from the Affordable Housing Program, made changes to strengthen their application, and will resubmit in April. He is committed to the project and will keep pursuing funding wherever possible. There is also a possibility that Proposition 46 may result in some funding.

Councilmember Nguyen-Tan said he would like to look at other projects which may need some of this money, and would like to look at each proposal individually, comparing need and cost, before making a decision. He was concerned about committing money that can be invested into the community, and requested staff to identify the uncommitted funds and potential uses of the funds. Housing Officer McLaughlin said other options include single family homes or acquisition of land similar to the Humboldt Road site. The City Manager also suggested that the City could contract with the Butte County Housing Authority to produce appropriate housing. Councilmember Gruendl gave his full support to committing the funds, noting that if this project does not come to fruition, the money will still be available. Councilmember Wahl did not want to obligate the funds simply for the sake of obligation.

Ken Fleming spoke in favor of the Esplanade House saying that this type of project has huge payoffs. Individuals who would normally be drawing off of public funds succeed in turning their lives around and become employed, tax paying citizens. He said that the alumni of these programs will later become its strongest supporters. He said the City benefits from the program by adding to its tax base and urged the
Committee to take the risk.

The City Manager said that if the Committee is interested in considering this funding request he would recommend scheduling a special meeting because there will be a good deal of community interest. He said that this will be discussed during the budget review at the 1/28/03 Council meeting, and that the Committee may need to move quickly to prevent the state from taking the funds.

**Recommendation:** The Committee recommended (3-0) that discussion of this item be brought back to a future Finance Committee meeting. The Committee directed staff to prepare a report which would include the following projects as well as others recommended by staff: 1) Esplanade House II; 2) City owned property on Humboldt Avenue; 3) land acquisition; 4) entering into a general contract with Butte County Housing Authority.

**F. Consideration of a Recommendation to Increase the In Lieu Parking Fee for the Downtown Area.** The Committee was provided with a memorandum dated 1/7/03, from the Director of Public Works providing background and an analysis of the in lieu parking fee.

Councilmember Wahl said he is not interested in raising any fees. Councilmember Gruendl noted that this is a significant increase, asking if it would be possible to come up with a figure somewhere in between. He also asked if the funds collected could be used for bike parking or the transportation center. The City Manager indicated that the fee is an alternative to providing parking within the downtown area and is not used often. He noted that the recommended fee is based on the cost of a space in a parking structure, but Council could base the fee on a surface space. He also suggested linking this issue to the upcoming parking study which will be conducted by the Downtown Chico Business Association (DCBA) in May.

**Recommendation:** The Committee recommended (3-0) that the In Lieu Parking Fee come back for further review following the results of the parking study which will be conducted by the Downtown Chico Business Association in May 2003.

**G. Consideration of the City of Chico 2003/04-2007/08 Five-Year Capital Improvement Program.** The Committee was provided with a memorandum dated 1/08/03, from Public Works Administrative Manager Halldorson presenting the City of Chico 2003/04-2007/08 Five-Year Capital Improvement Program (CIP). This is a fiscally constrained planning document. The CIP contains projects considered necessary within five years, beginning with fiscal year 2003/04 and provides an overview of the projects, expenditures, and revenues in a clearly defined manner. The detail pages for the projects contain various information including, the project and project description, category, funding source, any prior expenditures, the year in which funding is anticipated to be available, whether the project is contained within the Nexus Study, and when appropriate, a map depicting the location of the project. Capital projects funded in the current budget are not included in the CIP unless future funding is projected. Projects further out than five years are not included in the CIP.

The City Manager told the Committee that approving this document does not create an obligation since it is a planning document and subject to future budget decisions.

Michael Jones said he felt that $15,000 was entirely too much money to budget for the .2 mile Longfellow Trail when volunteers have offered to build it at no cost. He also asked why the upper park bridge at Day Camp was not listed, and was told it was because those funds are already committed. Greg Steel was concerned that the notification and information packet was not received in a timely manner, and that those individuals reviewing the document did not have adequate time to do so. He was concerned that the East 8th Street project was deprogrammed, noting that it is the only east/west project in Chico. He pointed out that no improvements had been made in 50 years. He said it seemed that the project was taken out to balance funds, but noted that the addition of the animal shelter exceeded the fund balance anyway. He requested that more time be given for review before this action is taken. The City Manager responded that the East 8th Street project did not comply with the Nexus requirements and suggested a meeting be scheduled to discuss the East 8th Street improvements.

**Recommendation:** The Committee recommended (3-0) that this item be brought back to a future Finance Committee meeting for continued review and discussion of any necessary modifications to bring the Capital Improvement Program into balance, and that a community review meeting be scheduled in the interim. Staff was requested to look for ways to fund the animal shelter within fiscal constraints, and to explore options for funding a portion of the East 8th Street...
improvements.

H. **Budget Policies Related to the State Budget Crisis.** At the request of Councilmember Wahl the Committee discussed possible budget policies related to the potential impact of the State budget crisis, specifically: (1) City wide hiring freeze; (2) no new taxes; and (3) review of all General Fund project lists. In addition, the City Manager recommends discussion of the threat to the Low & Moderate Housing Funds.

Councilmember Wahl told the Committee he is concerned about losing the City’s reserve and that Council should decide where to hold back. He is concerned about the effect of the budget crisis on the individual and wants the Finance Committee and City Council to decide on cutting spending until they know what the state will do. City Manager Lando said the City will definitely need to fill some personnel vacancies but will be very selective in doing so, especially with General Fund positions, and each request will be considered individually. For example, dispatch cannot afford to be understaffed and there are funded road improvement projects that will require hiring temporary inspectors. The City Manager also said fees and charges must be looked at individually because the City has to be reasonable in covering its costs. He said the budget is balanced through next year and there will be no need to go into the emergency reserve. He also said the equipment replacement fund is fully funded.

*No action was required on this item. The discussion will be scheduled for the full City Council during the 1/28/03 work session.*

I. **Future Meetings.** The Finance Committee set meetings to discuss the following topics:

1. **Nexus Assumptions.** Will be discussed at Finance Committee meeting of 2/26/03.
2. **Humboldt Property & Low/Mod Housing Issues.** Will be discussed at 1/28/03 Council meeting.
3. **Park Fees.** Will be addressed in March, after the City Manager meets with Mary Cahill, Director of Chico Area Recreation District. Committee members will be asked to schedule a date at the 1/28/03 City Council meeting.
The meeting was called to order at 8:00 a.m. - Councilmember Wahl arrived at 8:15 a.m.

REGULAR AGENDA

A. Review of Park Financing Options Study Prepared for CARD. The Committee was presented with the Chico/CARD Area Park Fee Nexus Study and park impact fee recommendations by Economic & Planning Systems (EPS). The Committee discussed the nexus study, park standards/impacts on financing, and park funding alternatives, identified by EPS and summarized in the Chico/CARD Area Alternative Park Standard Analysis Technical Memorandum accompanying the nexus study. The Committee was provided with a memorandum dated 2/13/03 from the Assistant Community Development Director summarizing key points and assumptions of the nexus study which may require further Committee and Council direction. The Committee also reviewed and discussed other park fee studies and previously identified issues.

The City Manager said the focus over the next few meetings will be fees and how to pay for the portion of park needs which are not fee related - there is a significant community share to be determined. Several potential options include bonds or transient occupancy taxes. Further, the Council will have to decide what facilities will be included in each park because that will impact the overall park cost.

Tim Youmans and Shanna Wasserman from Economic & Planning Systems (EPS) delivered a powerpoint presentation highlighting three components to consider in establishing a development impact fee; 1) park acquisition; 2) actual construction and development of the park; and 3) the addition of extra amenities such as community centers; resulting in an estimated total fee of between $3600 and $3700 per unit.

In response to Chair Nguyen-Tan, Mr. Youmans said the build out goal from the 1994 General Plan drives the assumptions. City Manager Lando said that there was a different method used until four years ago when the focus was on neighborhood and community parks and not creekside greenways. He noted that the land to be acquired may be overstated by about 50 acres and recommended that the Committee determine what parks are desired and then recommend amending the General Plan as appropriate.

Councilmember Wahl said he felt Big and Little Chico Creek would have a much higher per acre value. The City Manager agreed but said that the numbers are based on an average. In response to Chair Nguyen-Tan, Tim Youmans said the large range in numbers is directly related to the type of development. CARD General Manager Mary Cahill said that costs for neighborhood parks are driven up by the addition of amenities such as restrooms and playground equipment and estimated overall cost to be approximately $500,000 per neighborhood park, depending on the amenities. The City Manager said that the addition of restrooms alone can add $150,000 to the cost. Jim Mann said that construction costs are affected by factors such as rock and soil removal and sidewalk installation. In response to Councilmember Wahl, Mary Cahill said the total estimated cost of DeGarmo park, which includes an aquatic facility, is 17 million dollars. Tim Youmans said that base standards are set in the master planning phase and will include consideration of reasonable amenities.

Councilmember Wahl felt the EPS comparison between Chico and other cities was not valid because Chico possesses an unusually large park area in Bidwell Park. City Manager Lando commented that Chico fees
really have nothing to do with other communities but Mary Cahill said that comparisons are valuable in setting standards and can also be used as a touchstone to determine what people moving into Chico are willing to pay.

The City Manager suggested that the Committee may want to look closely at the plan for DeGarmo Park. Mary Cahill said that the community center, all parking, all lighting, and the ball fields were pulled into its total cost. City Manager Lando said that DeGarmo Park will meet all of the activity needs of the next generation, stressing that there is no need for two more community parks with the same type of facilities planned for DeGarmo. He said that the completion of three or four neighborhood parks, along with DeGarmo, will fulfill the expectations of the community.

In response to Councilmember Wahl’s concern about the accuracy of the number, Assistant Community Development Director Sellers said that the urban area population figure of 92,000 reflects projected City growth, plus a share of the unincorporated County area. The City Manager noted that a higher population will result in higher fees, adding that the census boundaries do not match those of the General Plan, with CARD boundaries being even larger still. He said that CARD and the City are partners in developing parks in the General Plan area, with the issue being whether fees are sufficient in terms of the General Plan. Tim Youmans explained that the population level will not change fees but a deficiency may shift the distribution between new and existing development. The City Manager said the per capita basis will stay the same.

In response to Councilmember Gruendl, Tim Youmans said it is possible to set the fees based on square footage of the home as an alternative to a flat fee. The City Manager said Council will decide direction, and the City Attorney said the fee is related to the number of people per acre and cannot be based on square footage. Councilmember Wahl said this creates an inequity for out of town buyers.

In response to Bob Best the City Manager said that this number will be based strictly on new development, not on annexed properties.

The City Manager said that the Council should consider setting up a methodology that will remain viable as Chico grows, but set current fees according to the current General Plan and current population.

Chair Nguyen-Tan said he would like to establish a mutually agreed upon park inventory and would like larger maps to be provided at the next meeting.

City Manager Lando said that the designated area on Humboldt Road may not be needed as an active park because of the playing fields provided by Little Chico Creek Elementary School and Hank Marsh Jr. High School. He also said that for inventory purposes, the Dorothy Johnson Center should be listed as either a park or a community center.

Jim Mann used Brentwood Park as an example for establishing acreage for a neighborhood park. He said he did not want pocket parks to be created as a result of poor planning. He feels the City and CARD missed an opportunity given the current development by not collecting money for park maintenance. He said the maintenance of parks really needs to be addressed by Council, and that maintenance fees need to be collected from surrounding homes. City Attorney Frank said that unless a park is “in-hand”, maintenance costs can not be assessed.

City Manager Lando said there are four issues to address in determining appropriate park fees. These include identifying which parks will be developed, what facilities will be included in each of those parks, the costs for construction, and other recreational amenities, such as pools, community centers, and recreational facilities. He said that the appropriate fee should emerge as a direct result of the answers to these questions.

Mary Cahill suggested that the CARD Board of Directors form a subcommittee to work on the Master Plan with the Finance Committee, especially to reach consensus on park inventory. The City Manager supported cooperation between the City and CARD, adding that standards should develop as a result of discussions between the two groups, but stressed that the final decision will be the Council’s.

The Committee requested that staff prepare a large, color coded map, clearly labeled as to which parks are developed, ready to be developed, and marked for future development. Staff was also asked to provide a “menu” of additional facilities to consider when looking at the sites. Susan Mason added that it would be helpful if the maps had cross streets clearly marked. Chair Nguyen-Tan requested an on-going summary of
these discussions including variables as to what to include in neighborhood and community parks. Tim
Youmans advised that the first question to answer is what facilities will be included in each park. The City
Manager suggested sending the consultants a summary of future discussions so they may inform the
Committee what was hit or missed in preparation for following discussions.

The City Manager suggested using Hancock Park as an excellent example of a model on which to base
standards for neighborhood parks.

**Action:** The Committee directed staff to prepare a large, clearly labeled, color-coded map designating
developed, undeveloped, and possible future community and neighborhood park sites. The map will
be used to consider the following discussion points: 1.) which parks will be developed and the
location of each 2.) the facilities to be included in each park 3.) the cost details and assumptions for
each park; and 4.) the appropriateness of additional recreational amenities being included in the park
fee calculations. The Committee will continue discussion of this item at its 8:00 a.m. meeting of
3/10/03.

Annalisa Dillard, Administrative Analyst

**Distribution:**
City Council (22) Comm. Dev. Director Park Director
Risk Manager Public Works Director Finance Director
Assistant Community Development Director
Planning Director
**CITY OF CHICO MEMORANDUM**

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**FINITE COMMITTEE FILE: Committee Binder**

**RE:** REPORT ON FINANCE COMMITTEE MEETING HELD FEBRUARY 26, 2003

**CITY OF CHICO MEMORANDUM**

**COMMITTEE ITEMS REQUIRING CITY COUNCIL ACTION ON 3/18/03:**

**A. Approval of Supplemental Appropriation No. 02-03 30 to Provide Additional Funding for the Acquisition of a Fire Engine.** Funds in the amount of $342,000 were included in the 2002-03 Capital Budget to purchase a replacement fire engine. The City received two bids for the engine, both of which exceed the budgeted amount. According to the Fire Chief, several factors contributed to a higher than expected cost, including an annual price increase for all vendors based on higher labor and materials costs, and the cost of increasingly restrictive Federal emission control requirements for large displacement diesel motors. This Supplemental Appropriation would allocate $24,000 from the Equipment Replacement Fund to provide additional funds to acquire the fire engine. The Finance Committee was provided with a copy of the Equipment Replacement Fund (932) Fund Summary which reflects the 06/30/03 estimated fund balance.

**Recommendation:** The Committee recommended (3-0) approval of Supplemental Appropriation No. 02-03 30 allocating $24,000 from the Equipment Replacement Fund to provide additional funds to acquire the replacement fire engine.

**B. Approval of Supplemental Appropriation No. 02-03 28 and RDA No. 02-03 06 to Provide Funding for Completion of the Air Service Development Plan.** The U.S. Department of Transportation is offering a one-time grant of $44,000 to assist in the City's development efforts to improve air service. Acceptance of the grant requires $10,000 in local matching funds. The ticket lift survey and market analysis phases of the Air Service Development Plan for the Chico Municipal Airport have been completed. The requested funds would be used to fund professional consulting services to examine the best route structures, projected airfares, and profitability, before beginning direct solicitation of carriers. Staff recommended that the matching funds be allocated from the Chico Merged Redevelopment Project Area Fund (351). The Finance Committee was provided with a copy of the Supplemental Appropriation, the Redevelopment Project Analysis, and the Chico Merged Redevelopment Project Area Fund Summary which reflects the 6/30/03 estimated fund balance. A resolution making the findings required by Community Redevelopment Law to allocate tax increment revenue will be forwarded to the Chico Redevelopment Agency with the Finance Committee recommendation.

**Recommendation:** The Committee recommended (3-0) approval of Supplemental Appropriation No. 02-03 28 and RDA No. 02-03 06 to provide funding for completion of the Air Service Development Plan.

**C. Acceptance of the Community Organization Compliance Audits for FY 2001-02** The Committee was provided with a memorandum dated 2/18/03, from the Finance Director forwarding the Community Organization Compliance Audits for Fiscal Year 2001-02 as prepared by R. J. Ricciardi, Certified Public Accountant. Copies of the memorandum were also provided to all of the Community Organizations along with a notice of today's meeting. Audits are conducted of all recipient organizations, except those funded...
on a reimbursement basis, to verify compliance with the Community Organization Funding Program's policies and procedures. The Finance Committee was asked to recommend to the City Council acceptance of the audits and approval of the staff recommendation on remediation of the audit finding for Right Road Recovery, Inc. as outlined in the memorandum and set forth in the staff recommendation.

Recommendation: The Committee recommended (3-0) acceptance of the Community Organization Compliance Audits for FY 2001-02 and authorized approval of staff's recommendation for remediation of the audit finding of Right Road Recovery, Inc. which is to request documentation of use of funds or reimbursement of funds in the amount of $3,778 by 3/20/03. In the event the agency does not comply, staff will be authorized to pursue legal action or assignment to a collection agency, whichever staff determines is most appropriate, to secure reimbursement of the funds.

Items D and E were removed from the Consent Agenda.

D. Consideration of the City of Chico 2003/04-2007/08 Five-Year Capital Improvement Program. The Committee was provided with a memorandum dated 2/13/03 from the Public Works Administrative Manager providing the City of Chico 2003/04-2007/08 Five-Year Capital Improvement Program (CIP). At its meeting of 1/26/03, the Finance Committee reviewed the changes in the Draft CIP with discussion focusing on the addition of the Animal Shelter Expansion project, the removal of the East 8th Street Reconstruction project, and requested the scheduling of a public meeting to allow interested persons to provide their comments on the Draft CIP.

Bill Travers read a statement he prepared in support of funding for East 8th Street Reconstruction. A resident of Valley Oaks Village on Forest Avenue near E. 8th Street, he spoke as a representative for many in his neighborhood. He said E. 8th Street is the way to school for the local children, but unsafe traffic situations discourage parents from allowing children to ride their bikes to school. Although there are several schools in the area, the biking and walking traffic is minimal.

The City Manager said that the bike path and sidewalk on Forest Avenue will be improved with City funding but improving the total length of E. 8th Street will cost approximately $5 million. He agreed that it needs work but said there are no funds, and including it will result in an unbalanced CIP.

In response to Councilmember Nguyen-Tan, the City Manager said that the City routinely applies for safe schools grants and has been quite successful in obtaining them when the result will be a safe path to school.

Greg Steel presented the Committee with a handout suggesting possible funding sources, including gas tax revenues and development impact fees. He expressed concern that project funds are being expended for environmental reviews or preliminary design and then the project is dropped. The City Manager agreed and said that if the intent is future improvement, other funding sources should be researched for availability.

In response to Councilmember Nguyen-Tan, Senior Civil Engineer Alexander said that the first section for improvement on E. 8th Street, from Highway 32 to Parkview Elementary School, is in the preliminary design stage. Construction costs for final alignment and design are estimated at $900,000, with a total cost of $1.3 million.

Evanne O'Donnell said that improvements that offer safe bike routes double as road improvements because fewer cars will be using the road. She said that safer bike paths will also solve transportation problems for many people. She suggested that road improvements intended to improve access for cars, be shifted to improve roads and paths for bicyclists, thereby decreasing overall usage by cars. She also pointed out that children will benefit greatly from the exercise provided by daily bike rides to and from school.

In response to Councilmember Wahl, the City Manager said most streets needing reconstruction are in the development fee category, but there is a high priority for E. 8th Street.

In response to Chair Nguyen-Tan, Bill Travers said the school children do not go through the park because it tends to be too isolated during the morning hours.
Councilmember Gruendl requested staff to revise the CIP to show which segment of E. 8th Street can be completed now. He suggested looking at it segment by segment for affordability.

**Recommendation:** The Committee recommended (3-0) that staff revise the City of Chico 2003/04-2007/08 Five-Year Capital Improvement Program to include Phase I of the E. 8th Street Reconstruction by adjusting other projects so that the plan remains fiscally constrained, and that the revised plan be forwarded to Council for approval. The Committee also requested staff to outline the area of E. 8th Street covered in Phase I and provide cost estimates for future phases and to include this information in the final CIP.

E. Approval of Request from Housing Authority of the County of Butte (HACB) for $900,000 for the Acquisition of the Property at 1200 Park Avenue. HACB is requesting an advance of $900,000 from the $3 million previously approved by the City of Chico for the acquisition of the square block at 1200 Park Avenue for its Senior Rental Housing Project. The Committee was provided with a memorandum dated 2/19/03 from the Housing Officer transmitting a letter from Gary Sannar, Executive Director of HACB.

Councilmember Wahl was questioned the $10 million cost of the project and Gary Sannar said the final cost may be even higher.

In response to Councilmember Wahl, Housing Officer McLaughlin said that the property will be owned by the Housing Authority and the City's loan will be secured by a deed of trust.

Housing Officer McLaughlin said that if the tax credit application is not approved in the next round, another option would be the program which provides tax credits at half of the value. The $3-4 million gap could be closed through an allowance to raise rents, which in turn could cover the debt. He indicated that $2 million in new funds is available per year in the Low and Moderate Income Housing Fund and that funds available are sufficient to complete the projects before the Agency at this time.

Councilmember Wahl suggested that the Agency keep Low/Mod funds available for this project in case the Housing Authority does not get the tax credits and City funding is required.

**Recommendation:** The Committee recommended (3-0) approval of the request from Housing Authority of the County of Butte (HACB) for $900,000 for the acquisition of the Property at 1200 Park Avenue.

F. Recommendation of Affordable Housing Subsidy Limits for Notre Dame Housing Project. At its 2/4/03 meeting, the City Council directed the Committee to determine subsidy limits for the affordable housing project on the Agency owned site on the Notre Dame Extension near Humboldt Road. The Committee was provided with a memorandum dated 2/19/03 from the Housing Officer providing background on recent funding levels and a summary of the project proposals.

David Ferrier said Council discussion is needed to allow developers to submit plans in September and meet timing constraints.

The Housing Officer suggested that developers submit multiple bids based on different subsidy levels. Chair Nguyen-Tan agreed but suggested that full proposals simply be footnoted to reflect the necessary adjustments.

Evanne O'Donnell said the City needs to make a serious effort to meet the housing needs of very low income residents, adding that this site offers an opportunity to do so.

Mary Cahill was told that these funds are typically limited to housing and would not include a park or community center.

Councilmember Gruendl suggested the Housing Element Task Force review methodology used for determining subsidy limits and identifying target groups.

**Recommendation:** The Committee recommended (3-0) the City/Agency subsidy limits be set at $30,000 per unit and $3.4 million for the project, and that staff be authorized to solicit development proposals, which will be revised to reflect maximum use of the site, from the three non-profit agencies who previously submitted proposals. The Committee also recommended that the Housing Element Task Force be requested to develop recommendations on subsidy levels for future housing projects.
G. **Acknowledge Receipt of Transportation Development Act Audit Reports.** The Committee was provided with a memorandum dated 2/14/03 from the Finance Director submitting audits for the City of Chico's Transportation and Transit Funds for the year ended 6/30/02. As a recipient of Transportation Development Act monies, a separate audit report regarding those monies is required. This audit was performed by the certified public accounting firm of Macias, Gini & Company, LLP, through the Butte County Association of Government.

**Recommendation:** The Committee recommended (3-0) acceptance of the Transportation Development Act Audit Reports.

**COMMITTEE ITEMS REQUIRING NO CITY COUNCIL ACTION ON 3/18/03:**

I. **Draft Annual Plan for the City's 2003-04 Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) Programs.** The Committee was provided with a memorandum dated 2/21/03 from the Housing Officer submitting the draft Annual Plan with background on previous activities, staff recommendations, and citizen input received to date. The first City Council hearing on the plan is scheduled for 4/1/03.

Charlie Preusser said that the South Campus area received initial federal funding but many things, including improved lighting, have still not been completed. He was concerned that new areas that are annexed into the City receive new funds and the oldest neighborhoods are ignored. These are neighborhoods of people who have been paying taxes for many years. He said the South Campus area suffers from major drainage problems but the North Campus area is given precedence. He said many families live in the South Campus neighborhood, adding that the improvements to Oak Way have made the streets safer for children walking to school.

Chair Nguyen-Tan said there is proposed funding of approximately $1 million for the upcoming year but it is not possible to list more projects than can be funded.

The City Manager agreed that millions of dollars of improvements are necessary but that the problems are more severe in the North Campus area. He suggested using the $200,000 carryover and working with south campus to develop a reasoned project list and then go out to bid.

Richard Elsom agreed that lighting in the south area and drainage in the north are both high priority and suggested a five year commitment to address the concerns of residents.

Chair Nguyen-Tan commented that he would like to have a detailed list of projects, a map showing where the improvements are needed, and a menu of proposed north and south campus projects.

The City Manager suggested that Assistant Director of Public Works Alexander meet with residents of the South Campus area and establish a list of priorities to bring to the City Council's CDBG hearing scheduled for 4/1/03.

In response to questions regarding the amount of money allocated for administrative costs, Economic Development/Housing Specialist Burkland said there is a 20% cap to make more money available for public services. He said that staff time is charged to the fund as are all costs of program delivery. Housing Officer McLaughlin said this is a lump sum for all administrative costs for all projects, it is not a single cost per project.

Chair Nguyen-Tan said he would like to differentiate between CDBG projects involving infrastructure and those that qualify as public programs. He suggested adjusting the allocations to North and South Campus areas and reducing the repayment to the equipment replacement fund to the appropriate amount.

**Recommendation:** The Committee recommended (3-0) that $125,000 be allocated for North Campus improvements and $50,000 to South Campus, with the repayment to the equipment replacement fund being adjusted by the appropriate amount. The Committee also recommended that the Council should consider shifting economic development and fair housing funding decisions to the community organization funding process next fiscal year.
J. **Consideration of the City of Chico 2002-03 Update of Development Impact Fees Analysis and Recommendations (Nexus Study) Assumptions.** The Committee was provided with a memorandum dated 2/13/03 from the Public Works Administrative Manager transmitting the assumptions that are recommended to be used in the "2002-03 Update of Development Impact Fees Analysis and Recommendations (Nexus Study)" for the Committee's consideration. Also provided to the Committee were draft calculations of the impact fees based on these assumptions and project lists.

*Item "J" was removed from the agenda and rescheduled for Wednesday, March 12, 2003 at 8:00 a.m.*
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 4/1/03) DATE: March 26, 2003
FROM: FINANCE COMMITTEE FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD MARCH 10, 2003

Committee Present:
Councilmember Nguyen-Tan, Chair
Councilmember Gruendl
Councilmember Wahl

Staff Present:
Assistant City Manager Dunlap
City Manager Lando
City Attorney Frank
Park Director Beardsley
Director of Public Works McKinley
Community Dev. Director Baptiste
Asst. Community Dev. Director Sellers
Public Works Admin. Mgr. Halldorson
Budget Officer Pierce
Administrative Analyst Peacock
Administrative Analyst Dillard

COMMITTEE ITEMS REQUIRING NO CITY COUNCIL ACTION ON 4/1/03:

A. Review and Consideration of Park Impact Fee Assumptions. The Committee was provided with a memorandum dated 3/6/03 from the Assistant Community Development Director summarizing key points and assumptions used to develop the park impact fees for further Committee consideration and direction. The Committee also reviewed and discussed other park fee studies and previously identified issues.

Assistant Community Development Director (ACDD) Sellers reviewed his matrix of parks, park facilities and estimated costs. Each park was addressed individually.

Councilmember Wahl said that although 7.3 acres are set aside for Baroni Park and the neighbors have requested that all of the land be used for park, the General Plan provides for only a 5-acre parcel. He said he would agree to the commitment of 5 acres for Baroni Park and that until the rest of the community has 5 acre neighborhood parks, the remaining 2.3 acres should be left undeveloped.

Jim Mann said CARD has requested that additional acreage be acquired for DeGarmo Park and City staff has requested a neighborhood park west of the Esplanade. Direction is needed as to which type of park will be required.

The City Manager suggested that Humboldt Park, east of the burn dump, be revisited after the Fogarty development is underway. He believes there may not be enough people living in the area to warrant a neighborhood park. He also said that if Rose Avenue Park area is 90% developed it should be taken off the list. The City Manager also suggested dropping McManus Park from the General Plan and incorporating the school play areas and playing fields. He also commented that the Eaton at Morseman site should be added as a neighborhood park and taken off the community park site list.

In response to the City Manager, Mary Cahill said that the Humboldt at Notre Dame park site is not suitable for a community park, and would better serve as a neighborhood park with special facilities included.

In response to Chair Nguyen-Tan, the City Manager said the Eaton at Morseman Park could be located on the south side of Eaton Road.

In response to Bernard Flynn, the City Manager said that Henshaw Park will be located on 6 acres adjacent to a 12 acre of a future elementary school site.
Michael Pike said Diamond Match Park should not be tied to future development when it is located in one of the oldest residential neighborhoods in Chico and is no other park in the area. The City Manager said that it is not required to be part of future development, the Committee and City Council may decide to move it in advance. However, he stressed that it should be part of the neighborhood core with the environmental issues resolved by the property owner and not the City. Mr. Pike said that although there are toxics in the southwest corner, there is plenty of room in the northeast.

Councilmember Wahl commented that he is not comfortable approving any of the parks until he has more information regarding costs. Chair Nguyen-Tan commented that the reason for reviewing park inventory is to provide staff with basic assumptions upon which to calculate fees.

The City Manager encouraged Mary Cahill and the development community to comment on the fees. Ms. Cahill said she was comfortable with the matrix and would like to ensure that the City Council and the CARD board of directors meet when finalizing fees. She said the Master Plan should be based on this information and adopted as part of the General Plan.

Jim Mann questioned the price of land being set at $150,000 an acre, saying that given the current market this is no longer an accurate figure. He feels that the City should work with developers and offer credits. He also disagreed with the estimated cost of improvements saying they do not reflect the cost of when constructed by developers. The City Manager said that Hancock Park represents an appropriate install cost at $475,000, but asked Mr. Mann to provide the Committee with landscaping costs per acre and administrative time involved. Mr. Mann said he felt the numbers are too high. Chair Nguyen-Tan suggested reimbursement for the cost per acre for land irrigation and the City Manager suggested that a meeting be set with Jim Mann and Mary Cahill to establish a prototype park and costs. Chair Nguyen-Tan concurred with the staff report as to what should be included in the parks and suggested getting some current real prices by working with CARD and developers.

In response to Councilmember Gruendl, the City Manager said that lighting is not included in the neighborhood park facilities list because it is considered intrusive to the surrounding neighbors and tends to encourage night use of the park.

John Wood commented on the cost of landscaping and irrigation and Bernard Flynn commented on the extension of the greenway east and west of Holly Avenue Park.

Jim Mann suggested eliminating the tot lots and simply completing some basic improvements in the neighborhood parks. Mary Cahill supported installation of the half courts because they encourage basketball players to use the safer park facilities and not the mobile street hoops. The City Manager suggested approaching the neighbors with basic park plans and development fees, asking them if they are willing to pay for the park and its maintenance.

In response to Councilmember Gruendl, ACDD Sellers said that the proposed Petersen Park contains an example of the type of tot lot which can be purchased for $52,000. Councilmember Wahl said he only wants to look at the cost for basic parks. Chair Nguyen-Tan would like to include tot lots, picnic table and half courts, getting estimates for both. The City Manager said this is possible for neighborhood parks but community parks include too many alternatives.

ACDD Sellers and the City Manager suggested dropping Southwest Chico Community Park from the inventory. The City Manager said the price of DeGarmo Park is going to be between $14 and $17 million and there is really no need for a third community park at this time.

Tami Ritter commented on the overlapping of bikeways and greenways. The City Manager confirmed that they do overlap and said this issue will be discussed in detail at the Nexus discussion on 3/12/03.

In response to Councilmember Wahl, Mary Cahill said she can supply standards which illustrate how many benches and drinking fountains should be included in a basic park. The City Manager said that the decision whether to include gymnasiums and swimming pools into the developer fees needs to be
formalized by the City. The City Manager also said that because these facilities improve the quality of life for local residents, these costs can be appropriately included in the development fee. Jim Mann agreed but said development should not be fully responsible for cost. The City Manager suggested taking the issue to the voters.

John Blacklock said that one way to keep costs down is to consider a bond measure for the optional facilities. The City Attorney said a bond measure would require consent from the Board of Supervisors if unincorporated areas were included. Chair Nguyen-Tan and Councilmember Gruendl agreed that a bond measure may be a reasonable solution but would require community support.

The Committee discussed linear parks and creekside greenways with Chair Nguyen-Tan noting that some of these improvements will overlap with the bike fees which will be discussed on 3/12/03. The City Manager said greenways can be connection components and that Council wanted half of the bike facility costs to be covered by grants and other sources.

Tami Ritter suggested installing portable toilets along the greenways, saying that the lack of facilities is leading to creek contamination. Park Director Beardsley said some installations will be done with the cost in the operating budget.

**Action:** The Committee agreed to continue discussion of this item on 4/9/03 directing staff to invite the subcommittee of the Board of Directors for the Chico Area Recreation and Park District to attend that meeting. The Committee also recommended deletion of certain sites (marked as “no”), and requested staff to calculate fees based upon remaining inventory as set forth on the table below.

**NEIGHBORHOOD PARKS**

<table>
<thead>
<tr>
<th>NEIGHBORHOOD PARK (MAP #)</th>
<th>YES</th>
<th>NO</th>
<th>COMMENTS/RECOMMENDATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dorothy Johnson Neighborhood Center (East 16th Street) (#E)</td>
<td>X</td>
<td></td>
<td>Existing Facility - 3 acres</td>
</tr>
<tr>
<td>Rotary Park (West 16th Street) (#F)</td>
<td>X</td>
<td></td>
<td>Existing Facility - .3 acres</td>
</tr>
<tr>
<td>Hancock Park (#G)</td>
<td>X</td>
<td></td>
<td>Existing Facility - 3.8 acres</td>
</tr>
<tr>
<td>Children’s Playground (#H)</td>
<td>X</td>
<td></td>
<td>Existing Facility - 1.2 acres</td>
</tr>
<tr>
<td>Oak Way Park (#I)</td>
<td>X</td>
<td></td>
<td>Existing Facility - 7.9 acres contiguous to the 12.51 acre Emma Wilson Elementary School</td>
</tr>
<tr>
<td>Lower Humboldt Park (#J)</td>
<td>X</td>
<td></td>
<td>Existing Facility - 2.8 acres</td>
</tr>
<tr>
<td>Nob Hill Park Phase I (#K)</td>
<td>X</td>
<td></td>
<td>Existing Facility - 1.8 acres</td>
</tr>
<tr>
<td>Baroni Park (#3)</td>
<td>X</td>
<td></td>
<td>City owned 7.3 acre parcel. The Committee recommended the commitment of 5 acres.</td>
</tr>
<tr>
<td>Enloe (East 20th Street) Park (#4)</td>
<td>X</td>
<td></td>
<td>5 acre park site owned by City. City also owns a contiguous 5.3 acre parcel designated for wetland preservation and/or mitigation, but likely infeasible or impractical for that purpose.</td>
</tr>
<tr>
<td>Henshaw Park (#5)</td>
<td>X</td>
<td></td>
<td>5.5 acre park site owned by City. Chico Unified School District owns a contiguous 13 acre parcel designated for neighborhood school development.</td>
</tr>
<tr>
<td>NEIGHBORHOOD PARK (MAP #)</td>
<td>YES</td>
<td>NO</td>
<td>COMMENTS/RECOMMENDATIONS</td>
</tr>
<tr>
<td>--------------------------</td>
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</tr>
<tr>
<td>Derry Estates (or Highlands) Park (#7)</td>
<td>X</td>
<td></td>
<td>5 acre park site on Ceres Avenue owned by City. All infrastructure installed except for sidewalk on the Ceres Avenue frontage.</td>
</tr>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; and Verbena Park (#6)</td>
<td>X</td>
<td></td>
<td>City owns the 13.38 acre site, with 5 acres designated for a neighborhood park. The remaining 8.38 acres is designated as part of the Lindo Channel greenway. At the time of original acquisition, 2.5 to 3 acres of the remaining land (southwest portion behind residences on Wendy Way) had been designated for single family residential development, but Council subsequently determined that it would not be developed.</td>
</tr>
<tr>
<td>Peterson (Webb) Park (#8)</td>
<td>X</td>
<td></td>
<td>This 4.14 acre park is proposed for development by the subdivision developer with the City reimbursing actual costs (estimated at $675,000±) upon completion.</td>
</tr>
<tr>
<td>Diamond Match Park (#10)</td>
<td>X</td>
<td></td>
<td>This park site is within the Diamond Match property and anticipated for improvement concurrent with redevelopment of the site.</td>
</tr>
<tr>
<td>West 8&lt;sup&gt;th&lt;/sup&gt; Avenue Park (#11)</td>
<td>X</td>
<td></td>
<td>This park site is designated in the General Plan for a portion of the vacant land between the Esplanade and State Highway Route 32. The Committee recommended that the designation be assigned to properties further north proposed for development as the “North Chico Planning Area.”</td>
</tr>
<tr>
<td>North of Eaton Park (#12)</td>
<td>X</td>
<td></td>
<td>This park site is designated in the General Plan for a portion of the vacant land along Humboldt Road, east of Bruce Road. The Committee recommended reviewing this as a park site after approval of the Fogarty development.</td>
</tr>
<tr>
<td>Upper Humboldt Park (#13)</td>
<td>X</td>
<td></td>
<td>This 1 acre park is proposed for development by the subdivision developer with the City reimbursing actual costs upon completion.</td>
</tr>
<tr>
<td>Nob Hill Park Phase II (#K)</td>
<td>X</td>
<td></td>
<td>Deleted from the inventory as the area is 90% developed.</td>
</tr>
<tr>
<td>Holly Avenue Park (#14)</td>
<td>X</td>
<td></td>
<td>The Committee recommended that this park site be deleted as no vacant land remains and in recognition of the existing City owned park site on Henshaw Avenue and a potential park site on West 8&lt;sup&gt;th&lt;/sup&gt; Avenue.</td>
</tr>
<tr>
<td>Rose Avenue Park (#15)</td>
<td>X</td>
<td></td>
<td>This park is designated in the General Plan for a site on Hicks Lane north of Sycamore Creek. This park site designation is consistent with the County prepared North Chico Specific Plan.</td>
</tr>
<tr>
<td>North Chico Park (#16)</td>
<td>X</td>
<td></td>
<td>The Committee recommended that this park site be deleted as the available parcel in the area has been purchased by the school district and integrated into the school play fields.</td>
</tr>
<tr>
<td>McManus Park (#17)</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### NEIGHBORHOOD PARKS (MAP #)

<table>
<thead>
<tr>
<th>NEIGHBORHOOD PARK</th>
<th>YES</th>
<th>NO</th>
<th>COMMENTS/RECOMMENDATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eaton at Morseman Park (#18)</td>
<td>X</td>
<td></td>
<td>Currently the General Plan designates a Community Park in this area. The Community Park location will be amended to coincide with CARD’s DeGarmo Community Park site on the Esplanade. <strong>The Committee recommended that a new neighborhood park be designated in this area.</strong></td>
</tr>
<tr>
<td>Humboldt Road at Notre Dame Boulevard (#2)</td>
<td>X</td>
<td></td>
<td><strong>The Committee recommended that the plan be amended to designate a neighborhood park site, and as a potential site for other specialized recreational facilities, including an aquatic center which has previously been discussed for this centralized site.</strong></td>
</tr>
</tbody>
</table>

### COMMUNITY PARKS

<table>
<thead>
<tr>
<th>COMMUNITY PARKS</th>
<th>YES</th>
<th>NO</th>
<th>COMMENTS/RECOMMENDATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hooker Oak Recreation Area (#A)</td>
<td>X</td>
<td></td>
<td>Existing Facility - 35 acres. This park includes 3 lighted baseball and/or softball fields, swimming area, group picnic area, individual picnic areas, large tot lot, open full basketball court, horseshoe pits, parking lot, restrooms.</td>
</tr>
<tr>
<td>Sycamore Recreation Area (#B)</td>
<td>X</td>
<td></td>
<td>Existing Facility - 26.5 acres. This park includes 1 unlighted softball field, backstops, swimming area, group picnic area, individual picnic areas, Caper Acres play area, horseshoe pits, parking lot, restrooms.</td>
</tr>
<tr>
<td>20th Street Community Park (#C)</td>
<td>X</td>
<td></td>
<td>Existing Facility - 40 acres. This park includes lighted baseball, softball and/or soccer fields, lighted tennis courts, group picnic area, individual picnic areas, large tot lot, parking lot, restrooms, field house.</td>
</tr>
<tr>
<td>Wildwood Park (#D)</td>
<td>X</td>
<td></td>
<td>Existing Facility - 18 acres. This park includes 2 lighted baseball and/or softball fields, group picnic areas, individual picnic areas, large tot lot and play area, parking lot, restrooms.</td>
</tr>
<tr>
<td>DeGarmo Park (#1)</td>
<td>X</td>
<td></td>
<td>Existing CARD owned site on north Esplanade</td>
</tr>
<tr>
<td>Humboldt Road at Notre Dame Boulevard (#2)</td>
<td>X</td>
<td></td>
<td>Currently the General Plan designates this City owned site as a Community Park. However, with the limitation of total size (9.7± acres) and constraint of the existing 3+ acre detention pond, the site is not large enough to function as a community park. <strong>The Committee recommended that the plan be amended to designate a neighborhood park, and as a potential site for other specialized recreational facilities.</strong></td>
</tr>
<tr>
<td>Southwest Chico Community Park (#9)</td>
<td>X</td>
<td></td>
<td><strong>The Committee recommended that this park be deleted from the General Plan and impact fee consideration and considered with future growth areas.</strong></td>
</tr>
<tr>
<td>LINEAR PARKS AND GREENWAYS</td>
<td>INVENTORY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td>-----------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mud Creek - Airport to Highway 99</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mud Creek - Highway 99 to Highway 32</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sycamore Creek - Wildwood Avenue to Cohasset Road</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sycamore Creek - Cohasset Road to Highway 99</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lindo Channel - Manzanita Avenue to Highway 99 Freeway</td>
<td>The Committee noted that there was no opportunity to establish a contiguous greenway.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Lindo Channel - Highway 99 Freeway to Highway 32</td>
<td>The Committee noted that there was no opportunity to establish a contiguous greenway.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Big Chico Creek To Highway 32</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Big Chico Creek - Highway 32 to Bidwell Avenue</td>
<td>The Committee noted that there was no opportunity to establish a contiguous greenway.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Little Chico Creek - Stilson Canyon to Highway 99 Freeway</td>
<td>Consider opportunity purchases with other sources.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Little Chico Creek - Highway 99 Freeway to Pomona Avenue</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Little Chico Creek - Butte Creek Diversion Channel</td>
<td>Acquire from top of levee on west side to 100 feet from top of bank on east side, south of East 20th Street.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Comanche Creek - Skyway to Park Avenue</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comanche Creek - Park Avenue to Union Pacific Railroad</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Butte Creek</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Railroad Right-of-way (abandoned) from Estes Road to the Freeway/Entler Avenue</td>
<td>move discussion to other funding sources (bike fees)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Dead Horse Slough</td>
<td>will be re-examined in light of submitted developments</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Annalisa Dillard, Administrative Analyst

Distribution:
City Council (22) Housing Officer Comm. Dev. Director
Risk Manager Director of Public Works Finance Director
Economic Dev./Housing Specialist Asst. Director of Public Works
Public Works Admin. Manager
TO: CITY COUNCIL (Mtg. of 5/6/03)
FROM: FINANCE COMMITTEE
DATE: April 18, 2003
FILE: Committee Binder

RE: REPORT ON FINANCE COMMITTEE MEETING HELD MARCH 12, 2003

Committee Present:
Councilmember Nguyen-Tan, Chair
Councilmember Gruendl
Councilmember Wahl

Staff Present:
City Manager Lando
City Attorney Frank
Director of Public Works McKinley
Community Development Director Baptiste
Asst. Community Dev. Director Sellers
Asst. Dir. of Public Works Alexander
Public Works Admin. Mgr. Halldorson
Administrative Analyst Peacock
Administrative Analyst Dillard

COMMITTEE ITEMS REQUIRING NO CITY COUNCIL ACTION ON 5/6/03:

A. **Consideration of the City of Chico 2002-03 Update of Development Impact Fees Analysis and Recommendations (Nexus Study) Assumptions.** The Committee was provided with a memorandum dated 2/13/03 from the Public Works Administrative Manager transmitting the assumptions that are recommended to be used in the “2002-03 Update of Development Impact Fees Analysis and Recommendations (Nexus Study)” for the Committee’s consideration. Also provided to the Committee were draft calculations of the impact fees based on these assumptions and project lists.

The City Manager explained that the assumptions are examined every two years to give the new City Council an opportunity to determine if they are in agreement with the changes. In response to Councilmember Wahl, the City Manager said the most significant change is in freeway funding where costs have been greatly inflated and must be addressed. He does not recommend that improvements to Highways 99 and 32 be City funded.

Bob Best, Jason Bougie, Susan Mason, Greg Steel, Juanita Sumner, and Greg Webb commented on various components of the assumptions.

Chair Nguyen-Tan suggested that the Committee review the assumptions together to reach a consensus. The City Manager requested that in doing so, the Committee members take a close look at the project lists because the project costs directly affect fees.

Councilmember Gruendl requested that staff research a fee based on density and area and also suggested a discussion on differential areas to encourage infill development. Chair Nguyen-Tan said he would prefer to make a recommendation to Council based on the existing assumptions and fees, postponing Committee discussion of Councilmember Gruendl’s request until next year. Councilmember Gruendl agreed that the discussion would be lengthy but said he would prefer to start it now because he would like to see policies put into place that will encourage the development of smaller homes. Chair Nguyen-Tan suggested that the discussion be scheduled soon after the current Nexus Update is approved, so any modifications would be in place prior to preparing next year’s Nexus Update.

The City Manager said the Committee will be provided with a modified version of the project list from Appendix “B” (Project Listing 1994-2014) of the memorandum, and the street improvements listed in Appendix “C” (Credit for Reconstruction), before its next meeting.

The Committee gave preliminary direction regarding the assumptions they thought were appropriate to use...
and these will be brought back for confirmation at the next meeting.

**Action:** The Committee requested staff to: a) create a separate checklist table of Nexus assumptions for each fee which includes boxes for “Include”, “Do Not Include”, and “Develop Allocation Between Funding Sources”; b) define the area within the General section of the Nexus study and provide a map for review; c) provide an example of a Geographic Information Systems service fee. The Committee members agreed to individually review the fees and assumptions and bring back suggestions, questions, and points of concern for discussion at its next meeting.

Annalisa Dillard, Administrative Analyst

Distribution:
City Council (22)
Director of Public Works
Community Development Director
Public Works Administrative Manager
Park Director
Assistant Community Development Director
Asst. Director of Public Works
Budget Officer
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 5/6/03)  DATE: April 18, 2003
FROM: FINANCE COMMITTEE  FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD MARCH 26, 2003

Committee present:
Councilmember Nguyen-Tan, Chair
Councilmember Gruendl
Councilmember Wahl

Staff present:
City Manager Lando
Assistant City Manager Dunlap
City Attorney Frank
Community Dev. Director Baptiste
Director of Public Works McKinley
Risk Manager Koch

Econ Dev./Housing Specialist Burkland
Public Works Admin. Mgr. Halldorson
Associate Civil Engineer Burgi
Budget Officer Pierce
Administrative Analyst Dillard

COMMITTEE ITEMS REQUIRING CITY COUNCIL ACTION ON 5/6/03:

A. Approval of Use of Chico Merged Redevelopment Project Area Minor Unallocated Funds for Acquisition and Placement of Historical Chico Photographs. The Committee was provided with a request dated 03/20/03 from Committee Chair Dan Nguyen-Tan requesting funding assistance in the amount of $5,000 for the installation of up to 16 historical Chico pictures on buildings in downtown Chico. The unexpended balance of the 2002-03 Chico Merged Minor Unallocated Funds project is sufficient to fund this request.

Councilmember Wahl requested that this item be pulled from the consent agenda.

In response to Councilmember Wahl, Chair Nguyen-Tan said that the Chico Heritage Association will be asked to administer the project and he will provide a contact name and number. He said the photographs will be of very early Chico and may be viewed in the Special Collections section of the Meriam Library at Chico State University.

The City Manager expressed his support stating that if the Chico Heritage Association is unable to manage the project, City staff will, as it is very low cost and would require very little staff time. He added that this funding will most likely be “seed” money to initiate a project that is likely to be funded by future contributions from participating business owners.

In response to Councilmember Wahl, Chair Nguyen-Tan said that he is comfortable with the Chico Heritage Association selecting the initial photographs, and then having a voluntary selection committee, including the participating business owners, choose the remaining photos. Chair Nguyen-Tan also explained that research, labor, and installation will be done by local volunteers. Councilmember Wahl suggested that the Finance Committee be included in the photo selection process since they are allocating the initial funding.

Recommendation: The Committee recommended (3-0) approval of the use of Chico Merged Redevelopment Project Area minor unallocated funds in the amount of $5,000 for acquisition and placement of historical Chico photographs on buildings in the downtown area. The Committee also requested that its members be included in the photograph selection process.

B. Mortgage Subsidy Program-Applicant Request to Waive Sale Price Limit. The Committee was provided with a memorandum dated 3/20/03 from the Housing Officer transmitting the request from applicants Pam Nhatsakone and Outhai Savangsy and providing background on the sale price limit feature of the MSP.

Economic Development/Housing Specialist (EDHS) Burkland summarized the request and related information, stating that he recommends approval of this request with the sale price limit not to exceed $235,000.

The City Manager supported this specific request, but suggested a separate discussion on realistic price limits, and the viability of the subsidy program, be brought back for future Committee review.

EDHS Burkland said that these applicants will make a substantial cash contribution toward their loan. The City Manager added that with this large down payment, the City is protected and is simply providing assistance for the family to acquire a home.
Councilmember Gruendl made a motion to approve the request and directed staff to provide a written report to the Committee after the applicants complete the purchase.

Chair Nguyen-Tan seconded the motion for this request, but said he agreed with Councilmember Wahl regarding the need to further explore this issue, suggesting that it be explored by the Housing Element Technical Advisory Committee to develop recommendations on subsidy levels.

**Recommendation:** The Committee recommended (2-0-1, Wahl voting against) a sale price limit of $235,000 for this mortgage subsidy program applicant request only. The Committee requested the Housing Element Technical Advisory Committee to evaluate the entire mortgage subsidy program; including its viability, subsidy levels, and sales price limits, and to provide a report to the Finance Committee at a future meeting.

C. **Consideration of Loan Rates for Chico Redevelopment Agency and City of Chico Renovation Loans.**

The Committee was provided with a memorandum dated 03/19/03, from the City Manager reporting that at its meeting held 03/04/03, the Chico Redevelopment Agency referred to the Finance Committee a request from Wayne Cook to reconsider the interest rate charged in conjunction with the Diamond Hotel renovation, as well as the development of a policy which would address loans granted by the Chico Redevelopment Agency and the City of Chico.

Councilmember Wahl disqualified himself from discussion specific to the Diamond Hotel Property, but participated in the general discussion of policies pertaining to City of Chico Renovation Loans.

The City Manager provided background on the item, saying that the normal policy for City renovation loans is to set a fixed interest rate but that he could support a variable rate for the Diamond Hotel, based on the City’s current rate. He added that since this loan will greatly eliminate blight in the downtown area, he would recommend administrative fees not be applied to this loan. He explained that this loan was approved prior to the new laws pertaining to prevailing wage issues and that renegotiation of the loan would require that it now become a prevailing wage loan. Wayne Cook concurred with the City Manager and stated that he has obtained legal advice on the prevailing wage issue and is already in compliance. The City Attorney said that the state enforces prevailing wage requirements, not the City.

In response to Chair Nguyen-Tan, the City Manager said that offering a variable interest rate on an annual loan could become Council policy, but he recommended an administrative fee be set as part of that policy.

**Recommendation:** The Committee recommended (2-0-1, Wahl disqualified) reconsideration of the interest rate charged in conjunction with the Diamond Hotel renovation to establish an annual variable interest rate loan with no administrative fees. The Committee directed staff to research and recommend a fair transaction fee for all loans which are renegotiated annually and to submit any other available financing options to the Committee at a future meeting.

**COMMITTEE ITEMS REQUIRING NO CITY COUNCIL ACTION ON 5/6/03:**

D. **Consideration of Proposal to Allocate Redevelopment Funds for the Installation of Solar Power Generating Facilities on City Parking Structure and Municipal Center Building.**

The Committee was provided with a memorandum dated 3/14/03, from the Risk Manager forwarding a staff proposal to allocate $1,500,000 in redevelopment funds for the installation of an 80 kilowatt (kW) solar power generation facility on the top floor of the downtown parking structure, and a 70kW solar generation facility on the roof of the Municipal Center. The proposal also includes the submittal of a request for a rebate of $675,000 from Pacific Gas & Electric Company under the State-approved alternative energy Self-Generation Incentive Program.

In response to Councilmember Wahl, the City Manager said redevelopment funds can be used for this project because it will improve conditions within the project areas, providing a broad public benefit. He added that people will probably come into the downtown area to view the project. He also noted that there will be no loss of parking spaces in the parking structure.

Risk Manager Koch summarized his report saying that the 40 year guarantee is feasible because the solar panels include very few moving parts, require minimal maintenance by City staff, and are very difficult to
vandalize. In response to Councilmember Wahl, the Risk Manager said a rebate application will be submitted to PG&E and if the City meets all requirements, PG&E must approve. There is a small application fee and no annual fee. If all guidelines are followed, the City will receive the rebate.

Mark Stemen, Chico State University, spoke in full support of the project saying that it will result in a reduction of carbon dioxide in the atmosphere, thereby reducing the blight of environmental decline. He said there are solar panels in place at the Ecological Reserve at Chico State which have proven to be practically vandal-proof. Roger Lederer, also from Chico State University, added that Chico has the potential to become a showcase for solar energy. Jim Brobeck also supported the project saying he purchased and installed 10 year old solar panels in his home 20 years ago and he has yet to detect a decrease in energy output. He added that they require no maintenance and suggested that the project panels may outlast their 40 year guarantee.

Solar Power Industry representatives Monique Gurr (Sun Power), Craig Horner (Sun Valley Solar), and Rick Wiseman (Power Light Corporation), answered questions and provided information regarding warranties, maintenance, dependability and cost savings. Mr. Wiseman commented that the savings should be even greater than those reflected in the staff report.

In response to Councilmember Wahl, the City Manager said this project can be funded with interest from bonds and will not require removal or postponement of other projects. In response to Chair Nguyen-Tan, the City Manager said redevelopment funds can be used to install these systems and the cost savings can be reimbursed to the General Fund or the Parking Fund.

Chair Nguyen-Tan said he would like to see the projected savings if electricity rates were actual historical rates. The City Manager said that would probably double the savings and that those numbers will be provided for future discussion. In response to Councilmember Wahl, the Community Development Director said that the parking structure is able to withstand the additional weight of the panels, with no structural changes being necessary. He will check on the structural capability of the Municipal Center and report back with the results.

**Recommendation:** In order to secure state funding, the Committee recommended (3-0) this item be immediately forwarded to the full City Council for consideration and action at its meeting of 4/15/03.

E. Approval of Request from Independent Living Services of Northern California for Approval of Grant Request Through the City's Rental Housing Accessibility Program. The Committee was provided with a memorandum dated 03/17/03, from the Economic Development/Housing Specialist providing background on the City’s Accessibility Improvement Program and providing an explanation for the grant request for installation of accessibility improvements at 803 West 2nd Avenue. Because the cost of the project exceeds $5,000, the request requires Finance Committee approval.

**Recommendation:** The Committee approved (3-0) the request from Independent Living Services of Northern California for approval of a grant request through the City’s Rental Housing Accessibility Program for the installation of accessibility improvements at 803 West 2nd Avenue.

F. Consideration of Increasing Sanitary Sewer Monthly User Fees and Adding a New Fee for Breweries. The Committee was provided with a memorandum dated 3/17/03, from the Director of Public Works providing the Committee with an analysis of the cost of operating and maintaining the City’s sanitary sewer system and Water Pollution Control Plant for fiscal years 2003-04 through 2007-08, and the methodology used in determining how those costs should be distributed to sanitary sewer users based upon the strength (loading) of the discharge. In addition, a new category has been proposed for breweries.

In response to Councilmember Wahl, Public Works Administrative Manager Halldorson explained how the fees are calculated and the City Manager added that there will be no reduction in the fees in the future.

The City Attorney commented on plume litigation saying that if cities are held liable they will have to pay for remediation. He added that it has not been determined if the City of Chico will be held liable for illegal fluids in its sewer. Both the City Attorney and the City Manager stated that regardless of the success of the litigation, there will be a substantial costs to all parties involved.

In response to Councilmember Nguyen-Tan, the City Manager said the costs are being driven up because the City simply does not have the funds to properly operate the waste water treatment plant, stating that there
is a very definite need for additional staff to oversee the operation. Chair Nguyen-Tan requested that the increases shown in both major and minor capital projects be broken down to show exactly what is being funded. Councilmember Wahl requested that expenditures be matched up to the budget page to show precisely where the changes are being made. He stated he is very uncomfortable with so many of the City fees being raised simultaneously, noting that it creates a hardship for residents on fixed incomes. In response to Councilmember Gruendl, the City Manager said that the increase in fees could be spread out over two years.

**Recommendation:** The Committee directed staff to: (a) itemize the increases in major and minor capital projects, (b) account for increases in operating costs, (c) outline required methodology, and (d) submit details on past fees for the Sierra Nevada brewery; bringing this information back to a future Committee meeting.

G. **Future Meetings.** The Finance Committee will review and consider Nexus Assumptions on April 30, 2003, at 8:00 a.m. in Conference Room No. 1 of the Chamber Building.

Annalisa Dillard, Administrative Analyst

**Distribution:**
City Council (22)
Risk Manager
Director of Public Works
Economic Dev./Housing Specialist
Budget Officer
Asst. Director of Public Works
Housing Officer
Community Development Director
Finance Director
Public Works Administrative Manager
COMMITTEE ITEMS REQUIRING CITY COUNCIL ACTION ON 5/20/03:

A. Review and Consideration of Park Impact Fee Assumptions. The Committee was provided with a memorandum dated 4/2/03 from the Assistant Community Development Director summarizing the Committee’s direction from the 3/10/03 meeting regarding the assumptions to be used to develop the park impact fees. Based upon the assumptions identified in the memorandum, the Assistant Community Development Director has estimated the resulting impact fees. The Committee is being requested to finalize the assumptions to be used, at which point the results will be provided to Economic & Planning Systems (EPS) to complete the park fee study. The study, along with a fee schedule resolution, would then be forwarded to the City Council for final action.

The memorandum also provided an estimate of how the fees would be affected if additional facilities were added, and an estimate of the total cost of developing the park system.

Assistant Community Development Director (ACDD) Sellers summarized his report, reminding the Committee that his figures are estimates which will be presented to Economic & Planning Systems for calculation of a final fee. At the request of Mary Cahill, the Committee reviewed which parks had been deleted at the previous meeting, and the reasons for their deletion.

In response to Councilmember Wahl, ACDD Sellers confirmed that the numbers used to estimate neighborhood park costs were based on an audit averages for Peterson and Hancock Parks.

Mary Cahill said that the community is in need of a gymnasium and modern aquatic facility. Andy Holcombe agreed that these are much needed facilities, adding that even if not included in a community park, they will have to be factored in somehow so should be included in the fee calculation. Mary said they can be added with an additional fee or included in the park fees. The City Manager noted that these may be added into the community park fee or another mechanism, such as a community bond issue. He added that it is appropriate to classify DeGarmo Park as a new development facility because the current community is being served by existing parks, but future growth will create a definite need for more facilities.

Mary Cahill noted that there are no alternative locations for amenities such as a new community center, softball fields and basketball courts, but there may be alternatives for an aquatic center or swimming pools. The addition of the aquatic center increases the total cost of DeGarmo Park by approximately $10 million. Ms. Cahill also noted that Chico does not currently have a complete, state of the art community center, making the center proposed for DeGarmo essential.

Bob Best requested clarification on linear parks and total buildout population.
John Woods commented on the increasing cost of land.

The City Manager suggested that the Committee focus on development fees today and determine the community share sometime later in the spring, adding that the outcome will depend on how much the community concludes they are willing to fund.

John Merz strongly recommended returning Rose Avenue park to the inventory, opposed the exclusion of children’s play areas in the parks, and supported the addition of group picnic shelters in each park to permit year round usage. He commented that these neighborhood parks should focus on the people they are intended to serve, and that the Committee should not “go cheap”. Mr. Merz also expressed concern over the size of the Humboldt Road detention pond and related reimbursement fees, the setback figures for linear parks, and the elimination of Dead Horse Slough. He said that all creekside greenways and their habitats are of significant value and should not be excluded. No changes were made in response to Mr. Merz.

There was agreement between the Committee and CARD on the inventory as listed, and a consensus on facilities, although Andy Holcombe requested two park benches per acre.

In response to Councilmember Gruendl, the City Manager said money for a gymnasium and pool from new development can be worked into the fee percentage proportionately, entirely, or not at all.

Chair Nguyen-Tan requested staff to provide examples of fees both with and without a proportionate share for these facilities from new development. He requested that an analysis be brought to Council for discussion, with a summary of the gap beyond fees.

**Action:** The Committee agreed (3-0) to forward this item to the City Council without a recommendation to allow full Council discussion of the requested analysis.
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 6/31/03)  DATE: May 9, 2003
FROM: FINANCE COMMITTEE  FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD APRIL 10, 2003

Committee present: Staff Present: Administrative Secretary Hill
Council member Nguyen-Tan, Chair  City Manager Lando
Council member Jarvis  Assistant City Manager Dunlap
Council member Wahl  Econ Dev./Housing Specialist Burkland
Management Analyst Carroll

1. REVIEW OF APPLICATIONS FOR 2003-04 COMMUNITY ORGANIZATION FUNDING - GENERAL/CDBG AND TOT- ECONOMIC DEVELOPMENT & TOURISM APPLICANTS.

The Finance Committee was provided with the following:

A. Memorandum dated 4/1/03 from the Assistant City Manager which provides background and information on the community organization funding process.

B. Memorandum dated 4/1/03 from the City Manager submitting his recommendation for a $150,000 proportionate reduction in the available General Fund revenue for the community organization funding programs, along with a revised Summary of Available Funding which presents the revised figures for available funding based on this recommendation. The memorandum additionally recommends that, due to budget uncertainties, no second-year funding commitments be made to the organizations.

C. Finance Committee worksheet which presents the requests of the organizations in both the General Fund/CDBG category and the Transient Occupancy Tax Revenue (TOT) - Economic Development and Tourism category.

D. Memorandum dated 4/1/03 from the Park Director which submits the Park Commission's recommendations on funding levels for the Chico Creek Nature Center and the Chico Cat Coalition.

5. Revised Overall Summary of requests which has been revised to change the Northern Valley Catholic Social Service FY 02-03 allocation to $8,339 and add KCHO's FY 02-03 allocation of $11,400 which was inadvertently omitted from the summary.

Applicants were advised by copy of this agenda to limit any presentation requested by the Committee to 2-3 minutes.

Chair Nguyen-Tan provided a brief overview of the process by which the Finance Committee would consider the applications and hear from the applicants.

City Manager Lando advised the Committee that he was recommending a $150,000 reduction in General Fund allocations for FY 03-04 organizational funding, that he would be providing the Committee with specific recommendations on each applicant for the Committee's next meeting, and that he would likely recommend more severe reductions in the funding program in FY 04-05 if there are no changes in the State's budgetary problems.
Committee member Jarvis noted the total funds requested and the additional reduction recommended by the City Manager, and advised the applicants that she would most likely not approve new applicant requests due to the budget savings needed.

Chair Nguyen-Tan stated that the Committee would have a difficult decision this year in allocating the available funding, but the final decision for any allocations would be made by the full City Council.

**General Fund/ CDBG Applicants**

Representatives from the following organizations addressed the Committee and/or responded to questions from the Committee regarding their funding applications:

ARC - Michael McGinnis.

Barry R. Kirshner Foundation - Volunteer staff, Michelle, who indicated that the school district had formerly provided approximately $.17/student for its services and that the travel budget covered staff, animal transportation, and insurance costs.

Beyond Violence - Diane Suzuki, who indicated that Chico Unified School District was no longer able to provide funding for the school presentations.

Butte County Breast Feeding - Monica Soderstrom, who indicated that the Coalition received in-kind donations from Butte County, but there was no County funding provided for its programs or services. She further stated that the number of Chico residents served by the programs for which funding was sought would correspond to the percentage of City support for the programs.

Catalyst Women’s Advocates, Inc. - Anastacia Snyder, who provided additional information about Catalyst’s services, stating that if the full request for City funding for staff was not provided, Catalyst would restructure its programs, and that the additional funding requested would allow an increase in hours of service by children’s advocates. Committee member Jarvis requested additional information from staff regarding the fair-market rental value of the City-owned facility in which Catalyst operates.

Catholic Ladies Relief Society - Jo Costa.

Chico Area Council on Aging - Eric Moxson, who, in response to a question from Chair Nguyen-Tan, advised that the meal prices were set on a sliding scale and that the organization had more clients who were unable to pay the full price of $4.50/meal.

Chico Cat Coalition - Greg Higgins.

Chico Community Children’s Center - Sue McGuire.

Chico Creek Nature Center - Tom Haithcock. In response to a question about the residency waiver by Committee member Jarvis, staff advised that the Nature Center’s services primarily are tourism-related and not direct client services.

Chico Community Shelter Partnership (CCSP) - Tami Ritter, who indicated her organization had also offered to administer the Homeless Emergency Liaison Program (HELP) if the Committee recommended funding, and that CCSP’s request for funds for computer training would be used by staff and clients who assisted with operations and would develop job skills.

Circles Children’s Center - Heather Senske, who confirmed that the application was for a one-time request for playground equipment to be located at the Center’s site on Fair Street, but that the organization would like to apply for future funding in other areas.

Community Action Agency - Tom Tenorio.
Community Action Volunteers in Education (CAVE) - Val Smally.

Community Legal Information Center (CLIIC) - Val Smally.

Community Living Centers (Caminar) - Nicole Bateman.

Discovery World Children's Center - Timothy Steward, who indicated that Discovery World’s qualifications for child care services required working parents and further advised that there was a long waiting list for child care services in the community.

Do-it Leisure - Ken Steidley.

Hmong Cultural Center - Sor Lo, who indicated that the organization would manage if the City were unable to fund the large increase in City support requested in the application.

Independent Living Services of Northern California - Rocky Burks and Jay Harris.

Innovative Health Care Services - Diane Cooper.

Innovative Preschool - Peggy Drobny.

Legal Services of Northern California - Evanne O'Donnell.

Mediation Center of the North Valley - Lisa Coletti.

North Valley Parent Education Network - No representative present.

Northern Valley Catholic Social Services - Bob Michels, who noted that he had provided the Committee with a Committee-requested breakout of the $82.00/hour unit cost for counseling services.

Passages Adult Resource Center - Carol Childers.

Rape Crisis Intervention - Hope Aguirre.

Stonewall Alliance - Ms. Darrell Costello.

Sunshine Kids Club - Dan Ripke, and Mary and Allison Craig.

Valley Oak Children’s Services - Gloria Balch, who indicated that the request would target Chico providers and that the organization was not receiving any Prop 10 funding.

VECTORS - Mike Helm.

Veterans Memorial Center - Ole Quiberg who, in response to a question from Chair Nguyen-Tan about income, indicated that the organization would be mailing out requests for donations which should generate additional income which would enable the organization to continue without additional requests for City funding. Committee member Jarvis requested that the donation request letter be provided to the Council.

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The Committee took a three-minute break.

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TOT - Economic Development & Tourism Applicants:

CARD - Melissa Pasquale.
Chico Air Museum - Vic Alvistur and Norm Rosene, who provided a model of the proposed museum and advised that the museum should have two to three aircraft on display shortly.

Chamber of Commerce - Alice Patterson.

Chico Economic Planning Corporation (CEPCO) - Mike Donnelly who responded to Chair Nguyen-Tan's questions about the specific marketing services provided with City funding. The City Manager requested that CEPCO provide a clarification of the difference between the CEPCO marketing services and Butte County EDC marketing services before the Committee's next meeting.

Chico Toy Museum - Bob Malowney.

Chico Museum Association - Beulah Robinson.

Downtown Chico Business Association - Katrina Davis.

International Association of Firefighters - Dave Grimes.

Northstate Symphony - No representative present.

Rancho Chico Days - Ralph Crosby.

University Public Events - Dan DeWayne.

Chair Nguyen-Tan closed the public comment period and advised that the Committee would formulate its recommendations to the City Council at its meeting on 4/24/03.

City Manager Lando stated he felt this year the emphasis should be on the organizations which provided community service and that, in addition to providing the Committee with his specific recommendations for FY 03-04, he would recommend further reductions to the program the following fiscal year.

The Committee requested additional information about the process of the City's historic approach to community organization funding in order to consider recommendations for revisions to the program prior to the next cycle and additional information on the in-kind donation value of the City-owned site used by the Chico Museum.

**Adjournment and Next Meeting.** The meeting was adjourned at 5:35 p.m. The next meeting was scheduled for Tuesday, April 22, 2003 at 8:30 a.m. in Conference Room 1, followed by the second meeting regarding Community Organization Funding on Thursday, 4/24/03 at 4:00 p.m. in the Chamber.

Marla Hill, Administrative Secretary

Distribution:
City Council (22)
City Manager
Assistant City Manager
MA Carroll
Housing Specialist Burkland
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 5/20/03)                          DATE: May 14, 2003
FROM: FINANCE COMMITTEE                             FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD APRIL 22, 2003

Committee Present: Councilmember Nguyen-Tan, Chair
                  Councilmember Gruendl
                  Councilmember Wahl

Staff Present: City Manager Lando
               Assistant City Manager Dunlap
               Asst. Community Development Director Sellers
               Finance Director Martin
               Park Director Beardsley

DIR. OF PUBLIC WORKS McKinley
Asst. Dir. of Public Works Alexander
Housing Officer McLaughlin
Housing Specialist Burkland
Associate Civil Engineer Burgi
Budget Officer Pierce
Administrative Analyst Dillard

COMMITTEE ITEMS REQUIRING CITY COUNCIL ACTION ON 5/20/03:

A. Request from Chico Housing and Credit Counseling Center (CHCCC) for a $30,106 Operational Grant for the 2003-04 Program Year. The Committee was provided with a memorandum dated 4/15/03 from the Housing Officer transmitting a letter from CHCCC outlining its request, providing background on previous funding levels, and explaining the benefit produced by the program.

Housing Officer McLaughlin explained that due to an hourly rate increase and loss of a funding source, there is a need for CHCCC to increase its budget. Additional funds are needed to maintain the same level of service and to ensure direct services are not cut.

Dave Ferrier, Executive Director of the Chico Housing Improvement Program (CHIP), said that CHCCC can underwrite its overhead costs and indicated that the City is being asked to backfill $3,326. Councilmember Gruendl moved to approve the request for $30,106 and that it be allocated from the Low and Moderate Income Housing fund. Chair Nguyen-Tan supported the motion but requested a return to the original hourly rate if there is an increase in HUD funding.

Recommendation: The Committee recommended (3-0) approval of the request with the funding to be allocated from the Low and Moderate Income Housing Fund and concurred with staff’s recommendation that the project will be included in the 2003-04 budget.

COMMITTEE ITEMS REQUIRING NO CITY COUNCIL ACTION ON 5/20/03:

B. Request for Reimbursement of Costs to Develop Peterson Park. The Committee was provided with a memorandum dated 4/15/03 from the Assistant Community Development Director reporting on the request of Webb Homes to be reimbursed for the actual costs of developing a neighborhood park in the Peterson Subdivision. The request is set forth in the letter dated 2/28/03 included in the staff memorandum. In the same letter, the developer offered to donate the land for development of the park.

The City Manager suggested combining neighborhood park zones by ordinance and park development fees collected by CARD. He added that there is a community perception that the completion of Baroni, Peterson, and Derry Estates Parks should be top priorities.

Councilmember Wahl moved to fund the reimbursement from the Community Park Fund (330). The City Manager said that CARD General Manager Mary Cahill has indicated she is opposed to using these funds in this manner and would prefer Fund 330 first be used to fund DeGarmo Park. The motion died for lack of a second. Chair Nguyen-Tan noted that since funding options are so limited, he would prefer not to start prioritizing before park fee discussions are completed. The City Manager said past discussions have focused on a portion of park costs being donated by development. He recommended combining park zones D & E or all park benefit zones.
Chair Nguyen-Tan suggested meeting with representatives of CARD to inform them of the options being considered before a recommendation is forwarded to the City Council.

Councilmember Gruendl suggested five discussion points for consideration of a funding source: (1) combining all of the neighborhood park funds; (2) combining Zones D and E; (3) Community Park Fund 330 as suggested by Councilmember Wahl; (4) park development fees collected by CARD; (5) use of the General Fund. Councilmember Gruendl said he is not opposed to entering into a reimbursement agreement now and establishing a funding source later. The City Manager responded that the agreement is subject to establishing a funding source, which can be determined by Council following a joint Finance Committee/CARD meeting and consideration of the five discussion points.

**Recommendation:** The Committee recommended (3-0) that the City enter into an agreement with Webb Homes providing for reimbursement of neighborhood park development costs, subject to identification of funding sources.

C. **Review of City’s Annual Plan for the Community Development Block Grant (CDBG) and HOME Programs and Consideration of Request for CDBG Funds from Chico Community Shelter Partnership (CCSP).** The Chico Community Shelter Partnership (CCSP) is requesting $45,000 to complete the landscaping at the new shelter facility and for predevelopment/application expenses for its funding proposals due in April, 2004. The Committee was provided with a memorandum dated 4/8/03 from the Housing Officer transmitting the written request from CCSP and explaining how the request can be included in the Annual Plan for the Community Development Block Grant Program.

Councilmember Gruendl disqualified himself from discussion of this item.

In response to Councilmember Nguyen-Tan, CCSP Executive Director Tami Ritter explained that this funding request differs from the Community Organization Funding request in that it will cover operation costs and offset the loss of Federal and State funding which pays for social workers and staff. She added that many predevelopment activities are not eligible for grant funds and that the application to the Emergency Housing Assistance Fund (EHAF) must include assurances to the state that CCSP is prepared and ready to build. Councilmember Nguyen-Tan commented on the construction deficit, and asked Ms. Ritter whether the CCSP will raise that money from private and public sources, or whether she will be approaching the City with a request before construction is started. Ms. Ritter replied that after receiving an EHAF grant there is a $165,000 deficit remaining from Phase One, $100,000 of which has already been raised. Ms. Ritter commented that the shelter is completed and there will be no more capital expenses. The focus now is to become operational.

Chair Nguyen-Tan requested clarification of program income at the time this item is considered by the City Council.

**Recommendation:** The Committee recommended (2-0-1, Gruendl disqualified) Council approval of (1) the CCSP request with funding from 2002-03 Program Income and (2) approval of the 2003-04 Annual Plan as presented.

D. **Consideration of Increases to Sanitary Sewer Monthly Fees and the Addition of a New Fee Category.** At its meeting held 3/26/03 the Committee was presented with a recommendation from the Director of Public Works to increase the sanitary sewer monthly fee and associated fee categories, and to add a new fee category. After reviewing the information, the Committee asked staff to provide additional information. The Committee was provided with a memorandum dated 4/16/03 from the Director providing the requested information.

Chair Nguyen-Tan asked which capital projects are driving this fee increase and what projects will be delayed if fees are not raised. The City Manager responded that the City is behind in initiating a state required sanitary sewer monitoring program, and this must be put into place. The City is required by the state to establish a sinking fund to repair and replace the Water Pollution Control Plant and other sewer facilities as they wear out.

In response to Chair Nguyen-Tan, the City Manager explained that plume litigation is a sewer expenditure because if toxic chemicals are in the City’s sewer at any point, the state is assuming that the City holds a percentage of the responsibility for clean up but could be liable up to 100% of the cost.
Chair Nguyen-Tan requested information on charges to major and minor accounts and requested explanations for charges such as personnel, planning, and administrative costs.

The City Manager explained when staff is working on a specific project, their time is charged to that capital account and charges by other staff for work related to the Sewer Enterprise are charged to administrative costs. He explained that this is not just to cover funding of the plant, but of the entire sanitary sewer system.

Councilmember Wahl suggested that adding solar features to the plant may reduce operating costs. The City Manager said that this could be an option and there will be more information available after the installation of the solar panels at the parking structure. In response to Councilmember Wahl, the City Manager said fees are being driven by operating and maintenance costs that were greatly underestimated at the time of the last expansion.

Councilmember Wahl requested that the Committee be provided with historical revenues and expenditures. The City Manager said this will be provided before the next discussion.

Chair Nguyen-Tan recommended that Committee members identify costs which are of concern and requested staff to provide the impacts to the fund if the increase was phased in. He stated that he accepts staff’s explanation of costs but suggested that the Committee revisit this issue next month after a more thorough explanation is provided as to what cost assumptions are driving the fee. Councilmember Wahl said he will meet with staff to identify additional information before the next discussion.

The City Manager said the increase could be phased in over an additional number of years but that the fund would carry a negative balance for several years. He stated that a major plant expansion will have major costs and the costs should not be supported by other funds. Councilmember Wahl said he prefers to stay with the current fee with only annual Consumer Price Index increases.

Councilmember Gruendl disagreed saying that the public needs to know the cost of doing business. He said that individuals with fixed incomes are of concern but he does not support operating the plant and sewer facilities at a deficit. He strongly recommended the need to adjust these costs now because they will surely increase in the future.

Chair Nguyen-Tan requested that staff respond to the additional information request from Councilmember Wahl, specifically identify what the General Fund subsidy would be if fees are not increased at the proposed levels, and to provide examples of opportunity costs. He also requested a list of projects which would be cut or deferred as a result of staying with the inflationary increase.

**Action:** The Committee agreed (3-0) to continue discussion of this item to a future meeting.

E. **Approval of $37,820 Housing Rehabilitation Loan Request - Larry Decker- 44 Quista Drive.** The Committee was provided with a memorandum dated 4/9/03 from the Housing Officer providing a summary of the loan request from Larry Decker, 44 Quista Drive. The loan is consistent with the Housing Rehabilitation Loan Program Policies and Procedures. Pursuant to program guidelines, loan requests over $15,000 require Committee approval. The Housing Officer’s memorandum included a confidential loan analysis section which was provided only to the Committee and relevant staff.

**Recommendation:** The Committee recommended (3-0) approval of the Housing Rehabilitation Loan request in the amount of $37,820 and recommended that the funds be allocated from the City’s HOME Program.

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**Annalisa Dillard, Administrative Analyst**

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**Distribution:**
City Council/Director of Public Works/Public Works Admin. Manager/Park Director/Asst. Comm. Dev. Director
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 06/03/03)
FROM: FINANCE COMMITTEE
DATE: May 19, 2003
FILE: Committee Binder

RE: REPORT ON FINANCE COMMITTEE MEETING HELD APRIL 24, 2003

Committee present: Council member Nguyen-Tan, Chair Council member Jarvis Council member Wahl
Staff Present: City Manager Lando Assistant City Manager Dunlap Finance Director Martin Econ Dev./Housing Specialist Burkland Management Analyst Carroll Accountant Hennessy Administrative Secretary Hill

Consideration of Community Organization Funding Request Recommendations. At today's meeting the Committee was scheduled to formulate recommendations to the City Council for funding community organizations in the 2003-04 Fiscal Year. Additionally, the organizations were advised that since every organization was given an opportunity to make a presentation at the Committee's April 10 meeting, this meeting would be limited to Committee discussion unless Committee members wished to request additional information from an organization.

For the Committee's use in formulating its recommendations, the Committee was provided with the following:

A. Memorandum from the City Manager dated April 16, 2003 which sets forth his recommendations to the Committee for funding levels, provides additional information requested by the Committee, and provides a revised Finance Committee worksheet, which has been updated to include the City Manager's recommendations.

B. Summary of Funds Available.

The Committee was also provided with the following information:

Chico Economic Planning Corporation: In response to a request by the Committee for clarification of the request for marketing funds, the organization submitted a revised budget page showing the $16,000 line item for budgeted marketing expenses to cover coordination of site visits and specific Chico marketing for the next fiscal year. By letter dated 4/15/03, President/CEO Bob Linscheid also provided an explanation of how CEPCO's marketing efforts differ from Butte County EDC.

Parent Education Network: By letter dated 4/15/03, Scott Heinze, Development Director for the North Valley Parent Education Network, advised that he was unable to attend the Committee's 4/10/03 meeting due to illness, and provided information regarding the organization's funding request and services.

CAVE: Letter dated 4/17/03 from Deanna Berg, Executive Director of CAVE, submitted a correction to raise the units of service from 1048 to 2160 hours on the report filed for the current fiscal year funding agreement. This information was part of the oral presentation to the Committee on 4/10/03, but was not related to the funding request for FY 03-04.

North State Symphony: Letter dated 4/22/03 from Kyle Wiley Pickett, Music Director and Conductor, explaining his absence at the 4/10/03 Committee meeting and requesting that the Committee consider funding a summer pops concert in Bidwell Park.

Committee member Wahl stated his concern that the ending balances for some organizations were more than their requests for funding, and inquired if there was a way to ascertain whether City funding was truly needed. Committee member Jarvis stated that her prior experience working with nonprofit organizations had shown her that sometimes they needed to have a large ending balance at the end of their fiscal year to cover the first few months of the next fiscal year since many times they are funded with grants, and the money does not become
available until later in the fiscal year. City Manager Lando stated that while in the past the ending balances had not been a keystone of the recommendations, certainly some organizations have a stronger financial capability and that could be used as criteria to make the recommendations. Committee member Jarvis suggested that the Committee discuss this issue when reviewing the procedures for the next fiscal year.

Chair Nguyen-Tan indicated that the Committee would use the City Manager's recommendations as its guideline and if any Committee member wished to discuss the City Manager's recommendation for any organization, that item would be pulled and separately discussed.

Recommendations:

Following discussion, the Committee recommended (3-0, with the exceptions noted below) approval of the City Manager's recommendations for Community Organization funding allocations for FY 2003-04 at set forth on the attached table, with the following exceptions and conditions:

General Fund/CDBG Applicants

1. Chico Community Shelter Partnership: Committee member Wahl supported funding at a higher level of $10,000. Committee member Jarvis seconded the motion, and the Committee approved 3-0.

2. Community Action Agency: Committee member Jarvis stated she considered that the Esplanade House provided an essential service to the community and that the amount of the organization's request was not great compared to their overall budget. She recommended funding at their requested level ($15,730). Committee member Wahl moved to approve, Committee member Jarvis seconded the motion, and the Committee approved 3-0.

3. Hmong Cultural Center: Committee member Wahl recommended funding at a higher level of $12,000. Committee member Jarvis seconded the motion, and the Committee approved 3-0.

4. Innovative Health Care Services: Committee member Wahl recommended funding at the same level as last year ($35,437). Committee member Jarvis seconded the motion, and the Committee approved 3-0.

5. Northern Valley Catholic Social Services: Committee member Wahl stated his concern about the large ending balance. Committee member Jarvis stated that the funding requested was for counseling for City residents which would otherwise not be offered, and that the ending balance reflected the organization's larger service area. The Committee voted 3-0 to recommend funding of $8,839.

6. Sunshine Kids Club: Chair Nguyen-Tan stated this organization was a good candidate for small seed funding of $2,000 to assist the program. Committee member Wahl moved to approve, Committee member Jarvis seconded the motion, and the Committee approved 3-0.

7. VECTORS: Committee member Jarvis recommended funding at their requested level since the increase was solely for a rent increase. Committee member Wahl moved to approve, Committee member Jarvis seconded the motion, and the Committee approved 3-0.

TOT - Economic Development/Tourism Applicants

8. Chico Air Museum: Committee member Wahl recommended funding at $6,000 and Chair Nguyen-Tan recommended funding at $3,000. Committee member Wahl stated this organization would promote tourism and that this was a one-time request for seed money. Committee member Jarvis also recommended $3,000. The Committee voted 2-1 to recommend funding at $3,000 with Committee member Wahl voting no.

9. Chico Chamber of Commerce: Committee member Wahl recommended funding at the same level as the previous year. Committee member Jarvis made a motion to fund at the City Manager's recommended level of $115,000. Chair Nguyen-Tan also supported Committee member Wahl's recommendation. The Committee voted 2-1 to recommend funding at $121,920 with Committee member Jarvis voting no.

10. International Association of Firefighters: Committee members Jarvis and Wahl recommended funding at the same level as last year ($5,000), but feel the project needs to become self-reliant and obtain future
funding by fund raising. Chair Nguyen-Tan supported the City Manager's recommendation of $2,500. The Committee voted 2-1 to recommend funding of $5,000, with Committee Chair Nguyen-Tan voting no.

11. University Public Events: Chair Nguyen-Tan stated he would like to see funding at the level recommended by the City Manager ($33,289), but was concerned about reaching the overall targeted savings recommended by the City Manager. Committee member Jarvis moved to recommend $19,000 and the Committee voted 2-1 to recommend that amount, with Committee member Wahl voting no.

Committee member Jarvis requested that the Committee convene again within the next couple of months to discuss the process for next year. Chair Nguyen-Tan agreed, stating the need to define the terms "essential" versus "non essential" services in determining which services were essential for the City to fund. He also felt there was a need to strongly emphasize providing seed funding which would be available for a three-year period, after which organizations would need to be self-sufficient.

Adjournment and Next Meeting. The meeting was adjourned at 4:45 p.m. The next meeting was scheduled for Wednesday, April 30, 2003 at 8:00 a.m. in Conference Room 1.

Marla Hill, Administrative Secretary
<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>2002-03 ALLOCATION</th>
<th>2003-04 REQUEST</th>
<th>CITY MANAGER RECOMMENDATION</th>
<th>ESSENTIAL SERVICES RECOMMENDATION</th>
<th>FINANCE COMMITTEE ALLOCATION</th>
<th>CITY COUNCIL ALLOCATION</th>
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</thead>
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<td>City Manager Recommendation</td>
<td>Essential Services Recommendation</td>
<td>City Council Recommendation</td>
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<td>Innovative Health Care Services*</td>
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<td>Wings of Eagles</td>
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<td><strong>Total Funding</strong></td>
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<td><strong>$369,948</strong></td>
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<td><strong>$392,662</strong></td>
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**Total GF/CDBG Funding Available per Policy**: $455,183

**Total Recommended GF/CDBG Funding Available**: $393,683

* Funded in 2002-03 with CDBG funds

---

1. Partially funded with General Funds
2. Organization allocation funded through Park Budget
3. Organization required by Finance Committee to submit business plan with 2003-04 request.
4. Request submitted by Chico Community Shelter Partnership letter at 4/10/03 Finance Committee meeting - no application.
5. Council approved a rollover of $2,500 FY 01-02 funding in addition to FY 02-03 allocation of $6,339.
6. $3,000 allocated for FY 03-04, however organization declined funding.
## CITY OF CHICO
COMMUNITY ORGANIZATIONS REQUESTING FUNDING FOR 2003-04 FISCAL YEAR

### TOT - ED/TOURISM FUNDING

<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>2002-03 ALLOCATION</th>
<th>2003-04 REQUEST</th>
<th>CITY MANAGER RECOMMENDATION</th>
<th>ESSENTIAL SERVICES RECOMMENDATION</th>
<th>CITY COUNCIL ALLOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARD (4th of July)</td>
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<td>Chico Air Museum</td>
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<td>Chico Chamber of Commerce</td>
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<td>Chico Museum Association</td>
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<td>Chico Toy Museum</td>
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<td>Downtown Chico Business Association (DCBA)</td>
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<td>International Association of Firefighters Union, Local 2734</td>
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<td>KCHO</td>
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<td>North State Symphony</td>
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<td>$0</td>
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<td>Rancho Chico Days, Inc. (SUBMITTED LATE)</td>
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<td>University Public Events</td>
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<td><strong>TOTAL FUNDING</strong></td>
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<td><strong>$350,681</strong></td>
<td><strong>$268,264</strong></td>
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<td><strong>$269,040</strong></td>
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**TOTAL ED/TOURISM FUNDING AVAILABLE PER POLICY** | **$335,040**

**TOTAL RECOMMENDED TOT-ED/TOURISM FUNDING AVAILABLE** | **$269,040**

1. Seed money recommendation; organization to provide acceptable business plan prior to funding.
2. Received 2002-03 allocation of $8,715 from TOT-Arts category.
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 7/1/03)  DATE: June 5, 2003
FROM: FINANCE COMMITTEE  FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD APRIL 30, 2003

Committee present:
Councilmember Nguyen-Tan, Chair
Councilmember Gruendl
Councilmember Wahl

Staff present:
City Manager Lando
Assistant City Manager Dunlap
City Attorney Frank
Asst. Community Dev. Director Sellers
Director of Public Works McKinley
Asst. Dir. of Public Works Alexander
Senior Civil Engineer Greenlaw
Management Analyst Herman
Budget Officer Pierce
Administrative Analyst Peacock
Administrative Analyst Dillard

COMMITTEE ITEMS REQUIRING NO CITY COUNCIL ACTION ON 7/1/03:

A. Consideration of the City of Chico 2002-03 Update of Development Impact Fees Analysis and Recommendations (Nexus Study) Assumptions. The Committee was provided with a memorandum dated 4/15/03 from the Public Works Administrative Manager summarizing the Committee’s direction from its 3/12/03 meeting regarding the assumptions to be used to in the 2002-03 Update of Development Impact Fees Analysis and Recommendations (Nexus Study), and providing refined cost estimates. The Committee was requested to finalize the assumptions.

Assistant Community Development Director (ACDD) Sellers explained the 49/51 split and that the City was locked into the formula when starting the Nexus Study. The City Manager said it was based on population within the city limits at the time, as well as the projected population numbers for the undeveloped area. Councilmember Wahl was concerned with using those numbers to justify raising the fee now. The City Manager said the fees reflect a geographic area based on a population of 134,000 and said the assumptions can be reconstructed using old numbers or this Council can start from scratch, which would mean higher fees due to rising costs. He also added that Highway 32 improvements are an absolute necessity due to new growth and recommended waiting on Hwy 99/Eaton until after completion of signalization.

All assumptions received a 3-0 recommendation unless otherwise indicated.

Table 1 - General Assumptions

The following table lists all general assumptions which affect the preparation of the annual Nexus Study.

<table>
<thead>
<tr>
<th>Include</th>
<th>Do Not Include</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Current assumptions based on 1994 - 2014 period.</td>
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</tr>
<tr>
<td>X</td>
<td>As General Plan is updated, these assumptions will be re-evaluated.</td>
<td></td>
</tr>
</tbody>
</table>
| X       | Based on 1994 General Plan and 1999 Update, currently projected:  
-- 128,000 population at buildout  
--3,200,000 sq. ft. of new commercial development.  
--2,500,000 sq. ft. of new office/medical development.  
--2,900,000 sq. ft. of new industrial development. |
| X       | Only projects/facilities required for new development are funded from development impact fees. No maintenance of existing facilities. |
**Include Do Not Include**

<table>
<thead>
<tr>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>X The building and equipment impact fees are split with 59% of the projects attributed to new development and 41% to annexation.</td>
</tr>
<tr>
<td>X A 10% administrative fee (5% administrative and 5% to maintain GIS systems) has been added to construction costs (consistent with Park fee analysis) for costs related to administrative overhead. 10 % agreed upon to keep consistent.</td>
</tr>
<tr>
<td>X All interest adjustments are reflected as a line item entry on the project list (Attachment 3). Pursuant to Budget Policy D.6.d., “…interest will be charged against development impact fee funds which are in a deficit position as a result of projects being funded prior to the collection of fees. However, in the event the anticipated cash flow in any park fee or sewer facility fee fund is less than the interest charges for a two year period, no interest will be charged to the fund until these criteria no longer apply, at which time interest will be applied to the remaining balance.”</td>
</tr>
</tbody>
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**Table 2 -Street Facility Improvement Fee Assumptions**

The following table lists all assumptions which affect the preparation of the Street Facility Improvement Fee.

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<tr>
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<th>Do Not Include</th>
<th>Assumption</th>
</tr>
</thead>
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<td>X</td>
<td></td>
<td>Augments current street system to accommodate new growth, not annexation.</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>$5.5 million in Federal funds (TEA) from the County will be used for road maintenance. This will increase fees but if the City does not comply, there will be no road maintenance money from the State.</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>SHR 99 Auxiliary Lane project (from SHR 32 to East First Avenue) will be completed with state STIP funding - $25 million.</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>SHR 99 Cohasset Road Interchange Improvements will be completed with state funding - $7 million.</td>
</tr>
<tr>
<td>X (2-1, Wahl voting against)</td>
<td></td>
<td>SHR 32 improvements, Fir Street to Yosemite Drive will be funded through development impact fees - $10 million. Decision to treat freeway assumptions the same way as others to lower costs.</td>
</tr>
<tr>
<td>X (2-1, Wahl voting against)</td>
<td></td>
<td>SHR 99 Eaton Road Interchange Plans, Specifications, and Estimates (PSE) will be funded through development impact fees - $3 million.</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>Class 2 bike lanes included on streets by street standards.</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>Landscaped medians and street lights on all four-lane streets.</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>Developers to construct two-lane streets required by new development.</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>Additional capacity is defined as widening, adding lanes, and/or increased structural section, and is reimbursed through the developer impact fee.</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>CMAQ - $2,108,000 for three intersections - to be included in the future because Butte County is now non-attainment and the City will need to compete with the County for CMAQ funds.</td>
</tr>
</tbody>
</table>
Table 3 - Major Equipment Fee Assumptions

The following table lists all assumptions which directly affect the preparation of the Major Equipment Fee.

<table>
<thead>
<tr>
<th>Include</th>
<th>Do Not Include</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td>Funds additional equipment and facilities needed to provide service to new areas due to development.</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>Costs split between 59% for new development and 41% for annexation.</td>
</tr>
<tr>
<td>X (2-1) Wahl voting against</td>
<td>Wahl - prefers to let General Fund absorb</td>
<td>Add three street sweepers. (Council previously assumed that the General Fund would pay for three new sweepers.)</td>
</tr>
</tbody>
</table>

Table 4 - Bikeway Improvement Fee Assumptions.

The following table lists all assumptions which directly affect the preparation of the Bikeway Improvement Fee.

<table>
<thead>
<tr>
<th>Include</th>
<th>Do Not Include</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td>Provides funding to augment City’s bikeway system to accommodate projected new growth.</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>Assumes grant funding will be obtained for 50% of all future projects.</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>Provides funding for Class 1 bike paths, including those along abandoned railroad right-of-way and creekside greenways, which were previously included in Park Fee.</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>Bike racks in the Central Business District will be funded through redevelopment.</td>
</tr>
<tr>
<td>X</td>
<td></td>
<td>Funds all Class 1 bike paths.</td>
</tr>
</tbody>
</table>

Table 5 - Police Protection Building and Equipment Fee Assumptions.

The following table lists all assumptions which directly affect the preparation of the Police Protection Building and Equipment Fee.

<table>
<thead>
<tr>
<th>Include</th>
<th>Do Not Include</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td>Provides funding for acquisition and/or construction of improvements to City’s police protection buildings &amp; equipment related to new development.</td>
</tr>
</tbody>
</table>
New development pays for 80% of the cost of new police facilities, per Council direction, except animal shelter and police facility acquisition for which 59% is charged to new development. “Existing County residences represent part of the police workload through traffic enforcement, and services provided to commercial, industrial and institutional users. Because County residences already benefit from City police services, annexation of existing uses will only represent approximately 20 percent of the future increased demand for these services and supporting facilities.”

### Table 6 - Fire Protection Building and Equipment Fee Assumptions.

The following table lists all assumptions which specifically affect the preparation of the Fire Protection Building and Equipment Fee.

<table>
<thead>
<tr>
<th>Include</th>
<th>Do Not Include</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>X to go to a 59/41% split</td>
<td>New development pays for 80% of the cost of new police facilities, per Council direction, except animal shelter and police facility acquisition for which 59% is charged to new development. “Existing County residences represent part of the police workload through traffic enforcement, and services provided to commercial, industrial and institutional users. Because County residences already benefit from City police services, annexation of existing uses will only represent approximately 20 percent of the future increased demand for these services and supporting facilities.”</td>
<td></td>
</tr>
</tbody>
</table>

### Table 7 - Bidwell Park Land Acquisition Fee Assumptions.

The following table lists all assumptions which specifically affect the preparation of the Bidwell Park Land Acquisition Fee.

<table>
<thead>
<tr>
<th>Include</th>
<th>Do Not Include</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Provides funding for acquisition of additional site for fire buildings, equipment, and facilities related to new development.</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Costs split between 59% for new development and 41% for existing</td>
<td></td>
</tr>
</tbody>
</table>

**Action:** The Finance Committee will continue discussion of these assumptions at a future meeting following a meeting between City Staff and representatives from the Chamber of Commerce, the Building Industry Association, and the Redevelopment Committee. The Committee requested that staff provide the cost impact of various assumptions on the fees where a change was made in the assumptions.

## B. Items Added After Posting of the Agenda.

The following request was added to this agenda as an emergency item requiring immediate consideration by the Finance Committee. A motion was made by Councilmember Gruendl and seconded by Councilmember Wahl, confirming that an emergency existed. The City Council considered the Committee’s recommendation at its meeting of 5/6/03.

1. **Approval of a Supplemental Appropriation to Provide Additional Funding to Extend the Homeless Shelter Bus Shuttle Service.** Through its annual budget process, the City Council has allocated $25,000 in Transit Funds (Fund 859) for the operation of a winter shuttle bus for the emergency shelter program.
each year. The shuttle service transports guests from the shelter to offsite eating facilities, such as the Jesus Center, seven days a week from the end of October to the end of April each year. The Finance Committee considered a request from the Chico Community Shelter Partnership that this shuttle bus service be extended to continue to transport shelter guests on a year round basis. The estimated cost to provide the additional six months of shuttle service for the shelter is estimated at $25,000. The Committee was provided with a memorandum dated 4/29/03 from Management Analyst Herman to the City Manager which submitted the letter dated 4/10/03 from the Partnership and provided more information regarding the determination of costs and funding for this request.

**Recommendation:** The Committee recommended (3-0) that the City Council approve a supplemental appropriation allocating $8,500 from the Transit Fund (859) to extend shuttle service through 6/30/03. The City Council approved (7-0) this supplemental appropriation at its meeting of 5/6/03.

*(Councilmember Gruendl left at 9:24 a.m.)*

C. **Adjournment and Next Meeting.** The meeting was adjourned at 9:34 a.m. The next meeting was scheduled for Thursday, May 22, 2003, at 8:30 a.m.

Annalisa Dillard, Administrative Analyst

**Distribution:**
City Council (22)
Director of Public Works
Public Works Administrative Manager
Park Director
Assistant Community Development Director
Finance Director
Budget Officer
Management Analyst Herman
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 6/17/03)  DATE: June 5, 2003
FROM: FINANCE COMMITTEE  FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD MAY 22, 2003

Committee present:
Councilmember Nguyen-Tan, Chair
Councilmember Gruendl
CARD Intergovernmental Committee present:
Andy Holcombe, Chair
Mark Sweany, Board Member
Mary Cahill, General Manager
Steve Visconti, Park Division Manager

Staff present:
City Manager Lando  Budget Officer Pierce
Asst. City Manager Dunlap  Admin. Analyst Wallick
Director of Public Works McKinley  Admin. Analyst Dillard
Asst. Dir. of Public Works Alexander
Public Works Admin. Mgr. Halldorson

(Councilmember Wahl was absent from this meeting.)

COMMITTEE ITEMS REQUIRING NO CITY COUNCIL ACTION ON 6/17/03:

A. Review and Consideration of Park Impact Fee Assumptions. The Finance Committee reviewed funding options for park development and maintenance, maintenance costs for neighborhood parks, park impact fees and unfunded park costs.

Andy Holcombe suggested using Transient Occupancy Tax (TOT) funds, saying that Chico’s outstanding park facilities draw people to our region and help market Chico as more of a tourist attraction. He also suggested a multi-faceted bond measure which would give voters an opportunity to decide on one or more components of neighborhood and/or community parks.

Mark Sweany suggested selling Bidwell Ranch property. The City Manager responded that approval would be unlikely due to problems including access bridges, safety issues, and insurmountable political issues which will all affect the selling price. Bob Best commented that regardless of possible political issues, this option should be discussed because sale of this property could be quite lucrative. The City Manager said that although it is strictly a Council discussion, the property would probably be worth only half of the normal development value due to unit limitations.

Councilmember Gruendl supported Andy Holcombe’s idea of breaking up components of a voter bond. He said a community park bond will be easier to sell to residents who feel they have already paid for a neighborhood park. Mary Cahill commented that since the older parks do not have amenities, a facility component could be built into the bond, providing a buy-in for the entire community.

The City Manager recommended going to the voters regarding the sale of Bidwell Ranch or initiation of a bond measure, adding that an organized group of citizens will be needed to push it through. He added that developers could help with the funding of the bond.

Chair Nguyen-Tan expressed concerns that there is land but not money available to develop the three top priority neighborhood parks, and that there is a hole in the Neighborhood park fund balance. He suggested tapping into Community Park funds for neighborhood parks saying he prioritizes completion of Baroni Park over Phase I of DeGarmo Park. The City Manager said that neighborhood parks in major development areas and the combination of Zones D and E can serve to close gaps in funding balances.

Jason Bougie, representing the Building Industry Association, suggested charging facility user fees. The City Manager said charging to use facilities would help cover operating costs, but maintenance costs would continue to be significant struggle.

Because he is concerned with negative balances, Councilmember Gruendl suggested being extremely
creative with funds, noting that there is money available for programs aimed at reaching out to youth and other special populations in the community. Mary Cahill suggested that a subcommittee be formed to research creative funding options.

Chair Nguyen-Tan requested a staff report on approaches to using TOT funds and asked for background information on community bonds. Councilmember Gruendl requested an inventory of excess City owned property. The City Manager said that if there is any surplus City owned property, it must be offered for sale to variety of other agencies, and suggested looking into options for low and moderate income housing. Chair Nguyen-Tan suggested including the discussion of TOT funds with the continued Park fee discussions and placing a general discussion of City owned property onto a future regular Finance Committee agenda.

**Action:** The Committee agreed (2-0-1, Wahl absent) to continue discussion of this item at its meeting of 6/19/03. The Committee requested staff to provide a report on approaches to the use of TOT funds, background information on community bonds, and an inventory of surplus City owned property. The Committee also agreed to discuss park ownership, management, and liability insurance concerns which must be addressed to finalize an agreement with CARD.

**B. Consideration of Increases to Sewer Service Rates and Establishment of a Rate for Breweries.** At its meeting held 4/22/03, the Finance Committee requested that it be provided with answers to specific questions for discussion at today’s meeting and also directed staff to meet with Councilmember Wahl to identify additional information to be provided for the Committee’s consideration. The Committee was provided with a memorandum dated 04/30/03 from the City Manager outlining the discussion points and transmitting a memorandum dated 04/29/03 from the Director of Public Works containing staff recommendations and the requested additional information.

The City Manager supported the increases and said if not implemented, the General Fund would have to cover increasing operational costs. He said that future plant expansion will come with standard changes and new State requirements. Councilmember Gruendl supported immediate implementation of the full increases to avoid a negative fund balance and to be better prepared for anticipated future increases. Chair Nguyen-Tan supported the fee increases but preferred to phase them in over a two year period. He requested staff to submit a recommended fund balance which would trigger a moratorium on future sewer rate increases.

Dan Goodrich, representing the Chico BrewHouse, requested more information regarding formulas and standards and also asked why breweries would be handled differently. The City Manager told him requirements are set by the State, and then suggested that the City Council may opt to delay the very minor component of this item related to breweries until answers to Mr. Goodrich’s questions have been provided. The Director of Public Works will meet with Mr. Goodrich and forward a report of that meeting to the City Council for discussion at its meeting of 6/3/03.

**Recommendation:** The Committee recommended (2-0-1, Wahl absent) to increase sewer service rates and establish a rate for breweries, with such increases to be phased in over a two year period. The Committee requested that the City Council be informed that while supporting the motion, Councilmember Gruendl would prefer that the rate increases be phased in over a two year period. The Committee also requested that the City Council be informed that while supporting the motion, Councilmember Gruendl would prefer that the rate increases be phased in over a two year period.

This item was forwarded to the City Council for discussion at its meeting of 6/3/03.

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Annalisa Dillard, Administrative Analyst

**Distribution:**

City Council (22)/Director of Public Works Assistant/Director of Public Works/Public Works Admin. Mgr. Park Director/Community Development Director/Assistant Community Development Director/Finance Director
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 6/17/03) DATE: June 2, 2003
FROM: FINANCE COMMITTEE FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD MAY 28, 2003

Committee present: Councilmember Nguyen-Tan, Chair
Councilmember Gruendl
Councilmember Wahl

Staff present: City Manager Lando
Assistant City Manager Dunlap
City Attorney Frank
Community Development Director Baptiste
Housing Officer McLaughlin
Budget Officer Pierce
Housing Specialist Burkland
Accountant Hennessy
Administrative Analyst Dillard

COMMITTEE ITEMS REQUIRING REDEVELOPMENT AGENCY/COUNCIL ACTION ON 6/17/03:

A. Proposed Transfer of Esplanade House at 2505 Esplanade to Caminar Inc., and Butte County Behavioral Health. The Committee was provided with a memorandum dated 5/22/03 from the Housing Officer, providing background on the Esplanade House and a summary of the proposed transfer. Staff from Butte County, Caminar, and the Community Action Agency were present to explain the proposal.

Tom Tenorio, Executive Director of the Community Action Agency, said transferring the property to Caminar will protect the interests of both the City and the County by continuing to use the facility to provide housing for special populations.

Chair Nguyen-Tan supported the transfer to Caminar since the County is the only interested agency with the necessary resources available and would not require additional City funding. In addition, the transfer to Caminar will protect the City’s interest in the site and fulfills the original intent of the investment.

Councilmember Wahl suggested that the Community Action Agency be required to pay off the HOME loan upon sale of the property.

Recommendation: The Committee recommended (3-0) that the Community Action Agency proceed with the transfer of the Esplanade property to Caminar, Inc. under the conditions recommended and outlined in the memorandum from the Housing Officer, with the exception of the transfer of the HOME loan and the deed of trust which will instead be paid in full upon sale of the property.

B. Request to Accept Grant Funds from California Housing Finance Agency (CHFA) as a Portion of the Borrower’s Five Percent Contribution Requirement of the Mortgage Subsidy Program (MSP). The Committee was provided with a memorandum dated 5/13/03 from the Housing Officer transmitting a letter from Mission Hills Mortgage Corporation requesting the City to consider the use of the CHFA funds and a description of the CHFA Down Payment Assistance Program. The memorandum also provided background on the five percent requirement of the MSP.

Councilmember Wahl suggested changing the currently required minimum MSP down payment contribution of five percent of the property sale price, to a fixed $5,000.

Recommendation: The Committee recommended (3-0) amending the City of Chico Administrative Policies and Procedures to change the previously required minimum borrower contribution from five percent of the total sale price, to a fixed dollar amount of $5,000.

C. Staff Report for Mortgage Subsidy Program (MSP) Discussion by Housing Element Technical Advisory Committee (TAC). At its 3/26/03 meeting, the Committee requested the TAC discuss the MSP sales price limits and subsidy levels. The Committee was provided with a memorandum dated 5/20/03 from the Housing Officer providing a summary of the TAC discussion and recommending program changes in response to the TAC discussion. The City Manager agrees with the concerns of the Technical Advisory Committee that the Mortgage Subsidy Program limits not be greater than the subsidy level required for rental units.
The City Manager recommended that rather than “chasing the market”, it may be more reasonable for the City to provide property where appropriately priced homes can be built. Councilmember Wahl agreed that making additional housing available would be a positive shift in policy. The City Manager said that the MSP program is extremely popular and vests people in the community, however, given current housing prices, it is becoming difficult to find qualifiers.

Councilmember Wahl suggested that the Finance Committee support staff recommendations at this time, but also suggested initiating discussions with builders regarding constructing homes for qualified buyers on City owned property.

**Recommendation:** The Committee recommended (3-0) modifying the Mortgage Subsidy Program (MSP) as follows: 1) Set the sale price limit for the MSP at $200,000 which is approximately 110% of the previous year’s median sale price; and 2) Increase loan limits for lower income applicants from $20,000 to $45,000, median income from $15,000 to $30,000, and moderate income from $10,000 to $15,000. Staff will also continue to provide the Committee with quarterly reports on sales price activity.

D. **Request from Mortgage Subsidy Program Borrower to Use Home’s Equity to Make Property Improvements.** The Committee was provided with a memorandum dated 5/21/03 from the Housing Officer, providing background on the current policy of the Mortgage Subsidy Program (MSP) which restricts borrowers from using equity for home improvements unless the MSP loan is paid in full, and explained that staff has received requests for exceptions to the policy.

**Recommendation:** The Committee recommended (3-0) that the current MSP policy be revised to allow subordination of MSP loan interest subject to the following conditions: 1) Principal balance has been paid in full; 2) Proposed repairs and improvements are consistent with the City’s Housing Rehabilitation Program; 3) Combined proposed debt on the property is less than 90% of its value before the improvements are completed; and 4) Borrower deposits funds in an escrow with disbursements to the contractor requiring City approval.

**COMMITTEE ITEMS REQUIRING NO REDEVELOPMENT AGENCY/COUNCIL ACTION ON 6/17/03:**

E. **Approval of $22,850 Housing Rehabilitation Loan Request and a Grant of $8,100 for Lead Hazard Abatement Activity—Rosemary Rist, 1019 Sheridan.** The Committee was provided with a memorandum dated 5/6/03 from the Housing Officer providing a summary of the loan request from Rosemary Rist, 1019 Sheridan Avenue. The loan is consistent with the Housing Rehabilitation Loan Program Policies and Procedures. Pursuant to program guidelines, loan requests over $15,000 require Committee approval. The Housing Officer’s memorandum included a confidential loan analysis which was provided only to the Committee and relevant staff.

**Recommendation:** The Committee approved (3-0) the housing rehabilitation loan request for $22,850, and a grant for $8,100 for lead hazard abatement activity. Funds will be allocated from the City’s HOME Program.

F. **Future Meetings.** The Finance Committee agreed to discuss proposals for the development of the Redevelopment Agency owned housing site on the Notre Dame extension at its meeting of 6/19/03.

Annalisa Dillard, Administrative Analyst

Distribution:

City Council
Director of Public Works
Public Works Admin. Manager
Park Director
Asst. Comm. Dev. Director
Housing Officer
Finance Director
CITY OF CHICO MEMORANDUM

TO: CHICO REDEVELOPMENT AGENCY (Mtg. of 9/2/03)  DATE: June 24, 2003
FROM: FINANCE COMMITTEE
FILE: Committee Binder

RE: REPORT ON FINANCE COMMITTEE MEETING HELD JUNE 19, 2003 — REVIEW OF HOUSING PROPOSALS FOR SITE LOCATED ON THE SOUTH SIDE OF THE NOTRE DAME BOULEVARD EXTENSION

Committee present:
Councilmember Nguyen-Tan, Committee Chair
Councilmember Gruendl
Councilmember Wahl

Staff present:
City Manager Lando
Assistant City Manager Dunlap
City Attorney Frank
Finance Director Martin
Assistant Community Development Director Sellers
Housing Officer McLaughlin
Administrative Analyst Dillard

COMMITTEE ITEM REQUIRING AGENCY ACTION ON 9/2/03:

A. Review of Housing Proposals For Site Located on the South Side of the Notre Dame Boulevard Extension. Committee members were previously provided with copies of the three proposals submitted. The Committee was provided with a memorandum dated 6/9/03 from the Housing Officer, providing a summary of the proposals.

The following representatives presented the Committee with overviews of their projects: Bill Spann from Affordable Housing Development Corporation (AHDC); Dave Ferrier and Dave Schleiger from Chico Housing Improvement Program (CHIP); and Michael Orwitz from OSM Investment Company (OSM).

CHIP representatives Dave Ferrier and Dave Schleiger noted their solid history in the Chico community and that they manage all of their own properties. They also use local contractors, labor, and material suppliers. Bill Spann said the strength of AHDC is their experience throughout the state which has given them opportunities to develop in many different and difficult environments. AHDC uses a competitive bidding process to keep labor costs low and about 50 per cent local labor and material suppliers. Michael Orwitz felt that OSM’s strength was in their relationship with the City of Chico, having completed successful projects here before. OSM will use local contractors, labor and material suppliers.

In response to a question from Chair Nguyen-Tan, Dave Ferrier said the CHIP planning staff thought their townhouse/village design would be a better fit in the existing neighborhood and better represents the new urban design. The design allows for a larger, uninhibited open space which will accommodate a neighborhood with many children. Architect Dave Schleiger said that leaving open space between relatively contained structures helps achieve an overall sense of openness. Since the area is fairly rural, he compromised between density and open space.

A motion was made by Councilmember Wahl to award the project to OSM stating that Chico Gardens is proof of the quality of both their construction and their management. OSM can supply a large number of units at a low cost per unit. The motion failed for lack of a second.

Chair Nguyen-Tan stated that he preferred the CHIP proposal because the village design is better suited for the site, but he did comment that OSM could change the design of their site plan. He appreciated CHIP’s local reputation and their use of local labor.

Councilmember Gruendl moved to eliminate AHDC, and to recommend CHIP because of their local history and local labor force. He preferred the self contained site plan and the way it was integrated with
the creekside greenway. He said he is hopeful that the financing proposed by CHIP will work, because they will truly reach the very low income households. He also appreciated that CHIP was going to use existing state bonds and not count on new ones.

Michael Orwitz stated that if this discussion regarding site plans was held before the proposals were due, OSM’s would have been different. He said modifications to their site plan are possible but will most likely result in changes throughout the proposal.

Chair Nguyen-Tan suggested a recommendation for CHIP, contingent upon assurance of the financing, with a statement to Council that OSM may submit a modified site plan. Michael Orwitz commented that he would come back only with changes in the site plan and not to his financing proposal. Mr. Orwitz said he believes that there is a fatal flaw in the financial structure of the CHIP plan and suggested obtaining a legal opinion from a tax attorney.

City Manager Lando said he would assume that a tax attorney will confirm that the CHIP proposal will work, because he does not feel they would propose it otherwise. He recommended that site plan revisions be considered only if this financing fails. He noted that making these modifications will create extra expense for OSM. City Manager Lando said the ultimate goal is to produce the housing units within the designated time frame and that CHIP will have to stand by their financing. Dave Ferrier said that CHIP can obtain the legal opinion from a tax attorney in 7-10 days.

Councilmember Gruendl said that if the CHIP financing is flawed, OSM should be awarded the bid. He suggested a contingent recommendation for CHIP, with OSM assuming the risk to invest more time and money.

Michael Orwitz said that if the CHIP financing turns out to be feasible, he will probably withdraw OSM’s proposal. He noted that the tax opinion will be valuable for everyone involved.

**Recommendation:** The Committee recommended (2-1, Wahl voting against) the housing proposal submitted by Chico Housing Improvement Program contingent upon assurance from a tax attorney that the proposed financing is valid. Should CHIP’s proposed financing prove to be invalid, OSM will be given an opportunity to modify their site plan for reconsideration.

B. **Adjournment and Next Meeting.** The Committee adjourned at 10:57 a.m. The next meeting was scheduled for Wednesday, July 23, 2003, at 8:00 a.m. in Conference Room No. One.
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 7/15/03)  DATE: June 25, 2003
FROM: FINANCE COMMITTEE  FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD JUNE 25, 2003

Committee present:
Councilmember Nguyen-Tan, Chair
Councilmember Gruendl

Staff present:
City Manager Lando
Assistant City Manager Dunlap
City Attorney Frank
Finance Director Martin
Accountant Vidners
Housing Officer McLaughlin
Administrative Analyst Dillard

(Councilmember Wahl was absent from this meeting.)

COMMITTEE ITEMS REQUIRING COUNCIL ACTION ON 7/15/03:

A. Approval of Request From Northern Valley Catholic Social Services (NVCSS) to Extend the Term of Agreement for the Forest Manor Housing Project. The Committee was provided with a memorandum dated 6/17/03 from the Housing Officer, transmitting a letter from NVCSS requesting an additional year to obtain project financing. The Housing Officer’s memorandum provided background on the request and recommended that NVCSS be granted the additional year, however, this will be the final extension.

Recommendation: The Committee recommended (2-0-1, Wahl absent) approval of the request of NVCSS to extend the term of agreement for the Forest Manor Housing Project. This will be the final extension.

COMMITTEE ITEMS REQUIRING NO COUNCIL ACTION ON 7/15/03:

B. Interviews of Auditors to Perform City of Chico Audits for FY 2002-03 with an Option for Four Succeeding Years. The Committee was provided with a memorandum dated 6/16/03 from the Finance Director, transmitting four proposals received in response to the request for proposals to perform the City’s audits for Fiscal Year 2002-03, with an option for four succeeding years. The memorandum included a summary and analysis of the proposals.

Committee members and City staff interviewed the following at today’s meeting:

Macias, Gini & Company - Ernest J. Gini, Heather Jones, and Kevin Starkey
Nystrom & Company - Trudy Tavares, Steven Pitman, and Edward Williams
Hathaway & Ksenzulak - David Wallace
D. H. Scott & Company - Vivian Piche’ and Amanda Mahoney

The firm of Macias, Gini & Company ranked first with the Committee. Staff has checked references, and the cities contacted provided positive comments regarding this firm’s expertise, professionalism, and quality of work.

Recommendation: The Committee recommended (2-0-1, Wahl absent) that the City Council approve the engagement of Macias, Gini & Company to perform the City’s audits for the 2002-03 fiscal year with an option for four succeeding years. This recommendation was forwarded to the City Council at its meeting of 7/1/03.

C. Adjournment and Next Meeting. The Committee adjourned at 9:58 a.m. The next meeting is scheduled for Wednesday, July 23, 2003, at 8:00 a.m. in Conference Room No.1.

Annalisa Dillard, Administrative Analyst

Distribution: City Council/Finance Director/Budget Officer/Housing Officer/Community Development Director
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 8/19/03)  DATE: July 24, 2003
FROM: FINANCE COMMITTEE  FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD JULY 23, 2003

Committee present:
Councilmember Gruendl
Councilmember Wahl

Staff present:
City Manager Lando
Assistant City Manager Dunlap
City Attorney Frank
Director of Public Works McKinley
Community Dev. Director Baptiste

Asst. Community Dev. Director Sellers
Senior Planner Hayes
Housing Officer McLaughlin
Administrative Analyst Dillard

(Chair Nguyen-Tan was absent from this meeting.)

COMMITTEE ITEMS REQUIRING COUNCIL ACTION ON 8/19/03:

A. Request from Housing Authority of the County of Butte (HACB) for an Advance of Loan Funds from the Chico Redevelopment Agency for Architectural Services for the 1200 Park Avenue Senior Housing Project. The Committee was provided with a memorandum dated 7/16/03 from the Housing Officer, transmitting a letter from HACB requesting $375,000 for architectural services from previously approved loan funds in the amount of $2.5 million dollars and providing background on the terms and conditions of the agreement between the Agency and HACB.

Gary Sannar, Executive Director of HACB, said that their very solid application will be resubmitted on 7/24/03, and whether or not the tax credits are awarded, HACB has secured the land and is fully committed to the project. In response to a question from Councilmember Wahl, Mr. Sannar said that receiving the advance of funds will not enhance the chances of receiving the tax credits, but if the credits are given, the advance will significantly help with the requirement to have building permits within 150 days.

Recommendation: The Committee recommended (2-0-1, Nguyen-Tan absent) approval of the request for $375,000 for architectural services subject to the funds being disbursed in response to work completed by the architect, and that the drawings become the property of the Agency in the event that HACB is unable to complete the project within the time-frames of the loan agreement with the Agency.

COMMITTEE ITEMS REQUIRING NO COUNCIL ACTION ON 8/19/03:

B. Mortgage Subsidy Program (MSP) - Application Request to Waive Sale Price Limit. The Committee was provided with a memorandum dated 7/15/03 from the Housing Officer, transmitting a request from applicant Bao Xiong and Houa Yang and providing background on the sale price limit feature of the program.

Councilmember Wahl said he appreciates the applicant’s initiative and hard work. Councilmember Gruendl agreed, and said he believes the size of the home will suit the family.

Recommendation: The Committee approved (2-0-1, Nguyen-Tan absent) the applicant’s request to waive the MSP sale price limit of $200,000, allowing a sale price of $235,000.

C. Acquisition of 8 Acres of the Pleasant Valley Assembly of God Church Site on Humboldt Road. The Committee was provided with a memorandum dated 7/3/03 from the City Manager, forwarding a letter from Gaylord Enns requesting the City consider purchasing, for low and moderate income housing, a portion or all of the property owned by the Pleasant Valley Assembly of God Church on Humboldt Road.

City Manager Lando said that this offer provides the Council with an opportunity to acquire land it has
been interested for future low and moderate income housing as well as a wetland/meadowfoam preserve.
Councilmember Wahl made a motion to forward this item, along with a complete appraisal of the property, to the full City Council without a Committee recommendation.

**Action:** The Committee requested that this item be forwarded to the full City Council following appraisal of the property without a recommendation.

D. **Adjournment and Next Meeting.** The Committee adjourned at 8:23 a.m. The next meeting is scheduled for Wednesday, August 27, 2003, at 8:00 a.m. in Conference Room No.1.

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Annalisa Dillard, Administrative Analyst

Distribution: City Council/Finance Director/Budget Officer/Housing Officer/Community Development Director/Director of Public Works/Assistant Community Development Director
TO: CITY COUNCIL/REDEVELOPMENT AGENCY (Mtg. of 9/16/03)  DATE: August 29, 2003
FROM: FINANCE COMMITTEE  FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD AUGUST 27, 2003

Committee present:
Chair Nguyen-Tan
Councilmember Gruendl
Councilmember Wahl

Staff present:
City Manager Lando
Assistant City Manager Dunlap
City Attorney Frank
Director of Public Works McKinley

COMMITTEE ITEMS REQUIRING COUNCIL/AGENCY ACTION ON 9/16/03:

A. Approval of Request from Thomas R. Russo to Amend the Expiration Date of the Sewer Main Reimbursement Agreement for 1015 Meier Drive. This item was referred to the Finance Committee by the City Council at its meeting of 8/5/03. The Committee was provided with a memorandum dated 8/18/03 from the Director of Public Works forwarding background on Mr. Russo’s request to extend his reimbursement agreement with the City from 15 years to 30 years.

Recommendation: The Committee recommended (3-0) approval of the request to extend the reimbursement agreement for 1015 Meier Drive from 15 to 30 years, and also recommended that other Sanitary Sewer Main Reimbursement Agreements be extended up to a maximum of 30 years if requested.

B. Approval of Supplemental Appropriation/Budget Modification No. 03-0404 to Provide Funding for the Upper Park Gun Range Cleanup and Parking Lot Construction (19001). The Committee was provided with a memorandum dated 7/25/03 from the Urban Forester reporting that the Voluntary Cleanup Agreement with the Department of Toxic Substances Control (DTSC) for clean up of the former rifle and pistol ranges in Upper Bidwell Park now has been approved. The memorandum forwarded a supplemental appropriation/budget modification requesting funds for the clean up of contaminated soil and for construction of a parking lot to serve Horseshoe Lake, the Observatory, and other areas of Upper Bidwell Park. The Supplemental Appropriation would allocate $630,639 from the Transportation Equity Act for the 21st Century Fund (311) and the Budget Modification would authorize rebudget and transfer of $896,747 from the CMA Groundwater Remediation (Liberator Street) project (45052) to the Upper Park Gun Range Cleanup project (19001) within the Liberator Street Remediation Fund (312), as set forth in the memorandum. The Committee was provided with copies of the fund summaries for the TEA-21Fund (311) and the Liberator Street Remediation Fund (312) which reflect the estimated 06/30/04 fund balances.

In response to questions from Susan Mason, Park Director Beardsley said that site remediation is included in the million dollar cap, that soil testing will be done in order to salvage as much soil as possible, and that there will be an effort to keep the park opened while the cleanup is taking place. City Manager Lando said that if there are any concerns with dust during the cleanup, a fence will be installed, an order posted, and trails will be closed. He said that if the City waits and then receives a cleanup and abatement order, it loses the opportunity to use the voluntary cleanup process.

Recommendation: The Committee recommended (3-0) approval of the supplemental appropriation which would allocate $630,639 from the Transportation Equity Act for the 21st Century Fund (311) and the budget modification which would authorize the rebudget and transfer of $896,747 from the CMA Groundwater Remediation (Liberator Street) project (45052) to the Upper Park Gun Range Cleanup project (19001) within the Liberator Street Remediation Fund (312).
C. **Allocation of Chico Redevelopment Agency Low and Moderate Income Housing Funds (LMIHF) for Housing Rehabilitation Loans.** The Committee was provided with a memorandum dated 8/18/03 from the Housing Officer providing background on the need for the funds and the specifics of the funding request.

*Recommendation:* The Committee recommended (3-0) rebudgeting $123,550 of existing merged LMIHF funds allocated for housing rehabilitation, and a new allocation of $100,000 from the Greater Chico Urban Area Redevelopment Project Area LMIHF.

**COMMITTEE ITEMS REQUIRING NO COUNCIL/AGENCY ACTION ON 9/16/03:** (This item was forwarded to the Redevelopment Agency at its meeting of 9/2/03.)

D. **Application to CalHome Program for Additional Mortgage Subsidy Program (MSP) Funds.** The Committee was provided with a memorandum dated 8/18/03 from the Housing Officer recommending that the Agency submit an application for $500,000 to the State of California Department of Housing Community Development CalHome Program for additional funds for the MSP.

*Recommendation:* The Committee recommended (3-0) that the agency submit an application for $500,000 to the State of California Department of Housing Community Development CalHome Program for additional funds for the MSP.

E. **Future Meetings.** The Committee agreed to schedule a meeting to discuss possible changes to the Community Organization Funding process at the 9/2/03 City Council meeting since Vice Mayor Jarvis, who is the alternate for Councilmember Gruendl, will be present.

F. **Adjournment and Next Meeting.** The Committee adjourned at 9:40 a.m. The next meeting is scheduled for Wednesday, September 24, 2003, at 8:00 a.m. in Conference Room No.1.

G. **Business from the Floor.**

Susan Mason commented that the City should be entitled to the County’s portion of Proposition 40 funds, and that available Roberti-Z’Berg-Harris Grant Funds could be used to install half court basketball courts in City parks. The City Manager said that Park Director Beardsley will keep the City Council informed as to the status of this grant.

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Annalisa Dillard, Administrative Analyst

Distribution: City Council/Finance Director/Budget Officer/Housing Officer/Community Development Director/Director of Public Works/Park Director/Assistant Community Development Director
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 11/18/03)       DATE: September 30, 2003
FROM: FINANCE COMMITTEE
FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD SEPTEMBER 24, 2003

Committee present:
Chair Nguyen-Tan
Councilmember Gruendl
Councilmember Wahl

Staff present:
Risk Manager Koch
Finance Director Martin
City Attorney Frank
Director of Public Works McKinley
Police Chief Hagerty
Police Captain Viegas
Assistant Community Dev. Dir. Sellers
Asst. Director of Public Works Alexander

COMMITTEE ITEMS REQUIRING COUNCIL ACTION ON 11/18/03:

A. Approval of Administrative Procedure and Policy and Administrative Fee for Special Project Loans. At its meeting held 05/06/03, the City Council directed staff to research and prepare a recommendation to the Finance Committee for a fair transaction fee for all loans which are recalculated annually. The Committee was provided with a memorandum dated 09/16/03 from the Finance Director forwarding an Administrative Procedure and Policy for Special Project Loans related to the renovation of property and a Fee Schedule which would establish an administrative fee to cover the staff costs associated with the annual recalculation of the interest rate on variable rate loans. A fee schedule resolution reflecting the Committee’s recommendation on the administrative fee will be forwarded to the City Council with the Committee’s recommendation.

Finance Director Martin said that since these variable rate loans are so rare, they are calculated manually and this is the basis for the fee. At this time there is only one such loan, but the new fee would apply only to new loans.

Recommendation: The Committee recommended (2-1, Wahl voting against) approval of a $250 fee to cover staff costs associated with the annual recalculation of the interest rate on variable rate loans, and directed staff to review real time billing options that would not exceed $250.

B. Consideration of Amendments to the City of Chico Fee Schedule (Transportation System Fees, Business License Tax Information, Lot Cleaning Fees, Police Department Fees, Fire Department Fees, Uniform Fire Code Permit Fees, Grant of License Fees, Maintenance Assessment District Fees, Vacation and/or Abandonment Fees, Parades, Athletic Events and Public Assemblies Fees, and Public Right-of-Way Café License Fees). An annual review of the City’s fee schedules has been conducted by various City Departments. The Committee was provided with a memorandum dated 9/8/03 from Management Analyst Herman transmitting the proposed fee schedule revisions and a table summarizing and justifying each revision.

Chair Nguyen-Tan requested that each fee be addressed individually and that department heads explain the rationale behind each revision when requested.

10.060 - Transportation System Fees – Proposed increase to the hourly vehicle service rate of $5.00 to provide special services using CATS/Clipper vehicles. Management Analyst Herman explained that this cost would cover overtime costs incurred by system operator ATC Vancom employees to provide these services. Councilmember Gruendl moved to approve the increase. The motion died for lack of a second. Chair Nguyen-Tan moved to leave the fee as is, and allow it to be negotiated when the contract expires next year. Councilmember Wahl seconded the motion. The Committee recommended (2-1, Gruendl voting against) retaining the current hourly service rate to provide special services using CATS/Clipper vehicles, and negotiating the fee next year when the contract expires.
15.045 - Business License Tax Information - Finance Director Martin said that the Finance Office only provides these monthly updates when requested, at a cost of $14 for the most current version, and that an annual fee of $60 was not necessary. The Committee recommended (3-0) deletion of the $60 fee for updates to monthly business license tax information, and that individual requests be processed as they are received.

21.030 - Lot Cleaning Fee - The proposal is to transfer the fee from one fee schedule to another with no change in the fee. The Committee recommended (3-0) that the lot cleaning fee be transferred from the Fire Department fee schedule to the Community Development Department fee schedule.

30.020 - Police Department Fees - The Committee recommended (3-0) elimination of the research fee for obtaining police records documents older than 5 years; and also recommended (2-1, Wahl voting against) adding a $5 fee to process amendments to the concealed permit applications, and increasing the fee for concealed weapon permits from $3 to $20.

40.010 - Fire Department Fees - The Committee recommended (3-0) revision of the sale price of surplus fire hoses from a flat fee to a fee based on a percentage of the cost of a new hose; eliminating the research fee of $20 to recover fire reports that are over 2 years old; and the deletion of the lot cleaning fee from this fee schedule (see 21.030 above). The Committee also recommended (2-1, Wahl voting against) increasing the fees for obtaining a one-time and annual fire hydrant permit and increasing the cost of generating fire reports to reflect actual staff processing costs, but did not approve (3-0) the $28 technology fee portion of these increases. The Committee directed staff to determine the actual cost for this technology fee and forward the information to the full City Council with this report.

40.030 - Uniform Fire Code Permit Fees - The Committee recommended (3-0) adding a section to clarify that payment of uniform fire code permit fees are due within 30 days. The Committee also recommended (2-1, Wahl voting against) increasing the fees for issuing a uniform fire code permit and inspection; and adding fees for the Fire Department’s participation in the plan check review process to reflect actual staff processing costs, but did not approve (3-0) the $28 technology fee portion of these increases. The Committee directed staff to determine the actual cost for the technology fee and forward the information to the full City Council with this report.

60.040 - Grant of License Fees - The Committee recommended (3-0) reducing the fee from $1,050 to $1,005 to process applications for grant of licenses.

60.115 - Maintenance Assessment District Fees - The Committee recommended (3-0) revising this fee to reduce the initial filing deposit to process petitions to establish a maintenance district from $2,050 to $500, and establishing additional deposit increments of $250.

60.130 - Vacation and/or Abandonment Fees - The Committee recommended (3-0) reducing the fee for processing vacation and/or abandonment petitions from $1,700 to $1,150.

60.140 - Parades, Athletic Events and Public Assemblies Fees - The Committee recommended (2-1, Wahl voting against) increasing the fee to recover costs for Police and the Department of Public Works personnel needed during parades and other events.

60.170 - Public Right-of-Way Café License Fees - The Committee felt the establishment of sidewalk cafés should be encouraged by minimizing the application fee. The Committee recommended (3-0) reducing the Initial License Fee and combining it into the Annual License Renewal Fee to create a single annual fee of $23, and eliminating references to the Central Business District in this fee schedule.
C. Consideration of Request to Add the Bidwell Ranch Property to Bidwell Park. By letter dated 07/01/03, the Bidwell Ranch Committee requested that the City Council add the property commonly known as Bidwell Ranch to Bidwell Park and that it be preserved permanently as open space. At its meeting held 08/05/03, the City Council referred the request to the Finance Committee. The Committee was provided with a memorandum dated 09/17/03 from the City Manager forwarding a copy of the Bidwell Ranch Committee’s request, a summary report of expenditures to date for the property, other cost estimates, and a copy of a memorandum dated 05/19/03 from Bob Best suggesting that a portion of the property be sold to provide funds for park development.

Assistant Community Development Director (ACDD) Sellers reported that due to environmental issues, approximately 300 acres of this land would be developable, and 200 acres will serve as a buffer to Bidwell Park. Councilmember Gruendl asked about access points to the developable area and ACDD Sellers answered that the Fire Department had agreed to a pair of parallel bridges across the wetland areas.

Jerry Olio supported leaving this acreage intact as permanent open space attached to the park. He reminded the Committee of the previous referendum that kept this area from being developed once before. Jane Coleman, Rebecca Smith, Juanita Sumner, Pat Kelly, and Betty Volker expressed similar opinions, adding that existing traffic and congestion problems in the area will only increase.

John Merz stated that there are two main issues, one being the need to rezone the area to open space and, two, determining how the land will be managed relative to its value. He stated that it was never intended that this land would pay for itself, and the question of value is tricky because it could “pay” the community back for years as open space. He said the larger issue is the will of the community to leave it undeveloped, which has already been addressed through a referendum.

Bob Best said that annual sewer assessment payments are extremely costly for the City. He stated that although there has been a referendum, a modified plan should now be considered. He believes a study should be done to show how much revenue might be generated from developing this property and an in-depth analysis of greenways, parks, fire problems, transportation, and street problems should all be evaluated. There is time to do a complete analysis with feedback and the final decision should be based on that analysis. He suggested putting the park bond and the Bidwell Ranch issue on the same ballot to let the community decide.

Chair Nguyen-Tan asked if an analysis of the public infrastructure costs had been done in the past. ACDD Sellers answered that developers may have had improvement costs analyzed, but the City has not done so. The City provides assumptions but the developers pursuing a project would determine its cost effectiveness.

John Merz voiced frustration with this discussion because the community has clearly spoken and a second referendum is ready to go. He feels that the residents should be asked if they are willing to pay for parks through a bond measure, stressing that this question has not even been posed, and discussions such as this one are only diverting the issue and using up valuable time.

Councilmember Gruendl said there is value in demonstrating whether there is financial merit to this question posed by Bob Best, but felt the information supplied to the Committee was not adequate. He would like to know how many units would be necessary to cover costs and how feasible it would be to build on this land. He believes a financial analysis may prove that building affordable homes on this land is simply not feasible, thereby ending the discussion.

Councilmember Wahl asked what the property is presently costing the City. ACDD Sellers answered that the City is paying for very minimal maintenance and trespassing patrol as well as annual payments for the sewer assessment fees.

John Merz commented that there has already been plenty of political capital spent on this issue and that the value of the viewshed, open space, and groundwater recharge, are not going to show up as numbers on paper when an analysis is done. There is enough information available now for Council to make a political decision.

Councilmember Wahl asked if provisions had been made for the 1500 units to be built elsewhere. ACDD
Sellers said it would not be feasible without expanding the General Plan boundaries and identifying alternative areas for housing.

Councilmember Wahl suggested that this issue be moved out of the Finance Committee and forwarded to a City Council discussion with an historical summary prepared by staff. A public hearing could be held to determine how the community would like to proceed. If the community is against the approach set forth by Bob Best, they can decide if they would like to see a bond issue on the November ballot.

City Attorney Frank noted that the latest date to get an initiative on the November 2004 ballot would be the first week of August 2004, 88 days before the election. He added that since a bond issue takes a great amount of preparation, work would need to begin very soon. ACDD Sellers added that the Nexus study will drive the bond issue and it is scheduled for the October Finance Committee meeting. It could help define the amount of the bond as well as which parks will be owned and managed by CARD. This information would be necessary before Council makes a decision.

Chair Nguyen-Tan commented on how much he enjoys the viewshed during bike rides through this area. He called this a priceless experience and stated that he supports making the area open space and part of Bidwell Park, adding that no fiscal analysis is likely to swing his vote. However, as a public official, he must be held accountable for his decisions and he would like to find out if the citizens of Chico agree or disagree. He is not sure that the information provided for today’s meeting is as clear as it could be as to what the true costs would be. He requested clarification regarding the cost of acquisition, and maintenance and mitigation costs, as well as a brief summary of the revenue from the sale of 300 acres. He requested staff to provide the best estimate possible for the cost of the infrastructure necessary to support development of 1500 homes, including the cost impacts on near-by areas such as widening Manzanita Avenue. ACDD Sellers commented that the infrastructure costs are borne by the developers, and the City’s costs for services would be the same as for anywhere else in Chico.

Councilmember Gruendl suggested that the Bidwell Park and Playground Commission (BPPC) develop a recommendation as to what portion of the property, if any, should be added to Bidwell Park, how it will be divided, and whether recreational opportunities exist. Chair Nguyen-Tan felt that a BPPC recommendation regarding use of the property should come after Council decides whether to develop the land. Councilmember Gruendl concurred with this suggestion.

Chair Nguyen-Tan moved to recommend to the full Council that it rezone Bidwell Ranch to make it undevelopable for residential and commercial uses, and to direct staff to prepare a detailed fiscal summary, including the cost of leaving this land as open space, and informing the public of the options. The motion died for lack of a second.

Councilmember Gruendl moved to forward this item to the City Council without a recommendation for its work session scheduled for 11/18/03, with staff to provide a fiscal analysis and an estimated infrastructure cost for development, and the City Attorney to provide legal information regarding recent changes in State law relating to General Plan Housing Elements.

Councilmember Wahl was concerned about forwarding the item to a daytime work session since it will be more difficult for the public to attend during working hours. The City Attorney indicated that this meeting could allow for detailed Council discussion of the matter, and a public hearing could be set for a later date. Councilmember Wahl seconded Councilmember Gruendl’s motion.

**Action:** The Committee agreed (3-0) to forward this item to the City Council without a recommendation, for consideration at its work session scheduled for 11/18/03. The Committee directed staff to provide a complete fiscal analysis and estimated infrastructure cost for developing the property, and a copy of the memorandum dated 8/21/00 from the City Manager outlining potential use of the Bidwell Ranch property. The Committee also directed the City Attorney to provide the appropriate legal information regarding recent changes to State law relating to housing.

**D. Review of Assumptions Used in the Development of Fiscal Projections and Review of Desired**
**Fund Reserves.** This item was continued to the Finance Committee meeting of 10/22/03.

E. **Business from the Floor** – No items.

F. **Adjournment and Next Meeting.** The Committee adjourned at 10:45 a.m. The next meeting is scheduled for Wednesday, October 22, 2003, at 8:00 a.m. in Conference Room No.1.

Annalisa Dillard, Administrative Analyst

Distribution: City Council/Finance Director/Budget Officer/Housing Officer/Community Development Director/Director of Public Works/Park Director/Assistant Community Development Director/Risk Manager/Management Analyst Herman
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 12/2/03)  DATE: October 23, 2003
FROM: FINANCE COMMITTEE  FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD OCTOBER 22, 2003

Committee present: Chair Nguyen-Tan  Assistant City Manager Dunlap
Councilmember Gruendl  Assistant City Attorney Barker
Councilmember Wahl  Director of Public Works McKinley
Staff present: Park Director Beardsley  Housing Officer McLaughlin
Community Development Director Baptiste  Police Captain Viegas
Budget Officer Martinez  Asst. Director of Public Works Martinez
Administrative Analyst Dillard

COMMITTEE ITEMS REQUIRING COUNCIL ACTION ON 12/2/03:

A. Consideration of Changes to the City of Chico Housing Rehabilitation Program. The Committee was provided with a memorandum dated 10/15/03 from the Housing Officer outlining recommendations for the following changes to the Housing Rehabilitation Program: a) that the City contract with the Sutter County Housing Authority for services to operate and administer the City’s Housing Rehabilitation Program; b) that the loan limit for City Manager approval be increased from $15,000 to $30,000; and c) that the loan amount requiring bonding by the contractor be increased from $15,000 to $30,000. The Housing Officer recommended approval of the proposed changes.

In response to Councilmember Wahl, Housing Officer McLaughlin said that local firms were approached but none were currently providing this particular service. He indicated that it would not be necessary for Sutter County Housing Authority to hire additional staff to accommodate City of Chico referrals, and that if activity were to increase at a significant rate, the City would need to consider creating a full time staff position.

The Assistant City Manager supported continued funding of the program saying it promotes neighborhood improvement and assists many low income families and seniors with making their homes structurally safer and stronger.

Andy Holcombe spoke in support of the program because it assists seniors on fixed incomes in making necessary improvements to their aging homes.

Recommendation: The Committee recommended (3-0) that the City contract with the Sutter County Housing Authority for services to operate and administer the City’s Housing Rehabilitation Program; that the loan limit for City Manager approval be increased from $15,000 to $30,000; and that the loan amount requiring bonding by the contractor be increased from $15,000 to $30,000. The Committee directed staff to evaluate the program in one year and submit a status report for Committee review.

B. Request from the Salvation Army for $750,000 of City of Chico Community Development Block Grant (CDBG) Funds for a Residential Rehabilitation Facility. The Committee was provided with a memorandum dated 10/16/03 from the Housing Officer transmitting a letter and information packet from the Salvation Army which discussed the need for the facility and the financing plan for the development of the facility. The Housing Officer’s memorandum provided a summary of the request. City Staff recommended that the Committee deny the request because the facility site is located outside the City of Chico and the Chico Sphere of Influence and therefore not annexable at this time.

Councilmember Wahl was disqualified from this item.

Colonel Jack Watters provided an overview of the services the facility would be providing. He explained that the facility would operate under the theory of work therapy, and would be split into supervised training workshops. He added that the program becomes 80 percent self supporting through funds generated by the program itself, and that the City would be making a one time investment for 50 to 100 years of service. The location was chosen because due to the nature of the facility, it is often difficult to gain acceptance within traditional neighborhood boundaries.
The Assistant City Manager said this was an unusual situation because the chosen site was outside the City of Chico and the Chico Sphere of Influence but within the General Plan area. She noted that annexation of the property would be required to provide sewer service.

Assistant Community Development Director Sellers explained that the site is included in a large sphere amendment proposal which is currently pending at LAFCo (Local Agency Formation Commission) and would not be implemented for approximately two years. He suggested it may be possible to separate this site out of the larger proposal and process the amendment within four to six months.

Chair Nguyen-Tan commented that the Salvation Army was worthy of the funding and had demonstrated a high rate of success in the community. He requested that staff move forward with an amendment to the Sphere of Influence and annexation of the facility, determining the feasibility of providing sewer service at the designated location.

Recommendation: The Committee recommended (2-0-1, Wahl disqualified) funding for this item be brought back for consideration as part of the annual Community Development Block Grant (CDBG) program. The Committee also recommended an amendment be initiated to add the proposed site to the Chico Sphere of Influence, that the Director of Public Works determine how sewer service could be provided to the site, and that an annexation application be initiated.

C. Discussion of Park Development Financing Options. At its meeting held 06/19/03, the Finance Committee indicated it would like to explore methods to finance maintenance of City parks and that portion of park development costs that is not funded through development impact fees. The Committee requested staff to provide the background information necessary for a continued discussion on bond financing and to identify parcels of surplus City-owned property which could be sold to provide park development funding. The Committee was provided with a memorandum dated 10/15/03 from the Assistant City Manager providing the requested information. The Committee also requested information regarding the roles and responsibilities of Chico Area Recreation and Park District (CARD) and the City in connection with existing and future parks.

Councilmember Gruendl stated he was interested in the parcel tax option and that the costs should not be limited to City parcels, but should include parcels within the CARD boundaries. Budget Officer Pierce explained that for this option, a flat rate is applied to each parcel as opposed to a general obligation bond which is based on the value of the parcel.

Assistant City Manager Dunlap stated that the City and CARD could cooperate on a bond issue that would cover the CARD boundaries, but could not include parcels in the unincorporated area without County participation.

Andy Holcombe, Board Chair for CARD, suggested surveying the community and asking residents how much they are willing to pay. After this amount is established, it would be provided to the consultant.

Mary Cahill, General Manager of CARD, stated that before a survey can be effective, it is necessary for Council to proceed with amending park facility fees, thereby identifying the remaining gap in the fees. It will then be up to the community as to how much of the gap they are willing to support. She supported the idea of including the prioritization of facilities in the survey, and suggested that survey results would probably mirror the outcome of an eventual vote.

Susan Mason commented that any bond obligation should be spread to parcels within the CARD district and the Sphere of Influence, and not be limited to City parcels.

Bob Best commented that the public needs to know the additional, ongoing costs which will be necessary to operate and maintain the parks.

Park Director Beardsley stated that he has enough information regarding community parks and neighborhood parks to provide information on the cost of buildout, with maintenance costs phased in with the development of the facility.

Chair Nguyen-Tan commented that the City Council may consider the Park Fee Nexus Study before they
receive Finance Committee information, and suggested that these two items be scheduled for discussion at the same City Council meeting. He also requested information on the costs related to expanding the Sphere of Influence and CARD boundaries, and requested that the City’s fiscal advisor provide an analysis of a per parcel fee based on the number of parcels within the CARD boundaries.

Councilmember Gruendl requested that additional comments or concerns of the Building Industry Association (BIA) be submitted in advance of the meeting, so they may be adequately addressed during the meeting.

**Action:** The Committee agreed to forward this item without a recommendation for City Council consideration during the same Council meeting as the public hearing on the proposed amendment of park facility fees. This public hearing has been scheduled for the meeting of 12/2/03.

In addition, the Committee also scheduled a separate meeting on this issue for 12/10/03 at 8:00 a.m. in Conference Room No. 1. The Committee requested that the following information be provided at this meeting:

1. Costs and other financial information for general obligation bonds and a special parcel tax which would be spread to all properties within the CARD boundaries for:
   a) a $10 million issue
   b) a $17 million issue
   c) a $20 million issue
   d) each additional million
2. Maintenance costs for the entire park system and additional information regarding mechanisms for funding such costs.
3. The estimated costs to complete park facilities based on Council assumptions approved on 7/15/03.

**COMMITTEE ITEMS REQUIRING NO COUNCIL ACTION ON 12/2/03:**

D. Request from Youth & Family Services (Y&F) for $50,000 of City of Chico HOME Funds to Establish a Tenant Based Rental Assistance (TBRA) Program for Emancipated Foster Youth. The Committee was provided with a memorandum dated 10/14/03 from the Housing Officer transmitting a letter from Y&F outlining the request. The Housing Officer’s memorandum also provided background on the TBRA Program and available funding. Because the request represents less than ten percent of the annual HOME allocation, it is not subject to the requirements of a formal HOME Annual Plan amendment. Staff recommended approval of the request to be funded with unanticipated HOME program income.

Eric James, Coordinator of the Butte County Independent Living Program, explained that this funding would be used to assist with rental costs for the special population of youth who are aging out of foster care, but need assistance with the transition to independent living. The recipients would be required to pay a percentage of the rental costs in order to be eligible. He added that qualifying youth are determined and have proven themselves to be motivated toward self-sufficiency.

Dwayne Elam, Program Manager for Butte County Children’s Services Division, said that the federal and state government have also recognized that there is a need to help youth between the ages of 18 and 21 who are aging out of foster care. This program assists youths who exhibit successful educational and employment histories in becoming contributing members of their community. There is a responsible process in place that requires participants to follow contracts.

Patti Morelli, Social Service Analyst for Butte County, said there is a $230,000 budget for the Independent Living Program, 30 percent of which is allocated for aftercare. She said City funds would supplement those funds which are already received, and would go directly to rent subsidies.

Hamal Sharifzada, California Youth Connection’s North State Outreach Coordinator, spoke in favor of the independent living program. Mr. Sharifzada was a former participant in the aftercare program, and said that the support provided is not strictly monetary. He stated that one of the biggest hardships on youths working and taking college courses in order to become independent, is the ability to pay rent. There is no family support system in place.
Councilmember Wahl commented that he thought the program sounded good, but would prefer to include this request in the regular funding cycle in January, when more budget information will be available. Chair Nguyen-Tan said he would like more information, especially regarding the measurement of success, and suggested that this additional information be provided at the Finance Committee meeting of 11/19/03. He indicated that he was not yet convinced that rental support is all that is needed, and thought savings plans should be incorporated into the program. Councilmember Gruendl said it is difficult for these youths to establish savings when they are struggling to fulfill basic needs that most families provide for their children.

Eric James said he could provide research regarding the small version of the program which is operated through a contract with Butte County. Seventy percent of the funds generate programs for 16 to 18-year olds, with thirty percent allocated to programs for 18 to 21-year olds. He said that all participating youth reside in Chico, come into the program with a plan, are involved in ROP programs, and participate in case management and credit management.

Councilmember Gruendl suggested that some of the youth participating in the program attend the 11/19/03 meeting and provide testimony supporting the strength of the program. He noted that many youths who have been successful in programs such as these have approached State Legislators and convinced them to continue funding.

**Action:** The Committee requested Butte County Independent Living Program representatives to provide research based information which would include examples of similar successful programs throughout the state. The Committee also requested more detailed information on the operational components of the program, on measuring success, and additional information from City staff regarding the source of unanticipated program income. This information was requested for the next Committee meeting scheduled for 11/19/03.

E. **Review of Assumptions Used in the Development of Fiscal Projections and Review of Desired Fund Reserves.** At its 1/28/03 work session, the City Council referred to the Finance Committee discussion of the assumptions used to develop fiscal projections and review of desired fund balance reserves. The Committee was provided with a memorandum dated 9/11/03 from the Finance Director outlining the assumptions used in developing General and Park funds projections and providing a partial list of City funds which included explanatory comments on those funds for which desired reserves have been established. The Committee may wish to provide further direction to City staff or develop recommendations to the City Council.

**Action:** This item was tabled until further notice.

F. **Business from the Floor** – No items.

G. **Adjournment and Next Meeting.** The Committee adjourned at 10:10 a.m. The next meeting is scheduled for Wednesday, November 19, 2003, at 9:00 a.m. in Conference Room No.1.


Annalisa Dillard, Administrative Analyst

Distribution: City Council/Finance Director/Budget Officer/Housing Officer/Community Development Director/Director of Public Works Park Director/Assistant Community Development Director/Risk Manager/Economic Development/Housing Specialist
COMMITTEE ITEMS REQUIRING NO COUNCIL ACTION ON:

A. CONSIDERATION OF REVISIONS TO THE COMMUNITY ORGANIZATION FUNDING PROCESS

This adjourned meeting of the Finance Committee was scheduled to discuss the community organization funding process and forward any recommended changes to the process to the Council for consideration prior to the January 2004 beginning of the FY 04-05 funding cycle.

Members of the Finance Committee, during consideration of FY 03-04 applications on 4/10/03 and 4/24/03, identified the following specific areas for review:

A. Definition of essential vs. non-essential services, with consideration to fund only those identified as providing essential City services.

B. Consideration of funding organizations whose budgets indicate estimated ending balances which exceed the amount of funding requested from the City.

C. Limiting seed money to no more than a three-year period, with the expectation that organizations would then be self-sufficient.

The Committee was provided with a 10/15/03 memorandum from the Assistant City Manager which provided additional information regarding the three topics under consideration and provided staff recommendations.

Vice Mayor Jarvis suggested establishing a $20,000 cap on funding and requiring organizations to submit changes between January and June.

Assistant City Manager Dunlap explained that organizations are encouraged to remain at or near the same dollar amount of previous requests and must justify any large increases. She added that the funding process is very staff intensive because City staff works closely with the organizations to ensure that requests are as organized and succinct as possible before they are forwarded to the Council.

Vice Mayor Jarvis commented that the process has become too loose and flexible to be fair and she supports changes which require timely submittals of thoroughly completed applications. Assistant City Manager Dunlap indicated that Council policy would need to be changed in order to reject late or incomplete applications.

In response to Vice Mayor Jarvis, Economic Development Specialist Burkland said that funding is set aside to cover staff costs in the CDBG programs but not in the General Fund programs. Management Analyst Carroll reported that the General Fund budget for salaries is approximately $54,000 including benefits, but stated that figure did not include the salary of the Art Projects Coordinator.

Councilmember Nguyen-Tan suggested a discussion regarding which components of the process might
be outsourced to a non-profit agency in order to relieve some of the administrative demand on City staff. Vice Mayor Jarvis commented that recommendations from City staff are too valuable to be discontinued.

In response to Councilmember Wahl, Assistant City Manager Dunlap suggested that administrative time could be reduced if incomplete applications were disqualified upon first submittal, and if deadlines were strictly enforced. She added that staff could transmit applications to the Council without providing summaries, but Vice Mayor Jarvis commented that the summaries should continue since they are extremely valuable and save Council time in evaluating the applications. Management Analyst Carroll indicated that applications from new organizations are much more time intensive because the applicants are often inexperienced with grants and are new to the City process.

Art Projects Coordinator Gardner suggested limiting the number of organizations and offering more programs such as mini-grants, which provide reimbursement if the project utilizes capital funds.

Vice Mayor Jarvis suggested that the issue of duplication of services be addressed since many of the funded organizations are providing the same services.

Carol Childers of Passages agreed that stricter guidelines are imperative and emphasized that organizations should only be rewarded with funding if applications are complete and submitted on time. She felt new groups should be counseled and mentored and also suggested that Council reconsider classifying some of the “non-essential” services as “essential.”

Chair Nguyen-Tan stated that he feels there is a significant difference between important and essential services, explaining that essential services are those which assist in the delivery of city services. Vice Mayor Jarvis suggested defining essential in the narrowest, most rigid formula possible to differentiate an essential service from an important service. Chair Nguyen-Tan suggested that the application be amended to include a specific section requiring that the organization identify how it assists in the delivery of City services, adding that a new definition of essential may also help in evaluating new proposals. Vice Mayor Jarvis said Council will need to define essential before the application is amended. Assistant City Manager Dunlap said that if this question is added to the application, the language must be chosen carefully.

Mike McGinnis (ARC) said that he hopes the City Council will consider the services provided and remember that the organization’s fund balance reflects all assets, most of which are not generating any program funding. He said he did not support the idea of phasing organizations out over time because he felt all of the organizations are connected to one another.

Tom Tenorio of Community Action Agency supported making the process stricter with more uniform rules, and suggested modifying the process to require new organizations to demonstrate a plan for capacity building.

Ken Steidley from DO-IT Leisure also spoke in support of more stringent rules and suggested that an organization not be required to combine applications for different programs within its agency. He felt that these combinations result in an inaccurate financial portrayal of each individual program.

Tom Haithcock from Chico Creek Nature Center suggested that Council should consider the return on the investment when they decide which organizations to fund, and also how much it would cost the City to provide the service.

Anastacia Snyder, Director of Catalyst, stated that while waiting for the state budget, this City funding provides a balance in Catalyst’s financial account. She added that she felt that the two year cycle is appropriate but stated that if the economy improves and more funding becomes available, being locked into a specific dollar amount would be unfortunate.

The student Administrative Director of CLIC, commented that the constant turnover within a student run facility makes it difficult to follow deadlines and pass on application knowledge. Vice Mayor Jarvis disagreed, saying there are attorneys mentoring the students and therefore no reason CLIC cannot comply.
Vice Mayor Jarvis suggested that there may be situations where Council should look at agencies and programs separately and stated that she was opposed to limiting the number of organizations and to the idea of an agency such as United Way overseeing the administration of the program.

Chair Nguyen-Tan suggested trying a new application providing 3 to 5 year mini grants for capacity building.

Vice Mayor Jarvis suggested several topics be considered at the next meeting including; whether a tiered approach should be implemented; whether historical support should be an important factor in final funding decisions; if funding should be for a general agency or for a specific program within an agency; whether only one application per organization should be considered; whether a $20,000 dollar cap with an allowance for cost of living adjustments should be implemented; and ideas for reducing staff time.

Chair Nguyen-Tan suggested that $2500 per year be set aside to train non-profit agencies that are new to the process, and that mentor agencies be established. Patty Call from the North Valley Community Foundation said there is technical assistance available for all interested organizations and Michael McGinnis added that round table meetings are held monthly.

**Action:** The Committee recommended that representatives from community organizations receiving City funding meet with staff before further Committee consideration and discuss changes to the application and to the decision making process. These changes may include: 1.) a narrower definition of an essential service; 2.) enforcement of stricter rules and deadlines; 3.) mentoring of new organizations; 4.) eliminating duplication of services; 5.) establishing a $20,000 cap; 6.) including mini-grants as a funding option; 7.) evaluating historical support of an organization; and 8.) requiring a plan for capacity building from new applicants. The Committee scheduled a meeting for continued discussion of Community Organization Funding for 12/3/03 at 1:00 p.m. in Conference Room No. 1.

**Adjournment and Next Meeting.** The Committee adjourned at 4:18 p.m. The next regular meeting is scheduled for Wednesday, November 19, 2003, at 9:00 a.m. in Conference Room No.1. The next meeting to discuss Community Organization Funding (Vice Mayor Jarvis substituting for Councilmember Gruendl), is scheduled for December 3, 2003 at 1:00 p.m. in Conference Room No. 1.
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 12/16/03)  DATE: November 24, 2003
FROM: FINANCE COMMITTEE  FILE: Committee Binder
RE: REPORT ON FINANCE COMMITTEE MEETING HELD NOVEMBER 19, 2003

Committee present:
Chair Nguyen-Tan
Councilmember Gruendl
Councilmember Wahl

Staff present:
Assistant City Manager Dunlap
Assistant City Attorney Barker
Director of Public Works McKinley
Park Director Beardsley
Community Development Director Baptiste
Housing Officer McLaughlin
Police Captain Viegas
Asst. Director of Public Works Martinez
Budget Officer Pierce
Administrative Analyst Dillard

COMMITTEE ITEMS REQUIRING CITY COUNCIL ACTION ON 12/16/03:

A. Request from Rural Resources for Community Development (RRCD) for $200,000 of City of Chico Home Investment Partnership Program (HOME), Community Housing Development Organization (CHDO) Set-Aside Funds, for Development of an Affordable Rental Housing Project. The Committee was provided with a memorandum dated 11/13/03 from the Housing Officer transmitting a letter from RRCD, dated 10/06/03, which discussed the needs of the population group RRCD serves and a model financing plan for the development of the housing. The Housing Officer’s memorandum provided a summary of the request and background information on the CHDO set-aside.

Recommendation: The Committee recommended (3-0) that RRCD’s request be considered as part of the 2004-05 Annual Plan for the City’s HOME Program CHDO funds.

B. Recommendation for Housing Rehabilitation Program for Owners of Mobile Homes in Mobile Home Parks. The Committee was provided with a memorandum dated 11/13/03 from the Housing Officer providing background on the issues associated with a mobile home rehabilitation program.

Since several mobile home parks have recently been annexed into the City and serve to provide homes for low income families and seniors, Housing Officer McLaughlin stated that staff is interested in designing a mobile home rehabilitation program for future Committee review. However, because mobile homes require state issued permits and state inspections, the process will be lengthier than if administered by the City.

Loans would be limited to $10,000 since the security for the loan would be the mobile home and not the property. The loans could be used to improve roofs, heating and air systems, plumbing, electrical, weatherization, and accessibility, and could not be used for additions. These constraints would be incorporated into the program.

Recommendation: The Committee recommended (3-0) that staff prepare a new Administrative Procedure and Policy for the City’s Housing Rehabilitation Program to serve low income residents in mobile home parks, with funding to be provided by the existing housing rehabilitation program budget.

C. Request from Youth & Family Programs (Y&F) for $50,000 of City of Chico HOME Funds to Establish a Tenant Based Rental Assistance (TBRA) Program for Emancipated Foster Youth. The Committee was provided with a memorandum dated 11/13/03 from the Housing Officer submitting previous information from Youth and Family Programs and additional information on program income from the HOME Program activities. The Committee was also provided with letters from Community Action Agency, Community Collaborative for Youth, and Chico Community Shelter Partnership, supporting the program.

Eric James, Coordinator of the Butte County Independent Living Program, said two components had been added to the program since the 10/22/03 Committee meeting. These components require participants to establish a savings account and to work with an assigned program mentor. Mr. James also confirmed that if this request is considered as part of the regular funding cycle, the timing will be sufficient for implementation of the program.
In response to Chair Nguyen-Tan, Mr. James explained that this is a demonstration program, but as one measurement of success, participants will follow a self-sufficiency plan as they proceed through the program.

Housing Officer McLaughlin added that narrative from providers would also be used to measure progress and the information gathered would be used the following year to prepare a full report determining the cost effectiveness of the program and whether it has met the needs of its clients. This information will be beneficial when the program comes through the cycle next year.

Patti Morelli, Social Service Analyst for Butte County, reported that the County has been very pleased with the program and will continue to support it. Veronica Aguilar, a program graduate, spoke in support of the program, saying that the case workers are extremely valuable resources for the participants.

Chair Nguyen-Tan suggested that this request be considered along with the other annual HOME allocation opportunities as part of the annual plan. He requested that Mr. James work with staff to outline a method for evaluating the project. Housing Officer McLaughlin added that an evaluation schedule will be supplied to the Committee as part of the annual packet in February. The annual plan is scheduled to go before Council in April or May.

**Recommendation:** The Committee recommended (3-0) to include this request with the other annual HOME allocation requests as part of the 2004-05 Annual Plan, and requested that an outline of a method for evaluating the project be provided when the request is submitted in February.

D. **Consideration of Request for Funding the Costs of Interpreting and Analyzing Data Gathered for a Halloween Survey Conducted by The College of Behavioral and Social Sciences at CSU, Chico.** At its 11/19/02 meeting, the City Council approved a request for funding in the amount of $3,000 to interpret and analyze data obtained from surveys conducted by the college of Behavioral and Social Sciences and the Department of Political Science at CSU, Chico regarding Halloween 2002. By letter dated 9/23/03, Professors Rick Ruddell, Matthew Thomas, and Lori Beth Way of CSUC, forwarded a request for identical funding to interpret and analyze data gathered during replication of the survey in 2003. This item was forwarded to the Finance Committee by the City Council at its meeting of 10/21/03.

Because he teaches part-time in the Political Science Department at Chico State, Chair Nguyen-Tan abstained from voting on this item.

Professor Lori Beth Way provided background on the survey. In response to Councilmember Wahl, Police Captain Viegas stated that the Police Department found the survey information very useful in developing a plan for Halloween 2003.

**Recommendation:** The Committee recommended (2-0-1, Nguyen-Tan abstaining) approval of the request for funding in the amount of $3,000 to interpret and analyze data obtained from surveys conducted by the college of Behavioral and Social Sciences and the Department of Political Science at CSU, Chico regarding Halloween 2003.

E. **Consideration of an Amendment to the City of Chico Fee Schedule (50.050-Sewer Fees).** An annual review of the City’s fee schedules was reviewed by the Finance Committee at its 9/24/03 meeting. The Committee was provided with a memorandum dated 11/6/03 from the Assistant Director of Public Works Martinez explaining that a proposed fee revision to the sewer fees to establish a new wastewater disposal fee for wastewater, excluding septage, delivered from businesses such as car washes to the City's Water Pollution Control Plant (WPCP) was inadvertently omitted from the annual review forwarded to the Committee. The recommended fee would cover the City’s cost to determine whether the wastewater is acceptable at the WPCP and the actual cost of disposal of the wastewater. A fee schedule resolution will be forwarded to the City Council with the Committee’s recommendation.

Councilmember Gruendl commented that this fee is beneficial because it assigns a value to the exchange of sludge and bio-solids between the County and City.
Stating that he is upholding his position against fee increases, Councilmember Wahl did not support the recommended fee.

**Recommendation:** The Committee recommended (2-1, Wahl voting against) approval of a Fee Schedule amendment to properly establish fees for the discharge of wastewater, other than septage, that may be delivered by truck for disposal at the City’s Water Pollution Control Plant. The Committee also requested that the technical information in the staff report be clarified before being forwarded to the Council.

F. **Consideration of Penalty Provisions and Permit Fees for Proposed Tree Preservation Ordinance.** At its 5/6/03 meeting, the City Council referred the proposed tree preservation ordinance to the Finance Committee to review the penalty provisions of the ordinance. The Committee was provided with a memorandum dated 11/14/03 from the Community Development Director transmitting the draft tree preservation ordinance and proposed tree removal permit fees to the Finance Committee for review and recommendations.

Community Development Director (CDD) Baptiste noted that staff recommends the following changes be made to the ordinance:

1. **Page 4 - Line 16**
   “All” changed to read, “all existing trees which may be affected by tree removal.”

2. **Page 5 - Line 19**
   Since ten days will not be sufficient for processing of permits subject to California Environmental Quality Act (CEQA) requirements, it will be necessary to add a separate section to the ordinance which addresses CEQA permits.

3. **Page 8 - Line 130**
   CDD Baptiste requested Committee direction regarding fees for tree removal.

In response to Councilmember Gruendl, CDD Baptiste said that the word minor or minimal will be used throughout the ordinance, not both. He also added that Tree Removal Permit Fees on Page 6 of 6 of Fee Schedule 21.025 will read, “Removal of 1-5 trees” and “Removal of more than 5 trees,” so that the amount of 5 does not overlap.

Francine Gair, representing the Tree Action Committee, stated that Tree Action is in agreement with the ordinance although they had hoped for additional restrictions and stricter penalties.

Regarding Page 4 - Line 6, Jason Bougie, Building Industry Association (BIA), asked how quickly an “immediate hazard” would be determined. In response, CDD Baptiste stated that emergency personnel would respond in the usual manner and make a determination upon arrival. Councilmember Wahl objected to the fact that the property owner is not listed in the ordinance as a party able to determine the existence of an emergency or immediate hazard, and also suggested that an arborist be included. Councilmember Gruendl disagreed, saying that an arborist may have an interest in the determination and there are not uniform standards under which all arborists operate.

Catherine Fish noted that property owners usually seek out the services of emergency personnel and that since the ordinance pertains only to vacant, undeveloped lots, structural damage or endangerment would be unlikely.

Assistant City Attorney (ACA) Barker indicated that upon Committee approval of the penalty provisions, the amended ordinance would be forwarded directly to the City Council. In response to Councilmember Gruendl’s suggestion that an emergency, interim ordinance be implemented while the final version is pending, ACA Barker stated that it was unlikely there would be adequate findings made to justify such an ordinance.

Councilmember Gruendl moved to approve the penalty provisions as submitted and Chair Nguyen-Tan seconded the motion. Councilmember Wahl stated that he was adamantly opposed to the ordinance in its entirety - the fees, the fines, and the language, adding that he believed it represented socialism, infringing on the rights of the owners of private property.
Chair Nguyen-Tan stated that when this item is forwarded to the City Council, he will request Council to direct staff to draft a letter from Council to the County Board of Supervisors requesting that it consider mirroring the ordinance in relation to vacant land within the Sphere of Influence.

**Recommendation:** The Committee recommended (2-1, Wahl voting against) approval of the penalty provisions of the proposed Tree Preservation Ordinance and the related fees as submitted, and that the ordinance be forwarded to the City Council for introductory reading following amendments by the City Attorney and Community Development Director. The amendments are as follows:

1. “Minor” or “Minimal” will be used throughout the ordinance, not both.
2. Page 4 - Line 16 – “All” changed to, “all existing trees which may be affected by tree removal.”
3. Page 5 - Line 19 – Addition of a separate section which addresses permits subject to California Environmental Quality Act (CEQA) requirements, since ten days will not be adequate time for processing these permits.

In addition, the Tree Removal Permit Fees on Page 6 of Fee Schedule 21.025 will read, “Removal of 1-5 trees” and “Removal of more than 5 trees.”

**COMMITTEE ITEMS REQUIRING NO CITY COUNCIL ACTION ON 12/16/03:**

G. **Proposal from Butte County for the Chico Redevelopment Agency to Purchase the Parcel at 874 East 20th Street with Funds from the Low and Moderate Income Housing Fund (LMIHF) of the Greater Chico Urban Area Redevelopment Project Area (GCUARPA).** The Committee was provided with a memorandum dated 11/13/03 from the Housing Officer transmitting a proposal from Butte County to sell the property located at 874 East 20th Street to the Agency. Staff recommended approval of the County’s proposal and approval of a supplemental appropriation in the amount of $200,000 from the Greater Chico Urban Area Redevelopment Project Area Fund (369) for acquisition of the parcel, clearing and environmental assessment of the site, and predevelopment costs to identify the best use of the site. However, since the County’s proposal also requires approval of the State of California Department of Housing and Community Development (HCD), staff recommended that the supplemental appropriation be approved subject to HCD’s approval and that staff be authorized to process an administrative supplemental appropriation confirming the Agency’s action upon notification by County staff that it is in a position to move forward with the project.

Cyndi Mann, Deputy Chief Administrative Officer for Butte County, indicated that proceeds of the sale could be used for improvements for the Habitat for Humanity subdivision, and that the sale of this parcel would fulfill a compliance requirement of the County’s Community Development Block Grant. The County is motivated to work cooperatively with the Agency and Habitat for Humanity.

Jennifer Macarthy, Tri County Economic Development Corporation’s Senior Project Manager, explained that the County needs to clear up fundings related to CDBG funds to be able to apply for additional funding.

Assistant City Manager Dunlap confirmed that if the parcel is purchased by the Agency, the Agency will determine its use and the County would be required to use the sale proceeds toward improving the area. Community Development Director (CDD) Baptiste explained that the City Council did not adopt the Chapman Plan but did agree to work cooperatively with the County regarding improvements for the area.

Councilmember Wahl was concerned that there was inadequate information available to make any kind of determination at this meeting. He noted that the parcel had not been recently appraised nor was the exact size specified. He requested City zoning information, as well as the zoning of the surrounding area, saying this information would directly affect any decisions related to use of the property. Chair Nguyen-Tan agreed, and requested that the surrounding properties and their current uses be identified.

Housing Officer McLaughlin said this item can be brought back with an appraisal of the land and scenarios for its use. He added that this property could be purchased for infill development and mentioned the possibility of consolidation and land banking alternatives, such as purchasing the parcel and waiting for other surrounding properties to become available.
Jason Bougie, Building Industry Association, did not support Agency purchase of this parcel, saying that the combined land and building costs will prove too costly for the area and doubted that residential investors would be interested.

**Action:** The Committee directed staff to provide more detailed information regarding the property, including an appraisal of the parcel, the size of the parcel, scenarios for use if purchased by the Agency, and the current uses and zoning of the surrounding properties. This item will be brought back for further consideration at a future meeting.

H. **Future Meetings.** The Committee agreed not to schedule a regular meeting in December.

I. **Business from the Floor.** Members of the public may address the Committee at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Committee cannot take any action at this meeting on requests made under this section of the agenda.

Alan Gair requested that the Committee direct staff to provide a breakdown of the expenses related to the Humboldt Road Burn Dump issue, especially those for consultants and the expenses related to their visits.

J. **Adjournment and Next Meeting.** The meeting adjourned at 10:45 a.m. The next meeting, to consider revisions to the Community Organization Funding process, is scheduled for December 3, 2003, at 1:00 p.m. in Conference Room No. 1. (Vice Mayor Jarvis will be the alternate for Councilmember Gruendl).

Annalisa Dillard, Administrative Analyst

Distribution: City Council/Finance Director/Budget Officer/Housing Officer/Community Development Director/Director of Public Works Park Director/Assistant Community Development Director/Economic Development-Housing Specialist/Management Analyst ES/Assistant Director of Public Works O&M
1. CONSIDERATION OF REVISIONS TO THE COMMUNITY ORGANIZATION FUNDING PROCESS

At its 10/22/03 meeting, the Finance Committee continued its consideration of revisions to the community organization funding process to this date and requested that staff return with additional information regarding a definition of “essential services,” a possible tiered system of support, duplication of services, cost-saving or time-saving measures for the program, and review and funding of new applicant requests. Additionally, the Committee requested that staff meet with community organization representatives to discuss the application form and funding process. The Committee was provided with a memorandum dated 11/24/03 from the Housing/Economic Development Specialist Burkland and Management Analyst Carroll which provide the requested information and set out the following staff recommendations regarding revisions to the community organization funding program:

A. Adopt proposed criteria for evaluation of new applicants to guide staff in recommendations to the Finance Committee.

B. Approve minor revisions to the funding application which would consolidate current information requested, allow submittal of budget information in an alternate format, and add the following question which addresses the applicant’s provision of essential services (those services which directly assist in the delivery of City services or which might otherwise be provided by the City).

ESSENTIAL SERVICES: Does your organization provide essential services (services which otherwise the City might directly provide or services which directly assist in the delivery of City services)? Please explain.

C. Approve further investigation of third party administration of all or parts of the program, with a recommendation to come back to the Committee prior to FY 05-06 cycle.

D. Authorize staff to reject late applications.

In response to Vice Mayor Jarvis, Management Analyst (MA) Carroll said that if the funding process were contracted out and administered by a third party, City staff would still be involved in oversight and direction of any outsourcing of all or elements of the program. Housing/Economic Development Specialist Burkland added that a third party might be used to filter the applications to choose qualified organizations, to determine which new organizations should be given seed funding, or to administer the entire process.

If organizations do not provide an essential service, Vice Mayor Jarvis suggested that they be required to justify their request as part of the application. Chair Nguyen-Tan agreed, suggesting that the City set the criteria for an essential service and require organizations to state how they meet that criteria. He stressed that the requirement to meet essential service criteria is not set up to exclude, but as a level of analysis in light of future fiscal constraints. Vice Mayor Jarvis agreed that with funding cuts, proving a service to be not just important but essential would be valuable in evaluating the funding requests. There was Committee consensus to include an application question which would identify essential service providers under the narrower definition of essential services proposed by staff (services which otherwise the City might directly provide or services which directly assist City departments in the delivery of City services).
Vice Mayor Jarvis moved to approve staff recommendations three and four. Wahl seconded the motion, passed 3-0.

Vice Mayor Jarvis addressed the duplication of services, saying if the community can support more than one organization dedicated to the same service, the need must be greater than the City is funding. She suggested that if an organization provides a duplicate service, they be required in the application to clarify how they differ from the other services. In response to Tami Ritter, Executive Director of the Chico Community Shelter Partnership, Vice Mayor Jarvis said that this would not be limited to those receiving City funding but would include any service provided within the community. Councilmember Wahl felt since it is incumbent upon new organizations to sell themselves, it does not seem necessary to add this to the application. Ken Steidley, DO-IT Leisure, suggested that the question be phrased in such a way that it asks the organization to explain why it is unique. Councilmember Wahl said this assumes all organizations have knowledge of each other and Vice Mayor Jarvis agreed but added that there is an assumption that applicants would have investigated their competition prior to forming or requesting funding. MA Carroll suggested that staff could assist by asking new applicants to address duplication of service as part of the analysis of new applications.

Regarding criteria for new applicants, Chair Nguyen-Tan suggested that a requirement for a functioning Board of Directors or Advisors be added, saying this would help determine growth potential and capacity building. He felt it would be helpful to know the formal involvement of the individuals behind the organization. Vice Mayor Jarvis suggested that the City require one member of the board to accompany the director to the funding orientation meeting. Councilmember Wahl suggested a standardized business plan format be provided to all applicants so they are all filled out in the same fashion. Vice Mayor Jarvis suggested that participation in a training session with a mentor organization be built into the qualifying process. There was Committee consensus to recommend the criteria for new applicants, with the addition of a requirement that new applicants provide a list of the Board of Directors or Board of Advisors with the application.

There was further general discussion of duplication of services and the definition of essential services. Dana Campbell, Parent Education Network, asked if organizations would be provided with a list of City services to assist in the essential services determination.

No action was taken on changing the acceptable application format for submitting budget information. Vice Mayor Jarvis indicated that agencies may provide additional agency level budget information in an alternate format, but budget information regarding the City funding request should be presented as set forth in the current application.

Following a request from Management Analyst Carroll to summarize the recommendations, the Committee’s recommendations were as follows:

A. Adopt proposed criteria for evaluation of new applicants to guide staff in recommendations to the Finance Committee, with addition of a requirement that new applicants submit a list of the Board of Directors or Board of Advisors guiding the organization. (Consensus recommendation)

B. Approve minor revisions to the funding application which would consolidate current information requested, allow submittal of budget information in an alternate format for agency level information only, and add a question to the application which addresses the applicant’s provision of essential services (those services which directly assist in the delivery of City services or which might otherwise be provided by the City). (Consensus recommendation)

C. Approve further investigation of third party administration of all or parts of the program, with a recommendation to come back to the Committee prior to FY 05-06 cycle. (Motion by Jarvis, 3-0 approval)

D. Authorize staff to reject late applications. (Motion by Jarvis, 3-0 approval)

2. **Adjournment and Next Meeting.** The meeting adjourned at 1:58 p.m. The next Finance Committee meeting is scheduled for Wednesday, December 10, 2003, at 8:00 a.m. in Conference Room 1.
CITY OF CHICO MEMORANDUM

TO: CITY COUNCIL (Mtg. of 1/6/04)  
FROM: FINANCE COMMITTEE  
DATE: December 12, 2003  
FILE: Committee Binder  

RE: REPORT ON FINANCE COMMITTEE MEETING HELD DECEMBER 10, 2003

Committee present:  
Chair Nguyen-Tan  
Councilmember Gruendl  
Councilmember Wahl

Staff present:  
City Manager Lando  
Assistant City Manager Dunlap  
City Attorney Frank  
Park Director Beardsley  
Community Development Director Baptiste

Asst. Community Dev. Director Sellers  
Director of Public Works McKinley  
Finance Director Martin  
Budget Officer Pierce  
Administrative Analyst Dillard

COMMITTEE ITEM REQUIRING COUNCIL ACTION ON 1/6/04:

A. Discussion of Park Development Financing Options. At its meeting held 10/22/03, the Finance Committee discussed methods to finance maintenance of City parks and that portion of park development costs that is not funded through development impact fees. The Committee requested an analysis of the costs for general obligation bonds and a special parcel tax if the costs were to be spread to all properties within the Chico Area Recreation and Park District (CARD) boundaries, and scheduled today’s meeting for a continued discussion of this issue. Suzanne Harrell, the City’s financial advisor, was in attendance at today’s meeting to answer questions regarding the bond options.

The Committee also requested maintenance costs for the entire park system, the estimated costs to complete park facilities based on Council assumptions approved on 7/15/03, and information regarding the roles and responsibilities of Chico Area Recreation and Park District and the City in connection with existing and future parks. The Committee was provided with the following documents:

1. Memorandum from the Assistant City Manager dated 12/03/03, providing the requested additional financial analysis information on bond options, and the estimated costs to complete park facilities based on Council assumptions approved on 07/15/03.


3. Letter from Mary Cahill, General Manager of CARD, outlining the discussion of the CARD Board regarding the operation and maintenance of parks.

4. Memorandum from the Assistant City Manager dated 10/15/03 outlining financing options (previously provided to the Committee on 10/22/03).

The City’s Financial Advisor, Suzanne Harrell, explained that all funding options, except increasing the Transient Occupancy Tax (TOT), would require a tax on property and a 2/3 majority vote. She indicated that including the CARD boundaries would double the City’s tax base and if Mello Roos districts were formed, properties within those districts could be taxed differently.

In response to Councilmember Gruendl, Ms. Harrell said the Council may decide to differentiate between properties, and assess parcels based on dwelling units. This way, if there are multiple units on a parcel, each unit is taxed and the parcel is not assessed in the same manner as is a single family home. Ms. Harrell said the City Council should first decide if it wanted to differentiate between properties and then decide on the split.

Tim Youmans, Economic and Planning Systems (EPS) consultant, said the tax can be per class of land use, one for single family and one for multi-family as a per unit tax, not a per parcel tax. He added that if a Mello Roos formula is implemented, the City would write the rules of the tax formula and add the desired exemptions. This special tax approach would also require the approval of 2/3 of the registered voters. He strongly recommended that a survey be done to determine what the registered voters, not the park advocates, would be likely to approve at a 2/3 majority vote, targeting the measure to that 2/3 majority, and heavily highlighting the key components.
Chair Nguyen-Tan recommended sequencing the events of a bond measure if pursued. Suzanne Harrell agreed and suggested hiring an election consultant to identify what would persuade the stakeholders in the community to vote in favor of the bond. The process would involve the selection of an election ballot, boundary setting, adoption of a financing policy for the districts, and formation of the districts - which usually takes approximately six months.

Tim Youmans suggested adding a public education component highlighting the features and benefits of the parks to build up support, and then forming groups to help drive the election campaign. Jason Bougie, Building Industry Association (BIA) suggested a community-wide, “Go Use the Parks” campaign to encourage residents to get interested, involved, and informed, before going to the polls. Fred Brooks spoke in favor of a public campaign and suggested it highlight the benefits of the parks, especially to the rural voters.

Tim Youmans stated that a campaign strategy can be built around the values of the community with acceptable exemptions built in, such as for seniors and low income households, suggesting this would require less of a “sell”. City Manager Lando stated in a community such as Chico, an initial recommendation from an independent group, established before engaging a consultant, would be more readily accepted. He indicated that it would take several years to arrive at a vote because the process is lengthy if it is done correctly. John Merz interjected that a special election should be avoided, and this issue should be timed for the regular November election. City Manager Lando disagreed, saying that given the current budget situation, park issues may not be prioritized by voters at this time. Voters may be more concerned with the potential loss of City services and jobs.

John Merz supported the increase in the TOT but also suggested the alternative of a phased in bond with the tax based on the amount borrowed. He added that the cost could be kept low if funds were borrowed in small increments. Tim Youmans agreed that it is a good idea to stage this approach, requesting full authorization but issuing the bonds over a period of time. Suzanne Harrell added that the amount borrowed is limited to what can be expected to be spent within 3 years, and the City would be able to structure debt service on the bond to grow over the years, thereby minimizing the initial impact.

Andy Holcombe spoke in favor of including all special facilities in the bond and City Manager Lando agreed, saying that it is often necessary to increase the bond amount in order to get the full support of the community, especially from the many recreational organizations in Chico which would directly benefit.

Park Director Beardsley said that the total bill for completion of the parks, with all special facilities included, is $26.7 million.

Suzanne Harrell said it would be much more difficult for the City to fund capital facilities with TOT funds because it would have to pledge its own assets to secure the lease payments. Also, because there is no secured source of revenue, the General Fund is put at risk to guarantee bond payments. Therefore, the TOT would be better used for maintenance.

Councilmember Gruendl stated that he would assume the majority of the voters in the outlying rural areas would vote no on a bond measure, because at face value it does not seem fair. Tim Youmans responded that a general obligation bond has jurisdictional boundaries but a Mello Roos district allows the City to draw the boundaries.

City Manager Lando said at the time bonds were issued, the matching development impact fee funds might not be available. There would need to be a method to ensure that new development would not be assessed twice for improvement costs through both development impact fees and a bond assessment.

John Merz spoke in favor of pushing the issue of the increase in the TOT to the March or November ballot, saying it is a first step that should be taken now. City Manager Lando stated that this may be premature without a consultant on board because there will be many other tax issues coming before the voters in 2004.

John Blacklock, Chico Chamber of Commerce, supported the formation of a community coalition but expressed concern with moving too quickly, stating that he believed voters would be better motivated for one election, not two.
Tim Youmans recommended that the Council be asked to consider the tax base for Mello Roos districts and the staging of bond sales with assumptions. He suggested the formation of the community group first, then hiring a consultant to study the profile of the registered voters.

Councilmember Gruendl moved to recommend that the City Council consider forming a citizen’s group to discuss these funding options and issues, as well as any others identified by the Council. He suggested that the City Council and CARD determine membership of the group, and Council or the Finance Committee work with CARD in defining the focus of the group. The motion was seconded by Councilmember Wahl. Chair Nguyen-Tan requested an amendment to the motion which was to direct staff to research and compile a list of potential election consultants. The amendment was accepted.

Councilmember Gruendl indicated that the City Council would need a recommendation from the Citizen’s Committee by April, 2004 in order to make the November ballot and requested staff to provide the Committee with an outline of the ballot process.

Councilmember Gruendl said that the size of the Committee would be determined by the Council, and he will suggest that there be one representative for each elected official as well as a random selection of registered voters within the bond area. Chair Nguyen-Tan stressed that the committee must be opened to the general public.

In order to eliminate a possible gap of information and direction, Mary Cahill suggested retaining EPS until an election consultant is hired. Chair Nguyen-Tan agreed, suggesting the end of January as a target date for scheduling a presentation from City staff, CARD and EPS defining the focus of the community group. He added that staff should determine what to include in the presentation. City Manager Lando confirmed that this timing is possible, but the item must first go before Council for majority agreement on committee members. He added that Council may delegate its authority elsewhere, perhaps by referring this item back to the Finance Committee.

In regard to Mary Cahill’s letter outlining the discussion of the CARD Board regarding the operation and maintenance of parks, the Committee and City Manager were in agreement with the roles and responsibilities as outlined on the first page, but felt that those on the second page needed clarification and were subject to discussion. Chair Nguyen-Tan said he was confident that these discrepancies could be worked out between City staff and CARD without Committee guidance or direction.

**Recommendation:** The Committee recommended (3-0) that a citizen’s group be formed to discuss bond options and possible formation of Mello Roos districts, as well as any other funding options the City Council may identify. If approved, the City Council and the Chico Area Recreation and Park District (CARD) will determine membership of the citizen’s group and its focus. The Committee directed staff to draft an outline of the ballot process and to begin compiling a list of qualified election consultants.

B. **Business from the Floor.** No items.

C. **Adjournment and Next Meeting.** The meeting adjourned at 10:00 a.m. The next meeting is scheduled for January 28, 2004, at 8:00 a.m. in Conference Room No. 1.

Annalisa Dillard, Administrative Analyst