

CITY MANAGER'S/STAFF'S REPORT
REGULAR CITY COUNCIL MEETING DATE:

June 10, 2019

ITEM NO: 1

SUBJECT: Discussion and direction regarding the proposed rate increase by the Selma Kingsburg Fowler County Sanitation District

DISCUSSION: Selma Kingsburg Fowler County Sanitation District ("SKF") is proposing a rate increase of 17.5% over a five-year term. According to SKF, this would be a rate of approximately 3.5% per year with five annual increases of \$1.21 per month starting in 2020. As proposed, by fiscal year 2024, a Selma residential customer would be paying an additional \$14.55 per month, bringing the annual amount to \$466.40.

According to the power point that SKF General Manager Ben Munoz presented to Council on June 3, 2019, the objective for the revenue adjustment is to ensure revenue sufficiency, citing that current revenues are not sufficient for capital project and reserve funding.

Staff is requesting Council direct the City Manager to draft a letter to SKF conveying the City's support/opposition to the rate increase, and that the letter is included in the record.

RECOMMENDATION: Provide Direction to Staff



Teresa Gallavan, City Manager

6-7-19

Date

SELMA-KINGSBURG-FOWLER COUNTY SANITATION DISTRICT

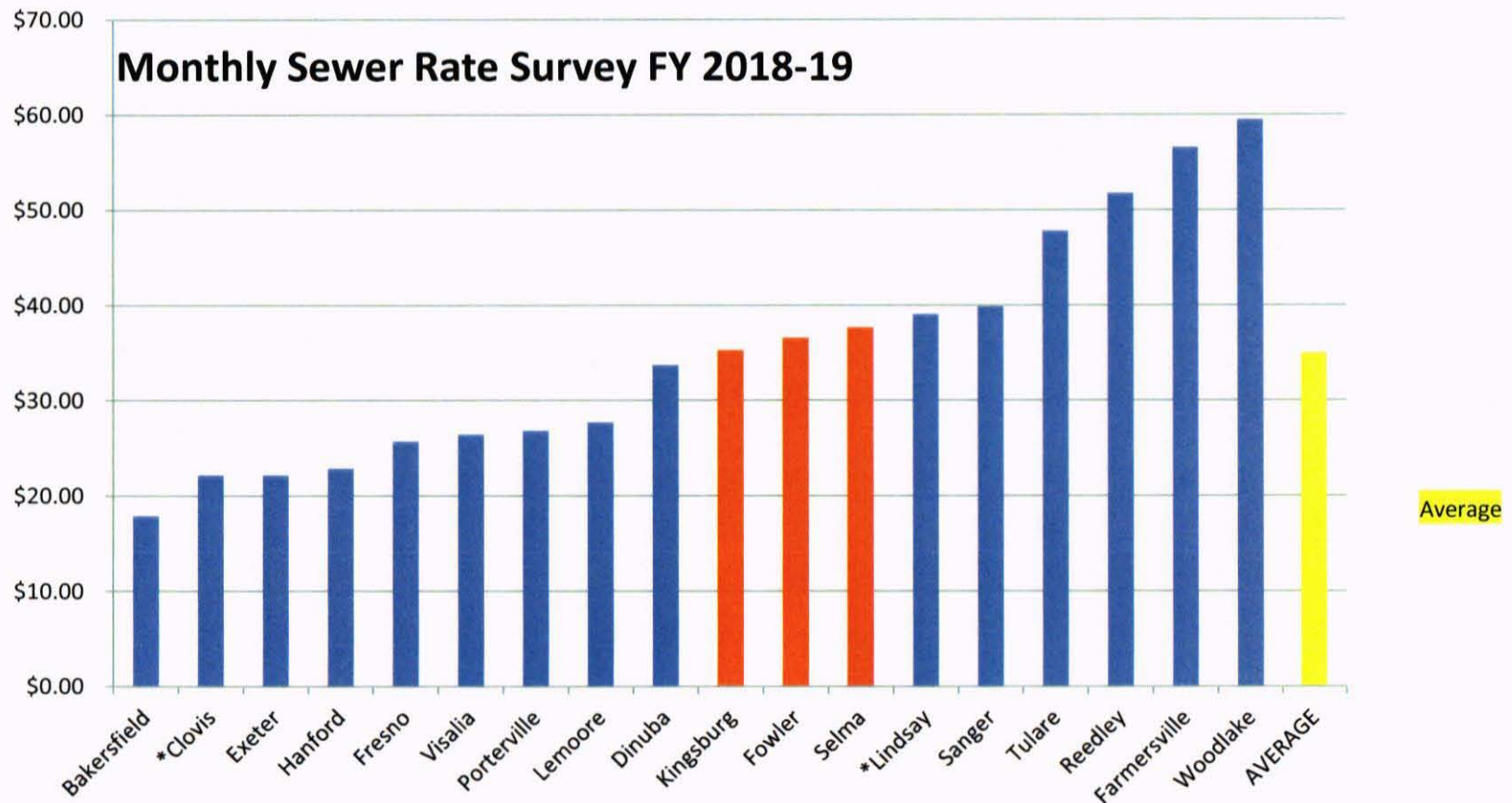
Wastewater Rates

Presented By: Ben Muñoz, Jr., General Manager
June 3, 2019

S-K-F CSD CURRENT RATES

Operation and Maintenance Service Charge	\$313.56 per year
District Refurbishment and Replacement	<u>\$73.29 per year</u>
Sub-Total	\$386.85 per year
Selma Refurbishment and Replacement	\$65.00 per year
Kingsburg Refurbishment and Replacement	\$36.00 per year
Fowler Refurbishment and Replacement	\$52.00 per year
Selma Total Annual Sewer Service Charge	\$451.85 per year
Kingsburg Total Annual Sewer Service Charge	\$422.85 per year
Fowler Total Annual Sewer Service Charge	\$438.85 per year

RATE SURVEY



RATE SURVEY

<i>City or District</i>	<i>Current Sewer \$/Month</i>	<i>Effective Date</i>
Bakersfield	\$17.92	
Exeter	\$22.18	1-Jan-18
Hanford	\$22.90	
Fresno	\$25.75	1-Jul-18
Visalia	\$26.45	
Porterville	\$26.87	
Lemoore	\$27.70	
Selma	\$37.65	1-Jul-18
Kingsburg	\$35.24	1-Jul-18
Fowler	\$36.58	1-Jul-18
Clovis*	\$24.00	
Dinuba	\$33.70	1-Jul-18
Lindsay**	\$39.09	1-Jan-17
Sanger	\$39.86	
Tulare	\$47.83	1-Oct-18
Reedley	\$51.80	1-May-17
Farmersville	\$56.61	1-May-17
Woodlake	\$59.50	1-Jul-18
MINIMUM	\$17.92	
MAXIMUM	\$59.50	
AVERAGE	\$35.09	

*Clovis Sewer Bond Charge Rebate of \$5.48/month

**Lindsay includes a 6% monthly Utility Charge

Revised 3/1/19

Recommendations – Revenue Adjustments

- » Objective: Ensure revenue sufficiency
- » Current revenues are not sufficient for capital project and reserve funding
- » Recommended revenue adjustment of 3.5% per year
 - Reflects annual increase in O&M expenses
 - Funds all District CIP through PAYGO
 - Builds District reserve balances over five-year period

Proposed Rates

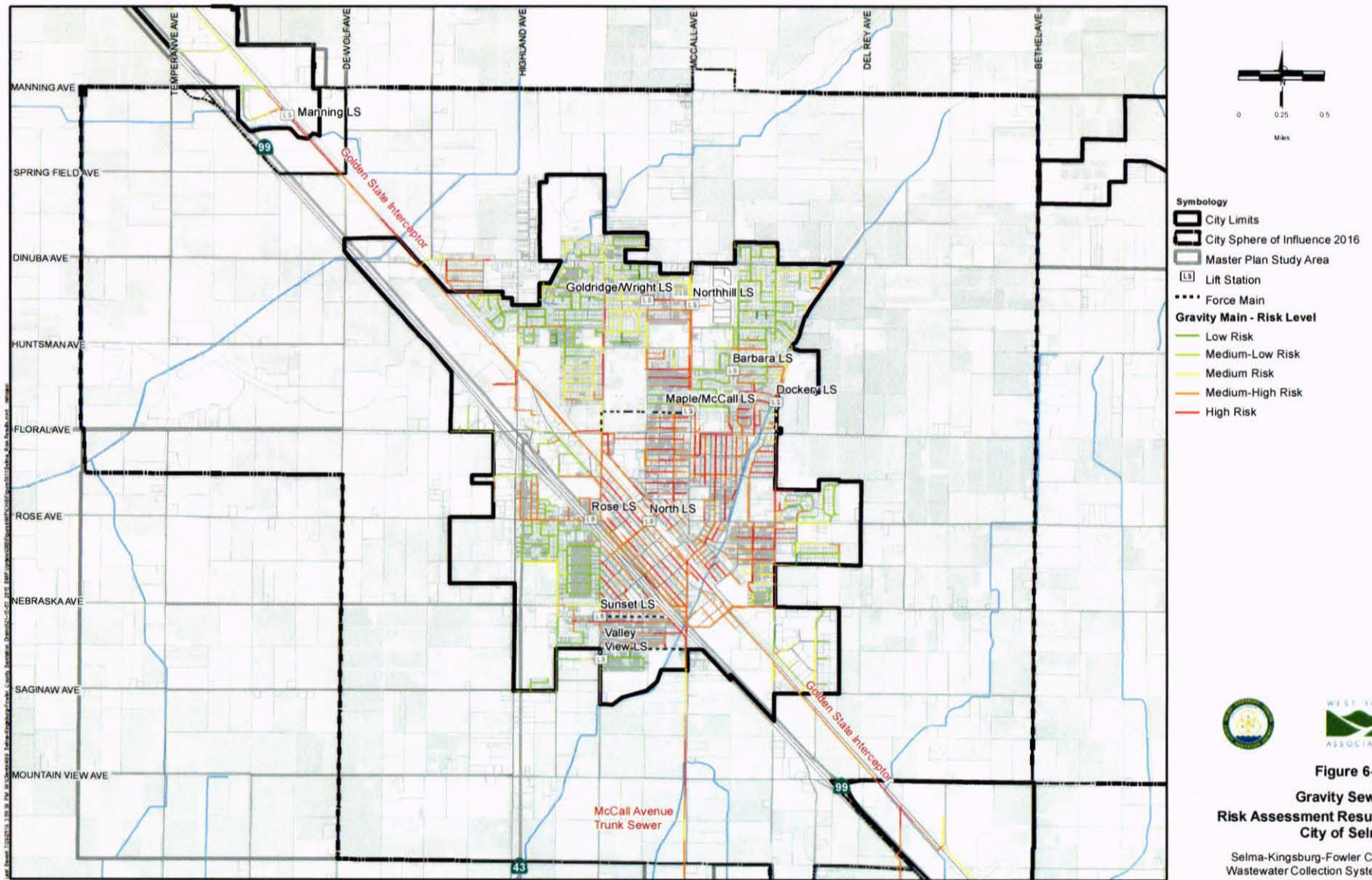
	Current FY 2019	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024
Revenue Adjustment		3.5%	3.5%	3.5%	3.5%	3.5%
District Service Charges						
O&M Service Charge (\$/ESFR)	\$313.56	\$324.54	\$335.90	\$347.66	\$359.83	\$372.43
District R&R (\$/ESFR)	\$73.29	\$75.86	\$78.52	\$81.27	\$84.12	\$87.07
Cities' R&R Charge (All Customers)						
Selma R&R (\$/ESFR)	\$65.00	\$66.00	\$68.00	\$70.00	\$72.00	\$74.00
Kingsburg R&R (\$/ESFR)	\$36.00	\$36.00	\$36.00	\$38.00	\$38.00	\$40.00
Fowler R&R	\$52.00	\$52.00	\$52.00	\$54.00	\$54.00	\$56.00

Monthly Impacts by City

	Current Charge	Proposed Charge	Difference	Monthly Impact
Residential Customers*				
Selma	\$451.85	\$466.40	\$14.55	\$1.21
Kingsburg	\$422.85	\$436.40	\$13.55	\$1.13
Fowler	\$438.85	\$452.40	\$13.55	\$1.13

**Charges include District O&M, District R&R, and respective City R&R charges*

Selma Refurbishment and Replacement Funds/Risk Assessment



QUESTIONS

City of Selma

Budget Workshop

Fiscal Year 2019-20

June 10, 2019



Budget Workshop

Fiscal Year 2019-20

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Requested Budget Fiscal Year 2019-20
General Fund Department Summary

	Actual FY 2017-18	Adopted FY 2018-19	Requested FY 2019-20
Revenues			
0000 DEPT. 0000	13,204,524	11,812,540	13,870,656
1100 CITY COUNCIL	-	-	-
1200 CITY ATTORNEY	156	-	-
1300 CITY MANAGER	-	-	-
1400 HUMAN RESOURCES	-	-	-
1550 ECONOMIC DEVELOPMENT	290	-	500
1600 FINANCE - GENERAL ACCOUNTING	10,286	13,150	11,150
1700 CITY CLERK	35	-	-
2100 POLICE SUPPORT	20,364	18,075	219,396
2200 POLICE FIELD OPERATIONS	725,912	861,981	822,893
2300 POLICE ADMINISTRATION	-	-	-
2500 FIRE ADMINISTRATION	22,535	24,300	3,650
2525 FIRE OPERATIONS	100,000	650,747	770,758
2550 FIRE PREVENTION	-	-	30,500
3100 PLANNING	150,774	65,850	69,179
3200 BUILDING INSPECTION	300,605	249,600	182,200
4100 RECREATION	13,056	9,450	11,250
4200 SENIOR CITIZENS - CITIZENS	30	250	250
4300 CULTURAL ARTS	25,202	15,000	28,000
4500 SENIOR CENTER - NUTRITION	18,672	8,300	6,500
4700 RECREATION-SPORTS	21,200	22,600	22,600
5100 PUBLIC WORKS-ENGINEERING	73,315	25,100	40,003
5300 PUBLIC WORKS-PARKS	31,015	31,000	31,000
9900 GENERAL-NON DEPARTMENT	-	-	-
	14,717,971	13,807,943	16,120,485
Expenditures			
0000 DEPT. 0000	247,860	112,500	107,500
1100 CITY COUNCIL	103,112	142,171	150,916
1200 CITY ATTORNEY	84,447	120,000	180,000
1300 CITY MANAGER	191,664	245,526	318,083
1400 HUMAN RESOURCES	165,969	205,112	325,521
1550 ECONOMIC DEVELOPMENT	96,334	-	144,723
1600 FINANCE - GENERAL ACCOUNTING	625,901	703,830	672,797
1700 CITY CLERK	138,864	232,065	292,774
2100 POLICE SUPPORT	1,781,953	1,927,865	2,253,491
2200 POLICE FIELD OPERATIONS	3,899,648	3,739,565	4,194,933
2300 POLICE ADMINISTRATION	198,953	201,664	280,221
2500 FIRE ADMINISTRATION	472,342	478,092	439,980
2525 FIRE OPERATIONS	2,915,702	2,718,180	2,935,398
2550 FIRE PREVENTION	80,221	50,734	206,494
3100 PLANNING	183,141	230,706	587,838
3200 BUILDING INSPECTION	280,400	321,934	352,000
4100 RECREATION	263,506	344,130	341,684
4200 SENIOR CITIZENS - CITIZENS	73,950	71,028	72,674
4300 CULTURAL ARTS	90,167	88,670	110,018
4500 SENIOR CENTER - NUTRITION	56,903	75,938	99,915
4700 RECREATION-SPORTS	48,357	56,396	67,768
5100 PUBLIC WORKS-ENGINEERING	266,573	232,537	197,750
5300 PUBLIC WORKS-PARKS	686,642	751,057	974,006
9900 GENERAL-NON DEPARTMENT	1,467,023	758,243	814,001
	14,419,632	13,807,943	16,120,485
Net Gain/Loss			-

City of Selma

Measure S



Requested Budget Fiscal Year 2019-20**Fund: 295 - MEASURE "S"**

	FY 2017-18 Actual	FY 2018-19 Budget	FY 2019-20 Requested
Fund: 295 - MEASURE "S"			
Revenues			
Dept: 0000	1,784,376	1,691,875	1,827,296
Total Revenues	1,784,376	1,691,875	1,827,296
Expenditures			
Dept: 0000	1,265,083	1,200,000	1,417,451
POLICE SUPPORT	202,054	211,010	84,712
POLICE FIELD OPERATIONS	102,027	210,873	232,481
FIRE ADMINISTRATION	15,052	77,534	23,500
FIRE OPERATIONS	5,903	15,000	15,000
Total Expenditures	1,590,119	1,714,417	1,773,144
Grand Total:	194,257	-22,542	54,152

Revenue Allocation Calculation

Projected Measure "S" Revenues:	1,827,296
Held in Fund:	(54,152)
Available:	1,773,144

Allocation by Department

	Police 60%	Fire 40%	Total
Revenues Available:	1,063,886	709,258	1,773,144
Expensed within Fund 295:	(317,193)	(38,500)	(355,693)
Supplement to General Fund:	746,693	670,758	1,417,451

City of Selma

Enterprise Funds



Requested Budget Fiscal Year 2019-20
All Enterprise Funds

	FY 2017-18 Actual	FY 2018-19 Budget	FY 2019-20 Requested
Fund: 600 - AMBULANCE SERVICE			
Revenues			
AMBULANCE	4,869,904	3,190,361	4,192,000
Total Revenues	4,893,149	3,190,361	4,192,000
Expenditures			
FINANCE - GENERAL ACCOUNTING	38,540	22,057	54,005
FIRE ADMINISTRATION	0	35,190	42,177
FIRE OPERATIONS	0	368,724	331,561
AMBULANCE	2,292,433	2,645,259	2,959,631
Total Expenditures	2,330,973	3,071,230	3,387,374
AMBULANCE SERVICE GRAND TOTAL:	2,562,176	119,131	804,626

	FY 2017-18 Actual	FY 2018-19 Budget	FY 2019-20 Requested
Fund: 601 - PIONEER VILLAGE			
Revenues			
RECREATION	44,152	38,000	45,000
Total Revenues	44,152	38,000	45,000
Expenditures			
RECREATION	74,775	111,307	89,478
Total Expenditures	74,775	111,307	89,478
PIONEER VILLAGE GRAND TOTAL:	-30,623	-73,307	-44,478

Requested Budget Fiscal Year 2019-20
All Enterprise Funds

	FY 2017-18 Actual	FY 2018-19 Budget	FY 2019-20 Requested
Fund: 603 - TRANSIT SERVICE			
Revenues			
TRANSIT SERVICE	0	0	1,106,051
Total Revenues	0	0	1,106,051
Expenditures			
TRANSIT SERVICE	0	0	952,189
Total Expenditures	0	0	952,189
TRANSIT SERVICE GRAND TOTAL	0	0	153,862
	FY 2017-18 Actual	FY 2018-19 Budget	FY 2019-20 Requested
Fund: 604 - GARBAGE SERVICE			
Revenues			
GENERAL-NON DEPARTMENT	1,357,082	1,358,906	1,406,164
Total Revenues	1,357,248	1,358,906	1,406,164
Expenditures			
GENERAL-NON DEPARTMENT	1,361,841	1,358,036	1,405,009
Total Expenditures	1,361,841	1,358,036	1,405,009
GARBAGE SERVICE GRAND TOTAL	-4,593	870	1,155
	FY 2017-18 Actual	FY 2018-19 Budget	FY 2019-20 Requested
Fund: 605 - CULTURAL ARTS			
Revenues			
CULTURAL ARTS	189,182	123,000	133,700
Total Revenues	189,182	123,000	133,700
Expenditures			
CULTURAL ARTS	188,848	147,490	155,124
Total Expenditures	188,848	147,490	155,124
CULTURAL ARTS GRAND TOTAL	334	-24,490	-21,424

City of Selma

Other Fund Balances



Other Funds Reserve/Balances as of June 7, 2019

	Balances	Function	Projects
Fund: 111 - EQUIPMENT REPLACEMENT			
Total Reserves/Balances	456,780.99		Replace Street Sweeper/Donations
Fund: 201 - TRAFFIC SAFETY			
Total Reserves/Balances	6,783.61	Transfer to General	
Fund: 202 - SUCCESSOR AGENCY ADMIN			
Total Reserves/Balances	-55,426.56		Labor billed to Successor
Fund: 204 - PUBLIC SAFETY FUND			
Total Reserves/Balances	48,741.71	Transfer to General	
Fund: 206 - SIDEWALK REPAIR FUNDS			
Total Reserves/Balances	22,968.78		Revolve fund for Citizen Sidewalk Program
Fund: 209 - AB 1913 GRANT			
Total Reserves/Balances	100,079.74	Restricted	Used for Police labor and equipment
Fund: 210 - STREET-CONST & MNTC			
Total Reserves/Balances	-553,143.66	Restricted	Streets repair and maintain program
Fund: 211 - GAS TAX			
Total Reserves/Balances	943,223.57	Restricted	Funds restricted for streets repair
Fund: 212 - ROAD MAINTENANCE AND REHAB			
Total Reserves/Balances	485,923.16	Restricted	Funds restricted for streets repair
Fund: 213 - LTF			
Total Reserves/Balances	3,201,586.59	Restricted	Funds restricted for streets repair
Fund: 214 - MEASURE "C"			
Total Reserves/Balances	944,742.55	Restricted	Funds restricted for streets repair
Fund: 217 - CID GROUNDWATER SURCHARGE			
Total Reserves/Balances	548,263.40	Restricted	Payment to CID and used for water recharge
Fund: 218 - CFD 2006-1 VINEYARD ESTATES			
Total Reserves/Balances	52,299.16	Restricted	Funds available for Safety only
Fund: 220 - LANDSCAPE & LIGHTING ASSMT			
Total Reserves/Balances	3,895.55	Restricted	Special LLMD Districts
Fund: 228 - ABANDONED VEHICLE ABATEMENT			
Total Reserves/Balances	4,770.83	Restricted	Police vehicle abatement
Fund: 230 - CDBG GRANT			
Total Reserves/Balances	-91,120.72	Restricted	Grant fund
Fund: 231 - REG SAFE TRANS PROG (RSTP)			
Total Reserves/Balances	-1,322.71	Restricted	Grant fund
Fund: 232 - RECYCLING GRANT			
Total Reserves/Balances	17,744.39	Restricted	Grant fund
Fund: 244 - ABC GRANT			
Total Reserves/Balances	-3,161.27	Restricted	Grant fund
Fund: 245 - HSIP GRANT			
Total Reserves/Balances	-50,514.02	Restricted	Grant fund
Fund: 248 - SMALL BUSINESS SUPPORT CENTER			
Total Reserves/Balances	605.20	Restricted	
Fund: 256 - ATP PLANNING GRANT			
Total Reserves/Balances	27,700.00	Restricted	Grant fund
Fund: 258 - ATP 17-089			
Total Reserves/Balances	-169,764.46	Restricted	Grant fund

Other Funds Reserve/Balances as of June 7, 2019

	Balances	Function	Projects
Fund: 260 - FORECLOSED HOMES PROJECT			
Total Reserves/Balances	30,938.14	Restricted	Fund used to abate properties
Fund: 262 - SPORTS HALL OF FAME			
Total Reserves/Balances	3,350.44	Restricted	
Fund: 269 - ACT PROGRAM			
Total Reserves/Balances	-14,234.97	Restricted	Adult Compliance Team
Fund: 270 - SELMA ACTIVITIES LEAGUE			
Total Reserves/Balances	15,630.00	Restricted	Kaiser Grant
Fund: 271 - HOUSING RELATED PARKS PROGRAM			
Total Reserves/Balances	1,910.51	Restricted	Parks Grant
Fund: 295 - MEASURE "S"			
Total Reserves/Balances	1,786,805.39	Restricted	Safety Sale Tax Measure
Fund: 350 - ASSMT 91-2 HIGHLAND-DEBT SERV			
Total Reserves/Balances	86,845.55	Restricted	Assessment Districts
Fund: 351 - ASSMT 92-1 DANCER II-DEBT SER			
Total Reserves/Balances	24,214.93	Restricted	Assessment Districts
Fund: 352 - ASSMT 92-1 SUPP-DANCER III D/S			
Total Reserves/Balances	23,182.75	Restricted	Assessment Districts
Fund: 353 - ASSMT 91-2 SUPP-WATERMAIN D/S			
Total Reserves/Balances	12,596.81	Restricted	Assessment Districts
Fund: 356 - ASSMT 93-1 VINEYARD DEBT SER			
Total Reserves/Balances	47,944.69	Restricted	Assessment Districts
Fund: 360 - 2017 PD STATION DEBT SERVICES			
Total Reserves/Balances	314,429.16	Restricted	Police station project
Fund: 391 - GEN D/S - SUCCESSOR AGENCY-			
Total Reserves/Balances	-5,537,229.76	Restricted	
Fund: 401 - DEV IMP -STREETS & TRAFFIC			
Total Reserves/Balances	1,355,493.04	Restricted	Development Impact Fees
Fund: 402 - DEV IMP -POLICE FACILITIES			
Total Reserves/Balances	-16,041.45	Restricted	Development Impact Fees
Fund: 403 - DEV IMP -FIRE FACILITIES			
Total Reserves/Balances	-15,118.19	Restricted	Development Impact Fees
Fund: 404 - DEV IMP -CITY FACILITIES			
Total Reserves/Balances	347,814.40	Restricted	Development Impact Fees
Fund: 405 - DEV IMP- STORM DRAIN			
Total Reserves/Balances	113,564.44	Restricted	Development Impact Fees
Fund: 406 - DEV IMP -SEWER			
Total Reserves/Balances	641,478.47	Restricted	Development Impact Fees
Fund: 407 - DEV IMP -PARKS & RECREATION			
Total Reserves/Balances	612,463.32	Restricted	Development Impact Fees
Fund: 408 - LONG RANGE PLANNING			
Total Reserves/Balances	326,397.01	Restricted	Development Impact Fees
Fund: 409 - DEV IMP -PUBLIC USE FACILITIES			
Total Reserves/Balances	67,234.87	Restricted	Development Impact Fees
Fund: 410 - DEV IMP -WASTE WATER COLL.			
Total Reserves/Balances	39,334.89	Restricted	Development Impact Fees

Other Funds Reserve/Balances as of June 7, 2019

	Balances	Function	Projects
Fund: 411 - DEV IMP -PUBLIC FACILITIES			
Total Reserves/Balances	41,132.49	Restricted	Development Impact Fees
Fund: 412 - DEV IMP -OPEN SPACE ACQUISIT.			
Total Reserves/Balances	5,114.40	Restricted	Development Impact Fees
Fund: 435 - CITY HALL CONSTRUCTION			
Total Reserves/Balances	19,763.92	Restricted	
Fund: 446 - AMBERWOOD PROJECT			
Total Reserves/Balances	25,336.23	Restricted	Project development fund
Fund: 447 - TUTELIAN PROJECT			
Total Reserves/Balances	-8,316.69	Restricted	Project development fund
Fund: 448 - SELMA CROSSING PROJECT			
Total Reserves/Balances	-3,704.24	Restricted	Project development fund
Fund: 453 - CALTRANS-MITIGATION			
Total Reserves/Balances	212,233.93	Restricted	Caltrans mitigation fund
Fund: 456 - CAPITAL PROJECTS-PARKS			
Total Reserves/Balances	153,389.01	Restricted	TOT capital project fund
Fund: 457 - POLICE STATION CONSTRUCTION			
Total Reserves/Balances	3,267,150.78	Restricted	Police station project fund
Fund: 458 - 2017 GO BOND PD STATION			
Total Reserves/Balances	3,943,384.35	Restricted	Police station project fund
Fund: 494 - HOUSING FUND			
Total Reserves/Balances	1,219,364.24	Restricted	Redevelopment fund
Fund: 600 - AMBULANCE SERVICE			
Total Reserves/Balances	7,078,711.65	Enterprise Fund	
Fund: 601 - PIONEER VILLAGE			
Total Reserves/Balances	96,114.93	Enterprise Fund	
Fund: 603 - TRANSIT SERVICE			
Total Reserves/Balances	-152,642.29	Enterprise Fund	
Fund: 604 - GARBAGE SERVICE			
Total Reserves/Balances	241,670.57	Enterprise Fund	
Fund: 605 - CULTURAL ARTS			
Total Reserves/Balances	-1,318.09	Enterprise Fund	
Fund: 700 - INSURANCE			
Total Reserves/Balances	366,033.14	Internal Services Fund	
Fund: 701 - FLEET MANAGEMENT			
Total Reserves/Balances	275,956.07	Internal Services Fund	
Fund: 702 - BUILDING & UTILITY			
Total Reserves/Balances	179,182.13	Internal Services Fund	
Fund: 703 - GENERAL OVERHEAD			
Total Reserves/Balances	57,182.45	Internal Services Fund	
Fund: 704 - DATA PROCESSING			
Total Reserves/Balances	222,278.31	Internal Services Fund	