

Call to order: Chairman Brandon Pursell, Jr. called the meeting to order at 5:04pm.

Members present: Alma Colado, Alexander Henderson, Staci Smith and Chairman Brandon Pursell, Jr.

Member absent: None.

Public Comments: None.

**Approval of Minutes:** Member Smith motioned, seconded by Member Colado, to approve minutes from the April 24, 2023 Finance Committee Meeting as prepared by City Clerk Abigail Palsgaard. The motion passed with an unanimous voice vote.

### **FY24 Solid Waste and Street Sweeping Rate Discussion and Recommendation**

Public Works Director Daniel Galvez discussed the Prop 218 rate increase approved last year. The 1<sup>st</sup> increase was in September, and now the increase is scheduled for the start of the fiscal year. Staff is requesting 5.5% increase. Council Member Smith discussed about not paying back the deficit, correct? The Committee discussed inflation. Council Member Smith said your analysis came back about 4.9, would be nice to keep it closer to 5. Member Henderson said we can bring it back with updated numbers. Chairman Pursell, Jr. asked if we are over, does the money stay in the fund? Member Henderson said yes. Chairman Pursell, Jr is comfortable with 5.5, we can raise less next year if there is surplus. Member Henderson said council can raise it 0%-10%. Member Smith said we just hit our residents with higher rates with fixed income, we can raise it or lower it and make it up in future years if needed. Mr. Galvez said high fees can help with fines down the road. Member Smith said a half percent isn't a huge difference. Mr. Galvez reviewed the difference between 5% and 5.5%.

Member Henderson motioned, seconded by Member Smith, to recommend the 5.5% rate increase for solid waste to City Council. The motion passed with an unanimous voice vote

### **Community Facilities District Updates FY2023-2024 Community Facilities District Annual Levy Discussion**

City Manager Alexander Henderson presented that staff is seeking input for tax rates, especially those in tax zone 2 so we can let Tulare county know so it is equitable between neighbors. Looking for direction to take to council. Member Henderson said we don't spend all the money every year- we save some in a fund balance for road repairs. Member Smith asked Tulare will adopt what we set? Member Henderson said yes, it is in our MOU. Member Smith asked about the expenditures. Member Henderson said we are now starting to see the expenses coming in. Chairman Pursell asked what Member Colado's opinion. Member Colado said every year we have some landscaping and lighting go up 4%. Would like it consistent at 4% across the board. If it was 4.9 it would be beneficial for the budget, but would like it consistent. Assistant City Manager Christina Windover asked how the rate is made. Member Henderson said it is a percentage of the cost of an officer and other things. There is not a hard formula on how much time an officer patrols a neighborhood. Ms. Windover would like 4.9% due to not knowing how much costs will go up. Mr. Galvez would like 4.9% to have a healthy fund balance. Member Smith asked why the landscaping and lighting has not gone up at the same rate. Member Henderson said it was a landscaping and lighting in the 1990s and they just didn't write them that way to escalate. Member Smith asked if the money stay in the fund for these tracks? Member Colado said yes. Chairman Pursell, Jr. said 4.9% makes the most sense.

Member Smith motioned, seconded by Member Henderson, to recommend the 5.5% rate increase for the Community Facilities District Tax Zones 1 & 2 to City Council. The motion passed with an unanimous voice vote

**City Investments Returns for Quarter 1, 2023**

Finance Director Alma Colado presented that recently, the City Council authorized staff to explore investment options outside the traditional Local Agency Investment Fund (LAIF), specifically utilizing California CLASS, an investment program that is a California Joint Powers Authority (JPA) created pursuant to the California Joint Exercise of Powers Act and is governed by a Board of Trustees comprised of special district and city finance professionals. After approval, staff attempted to split investments equitably between the two pools in order to provide a side by side comparison of returns. Included in your packet are statements of each. California CLASS interest earned on investments for Quarter 1 is \$86,595.54 effective date 3/31/23. Local Agency Investment Fund (LAIF) interest earned on investments for Quarter 1 is \$53,683.54 effective date 4/14/23. The Committee discussed the good rate returns for California Class.

**Other Business:** None.

**Adjourn:** The meeting was adjourned to the next regular meeting at 5:43pm.

Submitted by:

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Abigail Palsgaard, City Clerk