

MINUTES
REGULAR MEETING OF THE CITY COUNCIL
CITY OF FULLERTON
AUGUST 17, 1999

4:00 P.M. SESSION

ROLL CALL: Flory, Jones, Bankhead, Norby, Sa

FLAG SALUTE: Councilmember Sa

COUNCIL NEW BUSINESS:

**(14) INFRASTRUCTURE DEFICIENCY REPORT AND
FINANCING OPTIONS**

0102-24

To consider the following actions:

- a) Create a special Infrastructure Advisory Committee to advise the City Council on the priority of local infrastructure needs and to make recommendations on the need for additional financial resources necessary to meet identified and prioritized needs; and

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- b) Direct the City Manager to bring back to the City Council for consideration a proposal for appointing the committee which includes a proposed structure of the committee, a detailed charge to direct the committee, criteria for the selection of members, and a proposed timeline for the committee's deliberations.

Agenda materials consisted of a report covering nine major deficient infrastructure categories within the city, specifically Arterial Streets, Residential Streets, Sidewalks, Curb & Gutters, Streetlights, Alleys, Parks, Public Facilities, Sewers and Storm Drains, and the Water System.

Subsequent to the discussion of the various deficiencies, a status report on an Infrastructure Funding Policy was presented, which identified the status of the following funding methods: creation and funding of a Facility Capital Repair Fund, use of energy savings to provide debt service on a lease/purchase agreement for funding upgrades to facility HVAC and lighting systems; use of a sanitation fee charged for water use for the Sewer and Drainage fund and other activities such as street sweeping, tree trimming and storm drain systems; application for state and federal funding for airport improvements; use of Redevelopment Agency and CDBG funds where appropriate for both area-specific and citywide infrastructure needs; use of savings from the Public Employees' Retirement System for one-time facility repairs and modernization; continued pursuit of regional, state, and federal grants for street, bikeway and park purposes; benefiting properties to fund alley improvements not qualified for Redevelopment or CDBG areas; and support of statewide legislation to make additional funding available for infrastructure. A previously proposed policy to allocate General Fund balance in excess of required reserves for capital outlays was not implemented due to uncertainties in sales and property tax growth.

The final portion of the agenda report addressed suggested options for funding infrastructure deficiencies in the amount of \$147.6 million which remains unfunded. Those options included extension of Redevelopment Project Areas beyond the current expiration date of 2004; allocation of increased General Fund revenues; and revenue raising methods such as assessment districts; general and special taxes; and municipal borrowing.

The report was reviewed by Director of Engineering Hodson and Director of Administrative Services Meyer, accompanied by a series of overheads (copy on file).

Items of Council discussion included deficiencies already funded via restricted funds; items to be funded through energy savings via new technology and anticipated future reductions in electric rates due to termination of the Competition Transition Charge currently levied on electric bills; exclusion of alley repairs from Measure M turnback and ISTEAF funds; formation of alley assessment districts by private citizens; potential savings by routing changes for trash collection trucks; various forms of bonds; tax overrides; and enterprise funds; structure of the sanitation fee; the State Infrastructure Bank's restriction on the use of its funds for public facilities related to economic development; and the composition of a proposed Infrastructure Advisory Committee.

Councilmember Bankhead supported formation of the proposed Infrastructure Advisory Committee and felt that a permanent funding source for Cities should be sought from the state.

Councilmember Jones expressed support for beginning the process of extending the Redevelopment Agency's ability to take property tax increment beyond the current expiration date.

Councilmember Norby also supported the use of redevelopment funds to address infrastructure deficiencies.

Mayor Flory supported formation of an Infrastructure Advisory Committee as a start, stating that community involvement and support will be essential to any attempts on the part of Council to deal with the magnitude of this issue; and suggested that staff be directed to bring back a proposal for establishment of the committee.

Councilmember Sa stated that all available options should be evaluated.

The matter was opened to public comment.

Marie Whaling, Fullerton, felt that the proposed Infrastructure Advisory Committee should be a broad-based, community-centered committee and that the public should be made more aware of the infrastructure deficiencies.

Ralph Baker, Fullerton, suggested the use of volunteers and the participation of the college, university and Chamber of Commerce to help to reduce the costs of infrastructure repair.

There were no further public comments.

No further action was taken.

ADJOURNMENT: The meeting ADJOURNED at 9:25 p.m.


Carol Wiech, Deputy City Clerk