



CITY *of* CLOVIS

AGENDA • CITY COUNCIL MEETING

Council Chamber, 1033 Fifth Street, Clovis, CA 93612 (559) 324-2060
www.cityofclovis.com

March 10, 2025

6:00 PM

Council Chamber

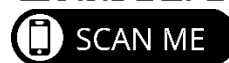
In compliance with the Americans with Disabilities Act, if you need special assistance to access the City Council Chamber to participate at this meeting, please contact the City Clerk or General Services Director at (559) 324-2060 (TTY – 711). Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the Council Chamber.

The Clovis City Council meetings are open to the public at the physical address listed above. There are numerous ways to participate in the City Council meetings: you are able to attend in person; you may submit written comments as described below; and you may view the meeting which is webcast and accessed at www.cityofclovis.com/agendas.

Written Comments

- Members of the public are encouraged to submit written comments at: www.cityofclovis.com/agendas at least two (2) hours before the meeting (4:00 p.m.). You will be prompted to provide:

- Council Meeting Date
- Item Number
- Name
- Email
- Comment



- Please submit a separate form for each item you are commenting on.
- A copy of your written comment will be provided to the City Council noting the item number. If you wish to make a verbal comment, please see instructions below.
- Please be aware that any written comments received that do not specify a particular agenda item will be marked for the general public comment portion of the agenda.
- If a written comment is received after 4:00 p.m. on the day of the meeting, efforts will be made to provide the comment to the City Council during the meeting. However, staff cannot guarantee that written comments received after 4:00 p.m. will be provided to City Council during the meeting. All written comments received prior to the end of the meeting will be made part of the record of proceedings.

CAMPAIGN CONTRIBUTION PROHIBITIONS AND MANDATORY DISCLOSURE – Pursuant to Government Code section 84308, a Councilmember shall not accept, solicit, or direct a campaign contribution of more than \$500 from any party or their agent, or from any participant or their agent, while a proceeding involving a license, permit, contract, or other entitlement for use is pending before the City or for 12 months after a final decision is rendered in that proceeding. Any Councilmember who has received a campaign contribution of more than \$500 within the preceding 12 months from a party or their agent, or from a participant or their agent, must disclose that fact on the record of the proceeding and shall not make, participate in making, or in any way attempt to use their official position to influence the decision.

Pursuant to Government Code section 84308, subdivision (e), any party to a covered proceeding before the City Council is required to disclose on the record of the proceeding any campaign contribution, including aggregated contributions, of more than \$500 made within the preceding 12 months by the party or their agent to any Councilmember. The disclosure shall be made as required by Government Code Section 84308, subdivision (e)(1) and California Code of Regulations, Title 2, section 18438.8. No party or their agent, and no participant or their agent, shall make a campaign contribution of more than \$500 to any Councilmember during the covered proceeding or for 12 months after a final decision is made in that proceeding. The foregoing statements do not constitute legal advice, and parties and participants are urged to consult with their own legal counsel regarding the applicable requirements of the law.

CALL TO ORDER

FLAG SALUTE - Councilmember Pearce

ROLL CALL

PRESENTATIONS/PROCLAMATIONS

1. Presentation of Proclamation declaring March as American Red Cross Month.

PUBLIC COMMENTS - This is an opportunity for the members of the public to address the City Council on any matter within the City Council's jurisdiction that is not listed on the Agenda. In order for everyone to be heard, please limit your comments to 3 minutes or less, or 10 minutes per topic. Anyone wishing to be placed on the Agenda for a specific topic should contact the City Manager's office and submit correspondence at least 10 days before the desired date of appearance.

CONSENT CALENDAR - Items considered routine in nature are to be placed upon the Consent Calendar. They will all be considered and voted upon in one vote as one item unless a Councilmember requests individual consideration. A Councilmember's vote in favor of the Consent Calendar is considered and recorded as a separate affirmative vote in favor of each action listed. Motions in favor of adoption of the Consent Calendar are deemed to include a motion to waive the reading of any ordinance or resolution on the Consent Calendar. For adoption of ordinances, only those that have received a unanimous vote upon introduction are considered Consent items.

2. Administration - Approval - Minutes from the March 4, 2025, Council Meeting,
3. Administration - Adopt - **Ord. 25-02**, An Ordinance of the City Council of the City of Clovis Adding Chapter 1.10 to Title 1 of the Clovis Municipal Code to Establish By-

District Elections for Five Council Members, Define District Boundaries, and Schedule the Order of Elections for Each District. (Vote: 5-0)

4. General Services - Approval - Res. 25-____, Congestion Mitigation and Air Quality (CMAQ) Supporting and Implementing the “Timely Use of Funding” as Required by AB1012 for Candidate Transportation Projects Under the Infrastructure Investment and Jobs Act.
5. Public Utilities – Approval – Res. 25-____, A Resolution Initiating Proceedings for the Annual Levy of Assessments for Landscape Maintenance District No. 1.

PUBLIC HEARINGS - A public hearing is an open consideration within a regular or special meeting of the City Council, for which special notice has been given and may be required. When a public hearing is continued, noticing of the adjourned item is required as per Government Code 54955.1.

6. Consider Introduction – Ord. 25-____, Amending Section 3.1.126 and adding Sections 3.1.126.1 and 3.1.126.2 Of Chapter 3.1 of Title 3 of the Clovis Municipal Code Relating to Business Registration and Licensing Exemptions for Honorably Discharged or Honorably Relieved Veterans and Active Duty or Reservist Military Personnel.

Staff: Chad McCollum, Economic Development, Housing and Communications Department Director

Recommendation: Approve

7. Consider Introduction – Ord. 25-____, An Ordinance of the City Council of the City of Clovis Amending Section 5.6.09 of Chapter 5.6 of Title 5 of the Clovis Municipal Code Relating to Authorized Additional Card Tables at Licensed Card Rooms.

Staff: Andy Haussler, City Manager

Recommendation: Approve

8. Consider Approval – Res. 25-____, A resolution approving the annual review and update to the Regional Housing Needs (RHN) Overlay District map of parcels and associated list reflecting those parcels that qualify for development as an RHN Overlay project.

Staff: Marissa Parker, Assistant Planner

Recommendation: Approve

ADMINISTRATIVE ITEMS - Administrative Items are matters on the regular City Council Agenda other than Public Hearings.

9. Receive and File - 2025 Five-Year Financial Forecast for the City of Clovis through 2029/30 and discuss options for budget preparation for 2025/26.

Staff: Jay Schengel, Finance Director

Recommendation: Receive and File

CITY MANAGER COMMENTS

COUNCIL COMMENTS

ADJOURNMENT

FUTURE MEETINGS

Regular City Council Meetings are held at 6:00 P.M. in the Council Chamber. The following are future meeting dates:

March 17, 2025 (Mon.)

April 7, 2025 (Mon.)

April 14, 2025 (Mon.)

April 21, 2025 (Mon.)

CITY of CLOVIS

Proclamation

Declaring March 2025 as American Red Cross Month

***WHEREAS,** During American Red Cross Month in March, we recognize the compassion of people in the City of Clovis and reaffirm our commitment to care for one another in times of crisis; and*

***WHEREAS,** This generous spirit is woven into the fabric of our community and advances the humanitarian legacy of American Red Cross founder Clara Barton — one of the most honored women in our country's history — who nobly dedicated herself to alleviating suffering; and*

***WHEREAS,** Today, kindhearted individuals in our community exemplify Barton's commitment as they step up to provide a beacon of hope for our neighbors in need. Through their voluntary and selfless contributions, they make a lifesaving difference in people's darkest hours — whether it's delivering shelter, food, and comfort during disasters; supporting military families, veterans, and caregivers through the unique challenges of service; saving lives with first aid, CPR and other skills; or delivering aid and reconnecting loved ones separated by global crises; and*

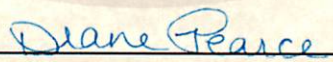
***WHEREAS,** We hereby recognize this month of March in honor of all those who lead with their hearts to serve people in need, and we ask everyone to join in this commitment to strengthen our community.*

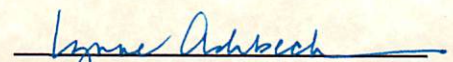
***NOW, THEREFORE, BE IT RESOLVED,** that the Clovis City Council, on behalf of the citizens of Clovis, does declare March 2025 as*

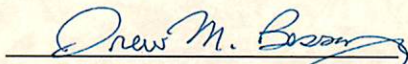
American Red Cross Month

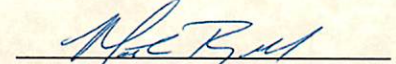
***IN WITNESS THEREOF,** I hereunto set my hand and cause the official seal of the City of Clovis to be affixed this 10th day of March 2025.*


Mayor


Mayor Pro Tem


Councilmember


Councilmember


Councilmember

CLOVIS CITY COUNCIL MEETING

March 4, 2025

6:00 P.M.

Council Chamber

Meeting called to order by Mayor Mouanoutoua at **6:00**
Flag Salute led by Councilmember Bessinger

Roll Call: Present: Councilmembers Ashbeck, Basgall, Bessinger, Pearce
Mayor Mouanoutoua

PRESENTATION – 6:05

6:05 – ITEM 1 – Presentation of Proclamation Declaring March 7, 2025, as Arbor Day.

6:11 – ITEM 2 - Presentation of Proclamation Honoring the Liberta Family for Owning and Operating Luna's Pizzeria and Italian Restaurant for over 50 Years in Old Town Clovis.

PUBLIC HEARING – Item to be heard at 6:05 p.m.

6:18 – ITEM 3 - Consider various actions related to the fifth public hearing on the city's transition to district-based elections:

Mayor Mouanoutoua acknowledged for the record that a written comment was received.

Steven Trevino, resident, expressed concerns about outsiders submitting maps for Clovis, questioned why certain streets weren't used in mapping, and mentioned socioeconomic differences in different areas.

Eric Rollins, resident, supported draft Map 508, citing its division of apartment buildings and homeowners, and its preservation of Old Town Clovis as a single district.

Brian Wilson, resident, asked about the numbering of districts on the maps, questioned how election cycles would be assigned, and supported draft Map 507.

Susan Patterson, resident, supported draft Map 508, favoring its division for socioeconomic diversity to maintain Clovis' culture.

Orlando, resident, supported draft Maps 508 and 502, emphasizing Clovis' long-standing community spirit and unity despite transitioning to district elections.

ITEM 3A. Review Draft District Maps, Select Final Map, and Determine Election Sequence.

Motion by Councilmember Ashbeck, seconded by Councilmember Bessinger to approve draft map 502 with district renumbering as follows: Districts up for election in 2026 will be District 1 (formerly District 3 on the map), District 4 (formerly District 1), and District 5 (formerly District 2). Districts 2

(formerly District 5) and 3 (formerly District 4) will be up for election in 2028. The motion carried 4-1 vote, with Mayor Pro Tem Pearce voting no.

ITEM 3B. Consider Introduction – **Ord. 25-02**, An Ordinance of the City Council of the City of Clovis Adding Chapter 1.10 to Title 1 of the Clovis Municipal Code to Establish By-District Elections for Five Council Members, Define District Boundaries, and Schedule the Order of Elections for Each District.

Motion by Councilmember Ashbeck, seconded by Councilmember Bessinger to approve the introduction of an Ordinance of the City Council of the City of Clovis Adding Chapter 1.10 to Title 1 of the Clovis Municipal Code to Establish By-District Elections for Five Council Members, Define District Boundaries, and Schedule the Order of Elections for Each District. Motion carried by unanimous vote.

PUBLIC COMMENTS – 6:02

Co-Chair Avereet Samra and Secretary Jasmine Parmer of the Youth Commission invited the Council and community to the Cowboy Cleanup event on March 29, 2025.

Jesus Garcia, resident, expressed concerns about increasing traffic and speeding on Bullard Avenue near Willow.

CONSENT CALENDAR – 7:34

Upon call, there was no public comment.

Motion by Councilmember Ashbeck, seconded by Councilmember Bessinger, that the items on the Consent Calendar be approved. Motion carried by unanimous vote.

4. Administration - Approval - Minutes from the February 18, 2025, Regular Council Meeting, and the February 24, 2025, Special Council Meeting.
5. Administration – Approval – **Res. 25-16**, Approving an application in the amount of \$1,500,000 to the California State Department of Housing and Community Development for funding under the CalHome Program; and Authorizing the City Manager, or designee, to sign the application, execute the Standard Agreement, any Amendments, and any related documents thereto, if selected for funding, as may be necessary to participate in the CalHome Program as identified in the 2024 Homeownership Super Notice of Funding Availability dated December 12, 2024.
6. General Services – Approval - **Res. 25-17**, Adopting Amendments to the Deputy City Engineer Salary Schedule.
7. General Services – Approval – **Res. 25-18**, Amending the City's FY 2024-2025 Position Allocation Plan by adding three (3) Police Officer/Recruits, one (1) Animal Control Officer, one (1) Community Service Officer, and one (1) Police Records Specialist I position within the Police Department.

ADMINISTRATIVE ITEMS – 7:36

7:36 ITEM 8 - Workshop - Community Facilities District (CFD) for maintenance services.

Eric Rollins, resident, addressed concerns about the potential use of Measure Y funds for purposes other than police and fire services.

The council directed staff to move forward with the Resolution of Intention for the formal CFD formation process, including setting boundaries and tax rates. Staff will continue communication with the development community and will return to Council with the Resolution once the work is finalized. A hybrid approach was suggested, where the council would receive a high-level update on progress before finalizing the Resolution of Intention, to allow for feedback.

8:32 ITEM 9 - Provide Direction – Discussion and guidance on defining the criteria and establishing the Measure Y Oversight Committee.

Orlando, resident, addressed the responsibility of elected officials to honor their commitments, particularly in terms of fulfilling their duties for the entire city and ensuring public safety, while acknowledging the challenges in balancing budgets for police, fire, and other city needs.

Eric Rollins, resident, expressed concerns about the potential misuse of Measure Y funds and emphasized the need for clear direction and guidelines for the committee, while also offering to serve on it.

Susan Patterson, resident, expressed her interest in being on the Measure Y oversight committee.

The Council directed staff to move forward with the establishment of the Measure Y Oversight committee and to include the following criteria. Committee Formation: The committee will consist of five members, with each Councilmember appointing one member to the committee. The only qualification for members is that they must be residents of Clovis. A formal application process will be created for those interested in serving on the committee, but appointments may be made in the discretion of each Councilmember. Committee's Role: It will act as an oversight body to review the expenditures of Measure Y funds and confirm whether the funds have been as authorized and intended. The role will be focused on oversight and not offering recommendations for proposed future expenditures of Measure Y funds. The committee will report its findings to the City Council at least annually. Length of Term: Members will serve at the pleasure of the Councilmember who appoints them. The committee will be created by ordinance and thus governed by the Brown Act. The committee will meet twice a year - likely in December to review annual reports for the previous fiscal year expenditures, and likely in July shortly after the City budget approval to review approved and budgeted expenditures for the current fiscal year. The committee will remain active for the duration of Measure Y funding.

9:10 ITEM 10 - Consider various actions associated with CIP 16-19, the State Route 168/Enterprise Canal Pedestrian Bridge Project, east of Temperance Avenue and south of Owens Mountain Parkway.

Orlando, resident, addressed the importance of community involvement and potential philanthropic support in challenging projects, while emphasizing the need for careful consideration of public safety, particularly in high-traffic areas.

9:10 ITEM 10A - Consider Approval - **Res. 25-19**, A resolution of the City Council adopting an environmental finding of a negative declaration as a responsible agency under CEQA Guidelines Section 15381.

Motion for approval by Councilmember Ashbeck, seconded by Councilmember Pearce. Motion carried by unanimous vote.

9:10 ITEM 10B - Consider Approval - A request for the City Council to approve the completed Phase 1 of the project consisting of preliminary design, architectural aesthetics evaluation study, preliminary geotechnical investigation, environmental clearance, and community outreach meetings.

Motion for approval by Councilmember Ashbeck, seconded by Councilmember Pearce. Motion carried by unanimous vote.

9:10 ITEM 10C - Consider Approval – A request for the City Council to approve terminating Phase 2 of the project consisting of right of way acquisition, and final design including plans, specifications, and estimate.

Motion for approval by Councilmember Bessinger, seconded by Councilmember Pearce. Motion carried by 3-2 vote, with Councilmember Ashbeck and Mayor Mouanoutoua voting no.

CITY MANAGER COMMENTS – 9:47

City Manager Haussler announced several updates, including the Meet the Mayor and City Manager event on March 6, 2025, at 6 p.m. at the Clovis Transit Center, encouraged sign-ups for the Youth Commission Cowboy cleanup on March 29, 2025, at 8 a.m., gave a shout-out to the Public Utilities team for a successful compost giveaway, and the Fire Department's installation of 167 smoke alarms at a mobile home park. He also noted that Council meetings would return to Mondays starting next week.

COUNCIL COMMENTS – 9:48

There was consensus of the Council to direct staff to review SB 496 and, if necessary, to approach the Mayor for a letter of support if there is a time-sensitive need.

There was consensus of the Council to support sending a letter of opposition to AB 1333, restricting rights of self-defense in homes, pending further review by the Police Chief Fleming.

There was consensus of the Council to support sending a letter of opposition to SB 554, related to the interaction between County Sheriffs and immigration authorities.

ADJOURNMENT

Mayor Mouanoutoua adjourned the meeting of the Council to March 10, 2025.

Meeting adjourned: 10:03 p.m.

Mayor

City Clerk



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: March 10, 2025

SUBJECT: Administration - Adopt - **Ord. 25-02**, An Ordinance of the City Council of the City of Clovis Adding Chapter 1.10 to Title 1 of the Clovis Municipal Code to Establish By-District Elections for Five Council Members, Define District Boundaries, and Schedule the Order of Elections for Each District. (Vote: 5-0)

ATTACHMENTS: 1. Full Ordinance

This item was approved for introduction on March 4, 2025, with a unanimous vote.

Please direct questions to the City Manager's office at 559-324-2060.

ORDINANCE 25-____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CLOVIS
ADDING CHAPTER 1.10 TO TITLE 1 OF THE CITY OF CLOVIS MUNICIPAL
CODE ESTABLISHING BY-DISTRICT ELECTIONS FOR FIVE COUNCIL
MEMBERS, DEFINING DISTRICT BOUNDARIES, AND SCHEDULING THE
ORDER OF ELECTION FOR EACH DISTRICT**

WHEREAS, the City of Clovis (“City”) currently elects the members of the City Council using an “at-large” system of elections, whereby electors from the entire City vote to elect each member of the City Council; and

WHEREAS, under the California Voting Rights Act (“CVRA”), at-large elections are permissible unless they result in racially polarized voting, defined as “voting in which there is a difference...in the choice of candidates or other electoral choices that are preferred by voters in a protected class, and in the choice of candidates and electoral choices that are preferred by voters in the rest of the electorate,” and further cause dilution of a protected class’s votes to a degree that it is denied the potential to elect its preferred candidate or influence the outcome of an election; and

WHEREAS, despite the City’s lawful use of at-large election system, on August 26, 2024, the City received a letter from the Southwest Voter Registration Education Project alleging violations of the CVRA, and demanding that the City transition to district-based elections where Council members are elected by only the voters residing within the election district in which the candidate resides (“CVRA Letter”); and

WHEREAS, while the Council strongly disagrees with the claims in the CVRA Letter and does not believe that the at-large elections in the City have resulted in racially polarized voting or diluted the votes of any protected class, it recognizes that defending against a legal challenge to the City’s election system would be prohibitively costly and would not be in the best interest of the City or its residents; and

WHEREAS, to avoid the unreasonable time and expense of litigation, at a regular meeting on October 7, 2024, the Council adopted Resolution 24-110, declaring its intent to transition from an “at-large” elections system to a district-based elections system beginning with the November 2026 City Council Election, with an estimated timeframe for doing so; and

WHEREAS, the City thereafter engaged an expert demographic firm to assist the City with the process of analyzing the City’s population, developing draft maps, and gathering input from residents on the possible maps; and

WHEREAS, in accordance with the requirements of Elections Code section 10010, the City Council held two (2) duly noticed public hearings prior to the drawing of draft maps of proposed boundaries of election districts on November 18, 2024, and December 16, 2024, respectively. During these meetings, City Council solicited public input regarding the composition of the district maps to provide to the demographer retained by City Council for use in drafting the proposed district maps and encouraged the public to submit draft maps using various map-drawing tools made available to the public on the City’s dedicated districting webpage on the City’s website (<https://cityofclovis.com/government/city-clerk/districts/>); and

WHEREAS, at the December 16, 2024, public hearing, the City Council directed the demographer and staff to utilize efforts to encourage and increase community engagement and participation and to solicit the submission of more draft district maps by members of the public using the various map-drawing tools made available by the City; and

WHEREAS, in accordance with Elections Code section 21130(b)(1), on December 16, 2024, the City posted on its districting webpage a report disclosing that it is not possible to create an election district or districts in which a minority group is sufficiently large and geographically compact to constitute a majority single-member district, as set forth in *Thornburg v. Gingles* (1986) 478 U.S. 30; and

WHEREAS, in accordance with Elections Code section 10010, and based on direction the City Council provided during the December 16, 2024, public hearing, on January 14, 2025, the City posted on its dedicated districting webpage nine (9) draft district maps (two (2) of which were submitted by members of the public), comprising five (5) maps for a four (4) district election system with an at-large elected mayor, and four (4) maps for a five (5) district election system, with proposed election sequencing for each map; and

WHEREAS, in accordance with the requirements of Elections Code section 10010 and following the drawing and publication of draft district maps, the City Council held a third duly noticed public hearing on January 21, 2025, during which the City Council solicited public input regarding the composition of the draft district maps and the proposed sequence of elections and directed staff to proceed with only draft maps for a five (5) district election system, thereby abandoning the option for an at-large elected mayor; and

WHEREAS, in accordance with Elections Code section 10010, on February 4, 2025, the City posted on its dedicated districting webpage one (1) additional draft map for five (5) election districts that was submitted by a member of the public; and

WHEREAS, in accordance with the requirements of Elections Code section 10010, the City Council held a fourth duly noticed public hearing on February 11, 2025, during which it considered a total of five (5) draft maps for a five (5) district election system and solicited public input regarding the composition of the draft maps and the proposed sequence of elections; and

WHEREAS, in accordance with Elections Code section 10010, on February 25, 2025, the City posted on its dedicated districting webpage three (3) additional draft maps for five (5) election districts, which were submitted by a member of the public for consideration by Council; and

WHEREAS, in accordance with Elections Code section 10010, on March 4, 2025, at a fifth duly noticed public hearing, and based upon public input and after deliberation and consideration of all draft district maps and proposed sequence of elections, City Council formally selected Map 502, which was developed in accordance with and in compliance with the criteria for election district boundaries set forth in Elections Code 21130(c). During that same public hearing, City Council chose the sequence of elections associated with Map 502; and

WHEREAS, throughout the public hearing process related to the City's transition from an at-large to a district-based election system, the City engaged in a significant amount of public outreach and engagement, including an extensive public awareness campaign

comprising news releases, social medial posts, multiple news interviews, flyers, community feedback forms, a community map drawing workshop, consistent updates to the City’s districting webpage, and other public outreach efforts; and

WHEREAS, pursuant to Government Code section 34866 and in furtherance of the California Voting Rights Act of 2001 (Elec. Code, § 14025, et seq.) (“CVRA”) and Section 7 of Article I and Section 2 of Article II of the California Constitution, the City Council is authorized and desires to adopt an ordinance changing the method of election from an “at large” to a “by-district” system of elections; and

WHEREAS, the City Council held a duly noticed public hearing on March 4, 2025, in which the City Council voted to introduce for a first reading and approval of this Ordinance to establish by-district elections in five (5) single-member districts, as reflected in **Exhibit A** to this Ordinance; and

WHEREAS, the City Council now desires to adopt this Ordinance.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CLOVIS DOES ORDAIN AS FOLLOWS:

SECTION 1. Title 1 General Provisions, Chapter 1.10 City Council Elections, is added to the City of Clovis Municipal Code to read as follows:

Section 1.10.01 – By-District Elections of Council Members.

Pursuant to Government Code section 34886, all five (5) members of the City Council of the City of Clovis shall be elected by-district in separate single-member districts.

1. Members of City Council shall be elected in the electoral districts established by Section 1.10.02 of this Chapter, as may be subsequently reapportioned as provided by State law. Elections shall take place “by-district” as that term is defined in California Government Code section 34871, meaning one Member of the City Council shall be elected from each district, by the voters of that district alone.
2. Except as provided in subdivision (3) of this section, the Council Member elected to represent a district must reside in that district and be a registered voter in that district, and any candidate for City Council must live in, and be a registered voter in, the district in which he or she seeks election at the time nomination papers are issued, pursuant to California Government Code section 34882 and Elections Code section 10227. Termination of residency in a district by a Council Member shall create an immediate vacancy for that Council district unless a substitute residence within the district is established within thirty (30) days after the termination of residency.
3. Notwithstanding any other provision of this section, the Members of the City Council in office at the time the Ordinance codified in this chapter takes effect shall continue in office until the expiration of the full term to

which he or she was elected and until his or her successor is qualified. At the end of the term of each Council Member that Member's successor shall be elected on a by-district basis in the districts established in Section 1.10.02.

Section 1.10.02 – City Council Districts and District Elections.

All five (5) Council members shall be elected on a “by-district” basis from the Council districts shown and numbered on the map titled “City of Clovis District Map”, attached hereto as **Exhibit A** and incorporated herein, a copy of which shall be on file in the City Clerk's office. In 2026, and every four (4) years thereafter, the following three (3) City Council districts shall be elected by-district at the general municipal elections: District 1, District 4, and District 5. In 2028, and every four (4) years thereafter, the following two (2) City Council districts shall be elected by-district at the general municipal election: District 2 and District 3.

Section 1.10.03 – Adjustment of District Boundaries.

Pursuant to Elections Code section 21601, as it may be amended from time to time, the City Council shall adjust the boundaries of any or all of the districts following each decennial federal census to ensure that the districts are in compliance with all applicable provisions of law.

Section 1.10.04 – Vacancies

Any mid-term Council seat vacancy in a district shall be filled in accordance with State Law, only by an eligible resident of the district.

SECTION 2. This Ordinance shall be in full force and effect from and after thirty (30) days following its adoption in accordance with law.

SECTION 3. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held by a court of competent jurisdiction to be invalid, such a decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Clovis hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact any one or more sections, subsections, clauses or phrases be declared invalid

SECTION 4. The City Clerk is further directed to cause this ordinance or a summary of this ordinance, subject to the requirements required by law, to be published once in a newspaper of general circulation published and circulated within the City of Clovis, within fifteen (15) days after its adoption. If a summary of the ordinance is published, then the City Clerk shall cause a certified copy of the full text of the proposed ordinance to be posted in the office of the City Clerk at least five (5) days prior to the Council meeting at which the ordinance is adopted and again after the meeting at which the ordinance is adopted.

APPROVED: March 4, 2025

Mayor

City Clerk

* * * * *

The foregoing Ordinance was introduced and read at a regular meeting of the City Council held on March 4, 2025, and was adopted at a regular meeting of said Council held on March 10, 2025, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

DATED: March 10, 2025

City Clerk

Unpopulated, non-collegiate area to the north is in District 1.

Clovis 2025 Districting

502

Renumbered

Election Sequence:

2026: Districts 1, 4 and 5

2028: Districts 2 and 3

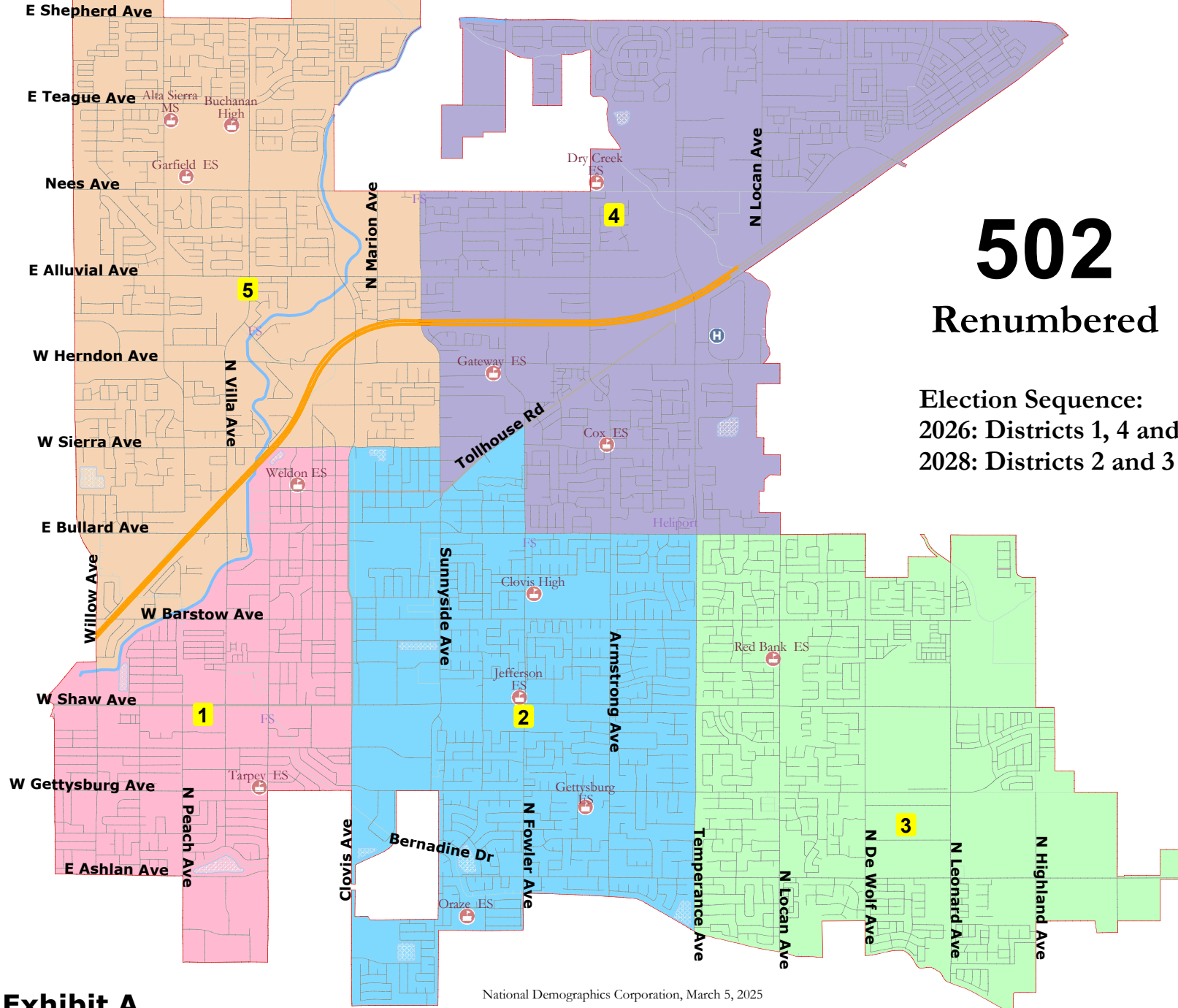


Exhibit A

National Demographics Corporation, March 5, 2025

©2021 CALIPER

502 Renumbered

AGENDA ITEM NO. 3.

District		1	2	3	4	5	Total
	Total Pop	23,139	24,382	24,566	24,353	24,021	120,461
	Deviation from ideal	-953	290	474	261	-71	1,427
	% Deviation	-3.96%	1.20%	1.97%	1.08%	-0.29%	5.92%
Total Pop	% Hisp	43.9%	34%	27%	24%	24%	31%
	% NH White	37%	49%	44%	55%	56%	48%
	% NH Black	4%	2%	3%	3%	3%	3%
	% Asian-American	10%	11%	22%	14%	13%	14%
Citizen Voting Age Pop	Total	15,055	16,853	15,873	16,488	15,322	79,591
	% Hisp	40%	29%	28%	21%	23%	28%
	% NH White	46%	58%	49%	64%	61%	56%
	% NH Black	5%	3%	4%	3%	5%	4%
	% Asian/Pac.Isl.	9%	9%	18%	13%	10%	12%
Voter Registration (Nov 2022)	Total	10,901	15,324	15,591	15,645	15,194	72,655
	% Latino est.	37%	28%	27%	20%	21%	26%
	% Spanish-Surnamed	33%	26%	24%	18%	19%	23%
	% Asian-Surnamed	3%	4%	8%	6%	6%	6%
	% Filipino-Surnamed	1%	1%	2%	1%	1%	1%
	% NH White est.	55%	64%	58%	69%	67%	63%
	% NH Black	4%	3%	4%	3%	5%	4%
Voter Turnout (Nov 2022)	Total	4,453	8,004	8,201	9,149	8,661	38,468
	% Latino est.	28%	23%	23%	16%	16%	20%
	% Spanish-Surnamed	26%	20%	21%	15%	14%	18%
	% Asian-Surnamed	3%	3%	6%	5%	4%	4%
	% Filipino-Surnamed	1%	1%	2%	1%	1%	1%
	% NH White est.	63%	70%	65%	74%	73%	70%
	% NH Black	5%	3%	5%	4%	5%	4%
Voter Turnout (Nov 2020)	Total	8,379	12,779	12,304	13,077	13,179	59,718
	% Latino est.	34%	24%	23%	17%	17%	22%
	% Spanish-Surnamed	31%	23%	22%	16%	16%	21%
	% Asian-Surnamed	2%	3%	7%	5%	5%	5%
	% Filipino-Surnamed	1%	1%	2%	1%	1%	1%
	% NH White est.	59%	69%	67%	75%	74%	70%
	% NH Black est.	5%	3%	2%	2%	3%	3%
ACS Pop. Est.	Total	23,676	23,759	25,698	24,901	22,480	120,514
Age	age0-19	32%	27%	33%	33%	29%	31%
	age20-60	53%	51%	50%	51%	49%	51%
	age60plus	15%	22%	17%	16%	23%	18%
Immigration	immigrants	11%	11%	15%	12%	13%	12%
	naturalized	47%	63%	62%	72%	65%	62%
Language spoken at home	english	72%	79%	76%	79%	76%	76%
	spanish	22%	12%	10%	10%	12%	13%
	asian-lang	5%	5%	9%	8%	6%	7%
	other lang	2%	3%	5%	4%	6%	4%
Language Fluency	Speaks Eng. "Less than Very Well"	9%	7%	6%	6%	7%	7%
Education (among those age 25+)	hs-grad	69%	58%	54%	49%	51%	56%
	bachelor	13%	21%	24%	28%	25%	22%
	graduatedegree	5%	10%	14%	19%	17%	13%
Child in Household	child-under18	36%	34%	49%	46%	36%	40%
Pct of Pop. Age 16+	employed	61%	61%	64%	63%	60%	62%
Household Income	income 0-25k	20%	8%	4%	5%	9%	9%
	income 25-50k	24%	18%	9%	6%	14%	15%
	income 50-75k	23%	17%	10%	9%	12%	14%
	income 75-200k	30%	46%	58%	56%	46%	46%
	income 200k-plus	4%	12%	20%	24%	20%	15%
Housing Stats	single family	50%	84%	99%	92%	79%	80%
	multi-family	50%	16%	1%	8%	21%	20%
	rented	66%	29%	12%	23%	33%	34%
	owned	34%	71%	88%	77%	67%	66%

Total population data from the 2020 Decennial Census.

Surname-based Voter Registration and Turnout data from the California Statewide Database.

Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2018-2022 5-year American Community Survey and Special Tabulation data.



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: General Services

DATE: March 10, 2025

SUBJECT: General Services - Approval - Res. 25-____, Congestion Mitigation and Air Quality (CMAQ) Supporting and Implementing the “Timely Use of Funding” as Required by AB1012 for Candidate Transportation Projects Under the Infrastructure Investment and Jobs Act.

ATTACHMENTS: 1. Res. 25-____

RECOMMENDATION

For the City Council to approve Resolution 25-____, supporting and implementing the “Timely Use of Funding” as required by AB1012, for the use of CMAQ 2025-26 funds for transportation projects under the Infrastructure Investment and Jobs Act (IIJA).

EXECUTIVE SUMMARY

On November 21, 2024, the Fresno Council of Governments (FCOG) Policy Board approved the initiation of the FY 2025-26 Congestion Mitigation and Air Quality (CMAQ) call for projects. The FCOG requires all entities requesting federal funding to submit an approved resolution stating that each project will meet its proposed delivery schedule.

FCOG estimates that a total of \$25,180,631 will be available in the regional bid funding pot under the CMAQ FY 2025-26 call for projects. All funds will be programmed in the Federal Transportation Improvement Program (FTIP) in federal fiscal years 2026-27, 2027-28, 2028-29 and 2029-30.

Clovis Transit is submitting three proposals under CMAQ FY 2025-26 call for projects:

- Operations cost for service expansion on new fixed routes
- Zero emission vehicle purchases with bike racks
- Operational costs for new micro transit services

As required by AB 1012, this funding must be used in a timely manner for eligible transportation projects under the Infrastructure Investment and Jobs Act (IIJA).

Key Dates:

- Applications for CMAQ funding opportunities are due March 14, 2025.
- FCOG staff will preview the submissions, and a scoring committee will review all applications in June 2025 to decide which projects to fund.
- Decisions on applications are anticipated by mid to late July 2025.

BACKGROUND

Fresno COG, acting in its role as a Metropolitan Planning Organization, is in the process of programming federal transportation revenues that will come to the Fresno region under the Infrastructure Investment and Jobs Act (IIJA). The IIJA was signed into law by President Biden on November 15, 2021. FCOG recently announced a Call-for-Projects for CMAQ, inviting applications from local agencies.

Clovis Transit will be submitting three CMAQ applications, which requires a City Council-approved resolution supporting and implementing AB 1012. AB 1012 requires that both State and Federal funds be used in a “timely” manner. In order to avoid losing any Federal or State funds to our Region, the “use it or lose it” requirements of AB 1012 place local governmental agencies in a position that where they must deliver their projects on time. They must be able to meet their project delivery schedules as proposed and as programmed within the Federal Transportation Improvement Program (FTIP).

The CMAQ program funds transportation projects or programs that contribute to the attainment or maintenance of the National Ambient Air Quality Standards (NAAQS). Funding can be expended on projects that reduce ozone precursor emissions, volatile organic compounds, carbon monoxide, and particulate matter. Clovis Transit’s proposals aim to improve air quality in the region through the expansion of transit services and the purchase of zero emission vehicles. Under the current call for projects, CMAQ competitive funds require agencies to provide a minimum local match of 11.47%. Clovis Transit will meet this requirement through the utilization of Transportation Development Act (TDA) funds.

The three projects Clovis Transit will propose are as follows:

CMAQ Project Application	Total Project Cost	CMAQ Funds Requested	Local Match (TDA Funds)
Operation Cost for Service Expansion of New Fixed Routes - Phase 1	\$7,346,547	\$4,407,928 (60%)	\$2,938,619 (40%)
Purchase of Four (4) Zero Emission Vehicles - Electric with Bike Racks	\$1,363,792	\$1,207,365 (88.53%)	\$156,427 (11.47%)
Operations Cost of New Micro Transit Services	\$4,245,249	\$3,758,319 (88.53%)	\$486,930 (11.47%)
Total	\$12,955,588	\$9,373,612	\$3,581,976

- **Operation Cost for Service Expansion on New Fixed Routes**

Clovis Transit plans to seek funding to support the operational costs of launching new transit routes aimed at improving and increasing connectivity and accessibility for our community.

This funding will support essential operational expenses, including competitive wages and benefits for drivers, fuel and maintenance costs for transit vehicles, implementation and upgrades of technology systems such as real-time tracking, as well as administrative functions such as scheduling, customer service, compliance with regulatory requirements, and overall service coordination to ensure efficient and reliable fixed-route operations

Expanding our transit network will provide greater mobility options, reduce congestion, and offer essential transportation access to underserved area. Each goal aligns with regional transportation and sustainability goals.

- **Purchase of Four (4) Zero Emission Electric Vehicles with Bike Racks**

Clovis Transit is seeking funding to purchase four small zero-emission electric vehicles to enhance local public transportation. The vehicles will be similar to the small passenger vans currently in use for paratransit (Round Up) bus service. These environmentally friendly vehicles will reduce carbon emissions, improve service efficiency, and promote sustainable mobility in our community. Their addition will provide cleaner alternatives to traditional transit options and support the agency's long-term environmental sustainability goals, aligning with broader efforts to decrease transportation-related pollution and enhance air quality. Existing city charging infrastructure is in place and available for these vehicles.

- **Operational Cost of New Micro Transit Services**

Clovis Transit is seeking funding to support the operational costs of launching a new micro transit service. This service will provide flexible, on-demand transportation that improves connectivity and better serves underserved areas, bridging the gap between fixed-route transit and outlying communities. It is designed as an efficient solution to enhance mobility, reduce congestion, and lower vehicle emissions by optimizing shared rides and decreasing reliance on single-occupancy vehicles.

The requested funding will cover essential operational expenses, including competitive wages and benefits for drivers; fuel and maintenance costs for transit vehicles; and the implementation and upgrades of technology systems, such as real-time tracking. Additionally, it will support administrative functions—including scheduling, customer service, regulatory compliance, and overall service coordination—to ensure efficient and reliable micro transit operations.

FISCAL IMPACT

If proposed projects are selected, the City will be required to provide a local match on project costs. CMAQ requires a minimum local match of 11.47%; however, a higher match can be presented. Clovis Transit is meeting the 11.47% requirement on two projects and offering a 40%

local match for its top priority project to submit a more competitive request package. The local match will be funded through TDA If all projects are selected that would be an estimated local match total of \$3,581,976 for two (2) years.

REASON FOR RECOMMENDATION

To complete the grant applications, Council must approve a resolution certifying the City's application for Congestion Mitigation and Air Quality Improvement (CMAQ) Program Funds.

ACTIONS FOLLOWING APPROVAL

Transit staff will submit to FCOG the approved resolution with all the grant applications, certifying the "Timely Use of Funding" as required by AB 1012.

CONFLICT OF INTEREST

None.

Prepared by: Susanna Herrera, Management Analyst

Reviewed by: City Manager AK

RESOLUTION 25-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS SUPPORTING AND IMPLEMENTING THE “TIMELY USE OF FUNDING” AS REQUIRED BY AB1012 FOR CANDIDATE TRANSPORTATION PROJECTS UNDER CONGESTION MITIGATION AND AIR QUALITY (CMAQ) FY 2025-26

WHEREAS, AB 1012 has been enacted into State Law in part to provide for the “timely use” of State and Federal funding; and

WHEREAS, the City of Clovis is able to apply for and receive Federal and State funding under the Congestion Mitigation and Air Quality Program; and

WHEREAS, the City of Clovis desires to ensure that its projects are delivered in a timely manner to preclude the Fresno Region from losing those funds for non-delivery; and

WHEREAS, it is understood by the City of Clovis that failure to for not meeting project delivery dates for any phase of a project may jeopardize federal or state funding to the Region; and

WHEREAS, the City of Clovis must demonstrate dedicated and available local matching funds.

NOW, THEREFORE, BE IT RESOLVED, that the City of Clovis hereby agrees to ensure that all project delivery deadlines for all project phases will be met or exceeded; and

NOW, BE IT FURTHER RESOLVED, that failure to meet project delivery deadlines may be deemed as sufficient cause for the Fresno Council of Governments Policy Board to terminate an agency’s project and reprogram Federal/State funds as deemed necessary; and

NOW, BE IT FURTHER RESOLVED, that the City of Clovis does direct its management and staff to ensure all projects are carried out in a timely manner as per the requirements of AB 1012 and the directive of the City of Clovis City Council.

* * * * *

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on March 10, 2025, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

DATED:

Mayor

City Clerk



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Public Utilities Department

DATE: March 10, 2025

SUBJECT: Public Utilities – Approval – Res. 25-____, A Resolution Initiating Proceedings for the Annual Levy of Assessments for Landscape Maintenance District No. 1.

ATTACHMENTS: 1. Resolution

RECOMMENDATION

For the City Council to approve Resolution No. 25-____, which will initiate proceedings for the annual levy of assessments for Landscape Maintenance District No. 1.

EXECUTIVE SUMMARY

This resolution is to initiate proceedings for the annual levy of assessments for the Landscape Maintenance District (LMD) No. 1 as required by the Landscaping and Lighting Act of 1972. The assessments are necessary to fund the operations and maintenance of the benefit areas within the LMD. The Engineer's Report detailing the assessments will be compiled and prepared by the City's consultant, Francisco and Associates, Inc. Upon City Council approval of the Engineer's Report on June 16, 2025, the assessments will be sent to Fresno County to be included in the property tax rolls.

BACKGROUND

The Landscaping and Lighting Act of 1972, a provision of the Streets and Highways Code of California, allows a legislative body to levy and collect assessments for specific areas that receive a special benefit. Within the City of Clovis, these specific areas are collectively known as Landscape Maintenance District (LMD) No.1. On July 15, 1985, Council adopted Resolution No. 85-78, forming the City of Clovis Landscape Maintenance District No. 1, which funds the operation and maintenance of landscaped areas and interior parks of development throughout the City.

Pursuant to the Landscape and Lighting Act of 1972 (the "Act"), City Council must annually approve an Engineer's Report for the City's LMD No. 1 to authorize the levy of assessments for the ensuing fiscal year. To initiate the Fiscal Year 2025-26 LMD No. 1 approval process, the Act requires City Council to adopt a resolution ordering the preparation and filing of the Engineer's Report, which is the purpose for this agenda item. Following adoption of the attached resolution,

the LMD No. 1 Engineer's Report and proposed assessments for Fiscal Year 2025-26 will be brought to Council for preliminary approval at the April 7, 2025, City Council meeting. At that time, City staff will also recommend that Council adopt a resolution declaring its intent to levy and collect assessments and set a public hearing date related to the proposed LMD No. 1 assessments for Fiscal Year 2025-26, as required by the Act.

The yearly assessments established for all properties within the LMD provide funding for the City's costs for operation, maintenance, related services, and incidental expenses. The required operation and maintenance include mowing, edging, fertilizing, weed control, irrigation system, pruning, plant replacement, lighting, and a capital replacement fund to periodically replace landscape and park structures and associated equipment. The Act requires that a resolution be adopted that generally describes new improvements or substantial changes to existing improvements, and orders that a report be prepared and filed regarding the assessment district. A listing of new improvements or substantial changes to the existing improvements is attached to the resolution as Attachment A. Adoption of this resolution satisfies the requirement.

The final step in the process is to notify the Fresno County Auditor-Controller of the approved assessments so that they may be included on the property tax rolls. The tentative schedule for notification to the County is July 18, 2025.

FISCAL IMPACT

None.

REASON FOR RECOMMENDATION

This resolution is required by the Landscaping and Lighting Act of 1972 to levy assessments to fund the cost of operations and maintenance for benefit areas within LMD No. 1.

ACTIONS FOLLOWING APPROVAL

The Engineer's Report will be prepared, and staff will present the final assessment costs for consideration by the City Council at the public hearing.

CONFLICT OF INTEREST

None.

Prepared by: Tim Breshears, Parks Manager

Reviewed by: City Manager AA

RESOLUTION 25-__

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS
INITIATING PROCEEDINGS FOR THE ANNUAL LEVY OF ASSESSMENTS FOR
LANDSCAPE MAINTENANCE DISTRICT NO. 1 OF THE CITY OF CLOVIS**

WHEREAS, the Council has approved thirty-two (32) annexations with new improvements to the Landscape Maintenance District No. 1 of the City of Clovis (herein “LMD No. 1”) since the Engineer’s Report dated June 3, 2024; and

WHEREAS, proceedings for the annual assessments for LMD No. 1 for the fiscal year 2025-26 need to be initiated.

NOW, THEREFORE, BE IT RESOLVED, that the City of Clovis has hereby found, determined, and ordered as follows:

1. The Council proposes to undertake proceedings for the levy of the annual assessments for LMD No. 1 under part 2 of Division 15 of the Streets and Highways Code of the State of California (Section 22500 et seq.), generally known as the Landscaping and Lighting Act of 1972 (herein the “Act”).
2. The new improvements being added by the above referred annexations to the existing maintained improvements are set forth in Attachment A.
3. The Public Utilities Director shall have a report prepared and filed in accordance with Article 4 (commencing with Section 22565) of the Act.

* * * * *

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on March 10, 2025, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

DATED:

Mayor

City Clerk

Attachment A**THE NEW IMPROVEMENTS FOR THE LANDSCAPE MAINTENANCE
DISTRICT NO. 1 ARE DESCRIBED AS FOLLOWS:**

The proposed landscaping, irrigation, and lighting systems as described in the covenants appropriate to each of the following properties and other annexations to the LMD prior to June 30, 2025.

Tract 6406
Tract 6203
Tract 6205
BD-CMBR-24-01168
BD-CMBR-24-01160
BD-CMBR-24-02804
BD-CMBR-24-01325 & BD-CMBR-24-01324
SPR 2019-018
SPR 2023-008
BD-CMBR-24-02414
BD-CMBR-24-02876
BD-CMBR-24-02198
BD-CMBR-24-00474
BD-CMBR-24-01929
BD-CMBR-24-00723
BD-CMBR-24-01591
BD-CMBR-24-01518
SPR 2022-014
SPR 2023-003
BD-CMBR-24-01818
SPR 1983-021A
BD-CMBR-24-00554
BD-CMBR-24-02005
BD-CMBR-24-00702
SPR 1986-049A
BD-CMBR-23-04717
BD-CMBR-23-03898
BD-CMBR-23-04493
BD-CMBR-23-04792
BD-CMBR-24-00517
BD-CMBR-23-03589
BD-CMBR-23-03654



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: March 10, 2025

SUBJECT: Consider Introduction – Ord. 25-____, Amending Section 3.1.126 and adding Sections 3.1.126.1 and 3.1.126.2 of Chapter 3.1 of Title 3 of the Clovis Municipal Code Relating to Business Registration and Licensing Exemptions for Honorably Discharged or Honorably Relieved Veterans and Active Duty or Reservist Military Personnel.

Staff: Chad McCollum, Economic Development, Housing and Communications Department Director

Recommendation: Approve

ATTACHMENTS: 1. Ord. 25-____

RECOMMENDATION

For the City Council to approve the introduction of Ordinance amending Section 3.1.126 and adding sections 3.1.126.1 and 3.1.126.2 to Chapter 3.1 of Title 3 of the Clovis Municipal Code to exempt Honorably Discharged or Honorably Relieved Business Owners, as well as Active Duty or Reservist Military Personnel Business Owners, from payments associated with business registration or license fees if the veteran is the sole proprietor of the business.

EXECUTIVE SUMMARY

In 2020, state law was amended to provide that honorably discharged or honorably relieved veteran business owners be exempt from local business registration or license fees.

The City's municipal code currently includes a business license fee exemption for disabled honorably discharged or relieved veterans. The ordinance will update the City's municipal code to be consistent with state law.

Furthermore, in order to support business creation and growth by active duty or reservist military personnel, City Staff is requesting the City of Clovis broaden the exemptions for honorably discharged or honorably relieved military veterans, to also include active duty or reservist military personnel, to recognize the commitment and sacrifice of military personnel, whether it be veterans, active duty, or reserves.

It is important to note that the exemption is only for the payment of any business registration or license fee or tax certificate fee. However, the requirement to complete the applicable business registration requirements and obtain a business license/certificate from the City is not relieved. The applicant still needs to register the business with the City, but will be issued the business license/registration certificate to post at the business without having to pay the applicable fee(s).

BACKGROUND

In 2020, the State of California took steps to assist veteran owned businesses, where the veteran is the sole proprietor of the business, by providing that eligible veterans are exempt from having to pay local business registration and license fees.

City Staff is requesting City Council amend the City's Municipal Code to comply with state law, as well as going a step further in assisting our military men and women, by waiving business registration and business license fees for active duty or reservist military personnel.

This would apply when the active duty or reservist military personnel is the sole proprietor of the business.

FISCAL IMPACT

We do not anticipate a significant fiscal impact to the City with this municipal code change. Any lost revenue due to the business registration or license fees being waived would be offset by the likely additional tax revenue generated by a new or growing business.

REASON FOR RECOMMENDATION

To ensure the City municipal code is in compliance with state law and to take steps to assist active duty and reservist military personnel who own businesses in Clovis.

ACTIONS FOLLOWING APPROVAL

If the ordinance is introduced, it will return for adoption at the next City Council meeting.

CONFLICT OF INTEREST

None.

Prepared by: Chad McCollum, Economic Development, Housing and Communications Director

Reviewed by: City Manager AM

ORDINANCE 25-____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CLOVIS AMENDING
SECTION 3.1.126 AND ADDING SECTIONS 3.1.126.1 AND 3.1.126.2 OF CHAPTER 3.1
OF TITLE 3 OF THE CLOVIS MUNICIPAL CODE RELATING TO BUSINESS
REGISTRATION AND LICENSING EXEMPTIONS FOR HONORABLY DISCHARGED OR
HONORABLY RELIEVED VETERANS AND ACTIVE DUTY OR RESERVIST MILITARY
PERSONNEL**

The City Council of the City of Clovis does ordain as follows:

SECTION 1. Section 3.1.126 of Chapter 3.1 of Title 3 of the Clovis Municipal Code is hereby amended to read as follows:

3.1.126 Exemptions for Honorably Discharged or Honorably Relieved Veterans

Any person who is honorably discharged or honorably relieved from the Armed Forces of the United States and a resident of the State may hawk, peddle, and vend within the City any goods, wares, or merchandise owned by the veteran, except spirituous, malt, vinous, or other intoxicating liquors, without the payment of any business registration or tax certificate fee whatsoever, and the Council shall issue to the person a tax certificate therefor without cost.

SECTION 2. Section 3.1.126.1 of Chapter 3.1 of Title 3 of the Clovis Municipal Code is hereby added to read as follows:

3.1.126.1 Exemptions for Honorably Discharged or Honorably Relieved Veteran Business Owners

A person who is honorably discharged or honorably relieved from the Armed Forces of the United States and is a resident of the State shall not be required to pay any business registration or tax certificate fee or any business license fees for a business selling or providing services if the veteran is the sole proprietor of the business.

SECTION 3. Section 3.1.126.2 of Chapter 3.1 of Title 3 of the Clovis Municipal Code is hereby added to read as follows:

3.1.126.2 Exemptions for Active Duty or Reservist Military Personnel Business Owners

An active duty or reservist military personnel who is a member of the Armed Forces of the United States shall not be required to pay any business registration or tax certificate fee or any business license fees for a business selling or providing services if the military personal is the sole proprietor of the business.

SECTION 4. This Ordinance shall go into effect and be in full force from and after thirty (30) days after its final passage and adoption.

APPROVED: March 10, 2025

Mayor

City Clerk

* * * * *

The foregoing Ordinance was introduced and read at a regular meeting of the City Council held on March 10, 2025, and was adopted at a regular meeting of said Council held on _____, by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

DATED:

City Clerk



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Administration

DATE: March 10, 2025

SUBJECT: Consider Introduction – Ord. 25-____, An Ordinance of the City Council of the City of Clovis Amending Section 5.6.09 of Chapter 5.6 of Title 5 of the Clovis Municipal Code Relating to Authorized Additional Card Tables at Licensed Card Rooms.

Staff: Andy Haussler, City Manager

Recommendation: Approve

ATTACHMENTS:

1. Ord. 25-____
2. Bureau Response Letter dated January 27, 2025
3. City Attorney Letter to Bureau dated November 22, 2024
4. 500 Club Casino Letter to City dated January 5, 2024

RECOMMENDATION

For the City Council to approve the introduction of Ordinance 25-____. Approval of the ordinance will allow the 500 Club Casino to pursue necessary approvals from the State Bureau of Gambling Control and the City to increase the number of tables currently operated from 19 tables to 21 tables. The ordinance also includes a schedule of authorized future increases of up to two additional tables every four years, for up to ten total additional tables (29 total tables) in 2041.

EXECUTIVE SUMMARY

AB 341 was enacted in 2023 and became effective January 1, 2024, and amended Business and Professions Code section 19961.07 to authorize a city to amend an existing gambling or card room ordinance to increase the number of gambling tables that may be operated in a gambling establishment subject to various requirements.

To be eligible to increase the numbers of gaming tables as authorized by this change in law and proposed ordinance amendment, the gambling establishment must be operating fewer than 20 gambling tables. 500 Club Casino is the only licensed gambling establishment in Clovis and is currently operating nineteen (19) tables as authorized by its license from the Bureau. The proposed amendment to Section 5.6.09 of the City's Card Room Ordinance establishes a phased schedule for potential future table increases, allowing for authorized incremental

increases in accordance with the schedule included in the Gambling Control Act (Business and Professions Code section 19961.07). The California Department of Justice, Bureau of Gambling Control, has reviewed the proposed ordinance amendment and found it to be in compliance with the applicable provisions of the Gambling Control Act (Attachment 2).

Staff recommends the City Council approve the proposed amendment. The Police Department has reviewed the request and has expressed no concerns with the 500 Club operating additional tables in compliance with the proposed ordinance and its appropriately issued licenses. If approved, the 500 Club will need to obtain updated licenses from the Bureau and the City to operate up to 21 tables. Further license updates will be required in the future if the 500 Club requests authorized table increases in accordance with the schedule in the proposed ordinance amendment.

BACKGROUND

The City has an existing Gaming Club and Card Room Ordinance (Card Room Ordinance) enacted in 1995 in compliance with the California Gambling Control Act (Business and Professions Code section 19800 et seq.). The Card Room Ordinance (Ch. 5.6 of the Clovis Municipal Code) was a continuation of a previous ordinance adopted in 1986, and the 500 Club is the only licensed gambling establishment in Clovis in accordance with the City's Ordinance. The City's Card Room Ordinance has been amended several times since it was enacted to remain in compliance with the Gambling Control Act and allow for the continued lawful operation of the 500 Club during the state's approximate twenty-year moratorium prohibiting cities from enacting new gaming ordinances.

Soon after the change in state law last year, representatives of the 500 Club contacted staff requesting the City review the new law and consider a potential ordinance amendment to increase the number of gaming tables as authorized by amended Business and Professions Code section 19961.07. Staff and the City Attorney's Office reviewed the amended state law and met with representatives of the 500 Club to determine if the 500 Club was eligible for increased tables if the City's Card Room Ordinance was amended. It was confirmed that the 500 Club is eligible for an increase in tables under AB 341. The City Attorney's Office prepared a proposed ordinance amendment and requested review and comment of the proposed ordinance by the California Department of Justice, Bureau of Gambling Control, as required by Business and Professions Code section 19961.1.

The proposed ordinance includes the following authorized table increase schedule:

(a) Number of card tables.

(1) Unless the number of card tables that may be operated at a card room is otherwise restricted in the card room's license, any licensed card room may increase the number of card tables operated at the card room in accordance with the following schedule provided that fewer than twenty (20) card tables are being operated at the time of the first increase:

(i) beginning May 1, 2025: up to two (2) additional card tables, and not more than twenty-one (21) total card tables in operation until the next authorized increase; and

(ii) beginning May 1, 2029: up to two (2) additional card tables, and not more than twenty-three (23) total card tables in operation until the next authorized increase; and

(iii) beginning May 1, 2033: up to two (2) additional card tables, and not more than twenty-five (25) total card tables in operation until the next authorized increase; and

(iv) beginning May 1, 2037: up to two (2) additional card table, and not more than twenty-seven (27) total card tables in operation until the next authorized increase; and

(v) beginning May 1, 2041: up to two (2) additional card tables, and not more than twenty-nine (29) total card tables in operation following this increase.

(2) The total number of additional card tables authorized by subdivision (a)(1) above shall not exceed ten (10) tables above the number of card tables that were licensed and operated at the card room on January 1, 2023. All additional card tables authorized under subdivision (a)(1) above shall be approved by the California Gambling Control Commission prior to being made operational.

FISCAL IMPACT

The City receives license fee revenue from the 500 Club in accordance with the license fee schedule approved by Resolution No. 18-07 on January 8, 2018. Additional license fee revenue to the City is anticipated with the authorization of the additional tables and potential for additional revenue by the 500 Club.

REASON FOR RECOMMENDATION

The 500 Club has requested that the City amend the City's Card Room Ordinance as authorized by AB 341 to allow for a phased schedule of additional tables as permissible under the Gambling Control Act. The Bureau of Gambling Control has review and confirmed the proposed ordinance complies with state law, and staff recommends approval of the proposed ordinance amendment to the Clovis Municipal Code.

ACTIONS FOLLOWING APPROVAL

After the Ordinance becomes effective, the 500 Club may request an updated Cardroom license from the Bureau and the City to operate 21 gaming tables.

CONFLICT OF INTEREST

None.

Prepared by: Briana Parra, City Clerk

Reviewed by: City Manager *AP*

ORDINANCE 25-__

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CLOVIS
AMENDING SECTION 5.6.09 OF CHAPTER 5.6 OF TITLE 5 OF THE CLOVIS
MUNICIPAL CODE RELATING TO AUTHORIZED ADDITIONAL CARD
TABLES AT LICENSED CARD ROOMS**

WHEREAS, a licensed card room is currently operating in the City of Clovis in accordance with the City's existing Card Room Ordinance found in Chapter 5.6 of the Clovis Municipal Code; and

WHEREAS, AB 341 was enacted by the State in 2023 and became effective on January 1, 2024, and amended Business and Professions Code section 19961.07 to authorize a city to amend an existing ordinance to increase the number of gambling tables that may be operated in a gambling establishment subject to various requirements; and

WHEREAS, in accordance with Business and Professions Code section 19961.07, the City Council of the City of Clovis desires to amend the City's existing Card Room Ordinance to authorize an increase to the number of gambling tables that may be operated by a licensed card room in the City.

NOW, THEREFORE, the City Council of the City of Clovis does ordain as follows:

SECTION 1. Section 5.6.09 of Chapter 5.6 of Title 5 of the Clovis Municipal Code is hereby amended to read as follows:

5.6.09 Operations: Rules and regulations.

(a) Number of card tables.

(1) Unless the number of card tables that may be operated at a card room is otherwise restricted in the card room's license, any licensed card room may increase the number of card tables operated at the card room in accordance with the following schedule provided that fewer than twenty (20) card tables are being operated at the time of the first increase:

(i) beginning May 1, 2025: up to two (2) additional card tables, and not more than twenty-one (21) total card tables in operation until the next authorized increase; and

(ii) beginning May 1, 2029: up to two (2) additional card tables, and not more than twenty-three (23) total card tables in operation until the next authorized increase; and

(iii) beginning May 1, 2033: up to two (2) additional card tables, and not more than twenty-five (25) total card tables in operation until the next authorized increase; and

ATTACHMENT 1

(iv) beginning May 1, 2037: up to two (2) additional card table, and not more than twenty-seven (27) total card tables in operation until the next authorized increase; and

(v) beginning May 1, 2041: up to two (2) additional card tables, and not more than twenty-nine (29) total card tables in operation following this increase.

(2) The total number of additional card tables authorized by subdivision (a)(1) above shall not exceed ten (10) tables above the number of card tables that were licensed and operated at the card room on January 1, 2023. All additional card tables authorized under subdivision (a)(1) above shall be approved by the California Gambling Control Commission prior to being made operational.

(3) Before any card room initially increases the number of card tables it operates pursuant to any authorized increase in subdivision (a)(1) above, an amended license shall be obtained from the City Council that specifies the schedule of increases in authorized card tables, by date and corresponding number of authorized tables, for that licensee. Provided a licensee obtains the necessary approval from the California Gambling Control Commission for each increase in the number of card tables to be operated, no further authorization from the City Council shall be required for each increase in the number of card tables operated in accordance with subdivision (a)(1) above and the terms and schedule of increases set forth in its card room license; and notwithstanding anything to the contrary in this Chapter, the City shall administratively and ministerially issue an updated card room license authorizing the number of card tables consistent with the Gambling Control Commission's approval and subdivision (a)(1) above and the terms and schedule of increases in a card room license.

(4) A card room shall provide the City with documentation showing that the card room is operating all authorized tables and current on all taxes and fees applicable to its operations prior to implementing any increase in its card tables under subdivision (a)(1) above. Failure to provide such documentation will result in a suspension of any increase in the number of card tables operated at the card room until such documentation is provided to the City.

(5) No card room shall have in operation, and no licensee or employee shall permit the card room to have in operation, more than the number of tables specified in the current and valid license issued to such licensee and which has been authorized under the card room's state gambling license issued by the California Gambling Control Commission.

(6) Nothing in this section or in subdivision (a)(1) above shall limit or otherwise affect the City Council's authority under this chapter to suspend, revoke, terminate, or take other authorized action in relation to, a license. This subdivision shall not create a vested right, entitlement, or interest in any license or the operation of card tables.

(b) Number of seating positions per card table. Unless restricted to a lesser number in the license, the maximum number of seating positions per card table available for use at any one time shall be ten (10), except during tournaments when the maximum number of seating positions shall be increased to eleven (11). No card room shall have in operation,

and no licensee or employee shall permit the card room to have in operation, more than the number of seating positions per table specified in the current and valid license issued to such licensee.

(c) Hours of operation. The licensee may operate the card room twenty-four (24) hours per day, seven (7) days per week, and three hundred sixty-five (365) days per year. The actual hours of operation shall be posted in a manner sufficient to give patrons adequate notice of the hours during which the card room will remain open for business, as determined by the Chief of Police.

(d) Permissible games.

(1) The licensee may allow the play of any and all games at the card room permitted by the Gambling Control Act by first complying with the requirements of the Gambling Control Act and by providing advance written notification to the Police Chief with a right to object as follows:

(i) The licensee shall provide the Police Chief with the Bureau approval letter for any game and its rules for play at least fifteen (15) days before seeking to play that game.

(ii) The Police Chief shall have fifteen (15) days to object to allowing the licensee to play any proposed game. If no objection is made, the Police Chief shall add the new game to the list of permissible games that may be played at the card room.

(iii) The Police Chief may impose limitations on bets and wagers for any permissible game as set forth in subsection (k) of this section.

(iv) The Police Chief may impose a backline betting prohibition for any permissible game as set forth in subsection (k) of this section. "Backline betting" for purposes of this section shall mean financial participation in the game being played, but not seated and playing at one of the designated seating positions associated with game participation.

(2) The Police Chief shall maintain a list of permissible games that may be played at the card room and the rules on how each game and variation thereof is to be played.

(3) No games shall be played at any card room unless it is listed as a permissible game and approved by the Bureau of Gambling Control.

(4) The licensee shall allow the playing of permissible games only in strict conformity with the rules on file with the Police Chief.

(5) The Police Chief may, at any time, and in his/her discretion, withdraw the approval of a permissible game by considering, in addition to other factors he/she deems relevant, the following:

(i) Whether the playing of the game has led to an increase in complaints of cheating or an increase in police service;

(ii) Whether the playing of the game has created a public nuisance or disorder in the community; and

(iii) Whether the playing of the game has been detrimental to the public health, safety or welfare of the citizens of Clovis.

(6) The licensee may appeal the decision of the Police Chief to object to a game as a permissible game or to withdraw approval of a permissible game, unless such game is prohibited by the Gambling Control Act, to the City Council by filing a written notice thereof with the City within ten (10) days from the date of notice of the Police Chief's decision. If an appeal is filed, a hearing shall be scheduled as reasonably as practical, but no later than sixty (60) days after the notice of appeal is filed, unless the licensee consents to a longer period of time or the City Council finds good cause for a longer period of time. Notice of such hearing shall be provided to the applicant either by personal delivery or certified mail, return receipt requested, addressed to the licensee at the address listed on the application, or any more recent address furnished to the City by the licensee. The notice shall specify the time, place and date of the hearing and shall be served at least ten (10) days before the date of the hearing. The hearing shall be informal in nature and the technical rules of evidence shall not apply. The decision of the Council, after hearing on appeal, shall be final.

(e) Games to be conducted in compliance with City and State laws. Each and all the games conducted or operated in the City pursuant to the provisions of this chapter shall be conducted and operated in full conformity with, and subject to, all the provisions of Federal, State and local laws.

(f) Collection of fees. Fees may only be collected for the playing of permissible games either through a time rental fee for occupancy at a card table or a predetermined fixed fee assessed of all players at a card table and collected prior to or during the playing of a hand.

(g) Age limitations. No person under the age of twenty-one (21) years of age shall be permitted to enter into a card room.

(h) Alcoholic beverages: Intoxicated persons.

(1) Alcoholic beverages may be sold, dispensed, consumed, or permitted in a licensed gaming club in accordance with applicable State and local laws and regulations and only after the gaming club obtains any applicable conditional use permit from the City.

(2) No on-duty employee of a gaming club shall consume alcoholic beverages.

(3) No complimentary or reduced price alcoholic beverages shall be offered by the gaming club on the gaming floor in violation of State law.

(4) No licensee, key management employee or other person in charge or control of any card game at a gaming club shall permit any person to play in any game permitted by the provisions of this chapter at any time while such person appears to be, or is, in

the opinion of the licensee or duly authorized agent or employees, under the influence of any alcoholic beverage or controlled substance.

(5) No licensee, key management employee or other person in charge or control of any card game at a gaming club shall permit any person to enter the premises while such person appears to be, or is, in the opinion of the licensee or duly authorized agents or employees, under the influence of an alcoholic beverage or controlled substance.

(6) Any violation of this section shall be grounds for the immediate suspension and/or revocation of any license, certificate or permit issued pursuant to the provisions of this chapter.

(i) Exclusion of persons from card rooms. The licensee or key management employee shall exclude or eject from the premises any person who is known to have engaged in or been convicted of bookmaking, loan sharking, the sale of controlled substances, illegal gambling activities, or whose presence in or about such gaming club would be inimical to the interests of legal gambling or gaming.

(j) Patron complaints. A notice setting forth the procedure for making and/or filing complaints by patrons of the card room shall be made a part of the rules and included within any rule book. Such complaint procedure shall at a minimum include provisions for logging in the verbal and written complaints, and the name, address, and telephone number of the complainant.

(k) Limitations on amounts of bets and wagers; limitation on backline betting. There is no betting or wagering limit on any permissible games, and no prohibition on backline betting, unless a bet or wager limit, or backline betting prohibition, is imposed on any game by the Police Chief. The licensee may appeal the decision of the Police Chief to impose a bet or wager limit, or prohibit backline betting, on any game, unless such bet or wager limit, or backline betting prohibition, is also imposed by the Bureau of Gambling Control, to the City Council by filing a written notice thereof with the City within ten (10) days from the date of notice of the Police Chief's decision in the same manner as set forth in subsection (d)(6) of this section.

The licensee may impose wagering limits on these games. If the licensee establishes a wagering limit, it shall be posted along with the wagering limits for other permitted games.

(l) Identification card.

(1) It shall be unlawful for any licensee or employee to be physically present at any time upon the premises of a gaming club without having prominently displayed his or her own personal identification card issued by the Police Chief pursuant to this chapter identifying such person with the gaming club. Such identification card shall designate whether the person is also a licensee or key management employee.

(2) The identification card shall be prominently displayed on the outermost garment at approximately chest height. Such identification card shall at all times be in good and readable condition.

(m) Employment of persons to stimulate play prohibited.

(1) It shall be unlawful for any licensee or employee to engage in or persuade any person to play cards for the purpose of stimulating play where such person is to receive any compensation or reward, whether financial or otherwise, present or promised; or where such reward or revenue is to be diverted to the card room licensee or owner except as allowed under subsection (m)(2) of this section.

(2) The licensee may utilize a house player. A house player must wear a work permit at all times in a conspicuous place attached to the clothing identifying the player as an employee of the licensee. Other than compensation for the time spent in acting in such activities as an employee of the licensee, no gifts, rewards or any other thing of value shall be given to the house player by the card room licensee, owner, key management employee or employee.

(n) Third-party propositional player services. Notwithstanding subsection (m) of this section, the licensee may contract with a third party for the purpose of providing proposition player services at the card room, subject to the following conditions:

(1) In no event shall a licensee or any person or entity with a financial interest in licensee have any financial interest, whether direct or indirect, in funds wagered, lost, or won by any third-party provider of proposition player services;

(2) Any third-party provider of proposition player services shall be licensed by the California Gambling Control Commission;

(3) Any agreement between the licensee and the third-party proposition player services provider shall be in writing approved in advance by the California Bureau of Gambling Control; and

(4) The licensee shall provide the Police Chief with copies of the approved contract and approval letter from the California Bureau of Gambling Control in advance of any licensed third-party provider providing proposition player services at the card room.

(o) Lending money or tokens of value prohibited. It is unlawful for any licensee or employee to engage in the lending, or permit the lending, of money, chips, tokens or anything of value, either real or promised, to any person for the purpose of allowing that person to eat, drink or engage in any game or gambling on the premises.

(p) Use of blank personal checks prohibited. It is unlawful for any licensee or employee to cash any personal check which does not state the amount on the face of the check.

(q) No money to be used as ante or bet. It is unlawful for any licensee or employee to allow or permit money to be used as ante or bet in any legal game in the gaming club. Anteing or betting shall be done by using tokens, chips, or other representatives of money.

(r) Operation of house deposit or credit system prohibited.

(1) It shall be unlawful for any licensee or employee to operate, maintain or purport to maintain any house, player or employee deposit or credit system or any system

similar thereto, whereby a person may deposit, draw or maintain any account or credit of money, checks or any other item or representation of value, except as authorized pursuant to subsections (r)(2) and (3) of this section.

(2) The licensee shall be allowed to provide chips or other representations of value paid for in advance by the patron in cash or by personal check.

(3) The licensee shall be allowed to accept a patron's chips or other winnings and provide the patron with a check drawn on the licensee's account for the amount of the patron's chips or other winnings.

(4) The dollar equivalent of any such chips or other representations shall be posted in the same manner as the game rules pursuant to this chapter.

(s) Gamblers Anonymous literature. The licensee shall make literature published by Gamblers Anonymous easily available in a visible location and prominently displayed in the card room. If Gamblers Anonymous publishes literature in a language other than English and a patron requests such literature be made available in such language, the card room licensee shall be required to make such literature easily available and prominently displayed. The licensee shall also satisfy any requirements of the Gambling Control Act relating to providing assistance for gambling addictions.

(t) Inspection of premises.

(1) All gaming clubs shall be open for inspection during normal business hours to the City Manager, Police Chief, Fire Chief, Building Inspector, and Finance Director, or their duly authorized representatives, without search warrant.

(2) All card room records, including but not limited to papers, books of account, ledgers, audits, reports, personnel records, and information stored in any media system, including computers and on computer tape or disks, video tape, microfilm or microfiche, shall be available for inspection and copying during normal business hours to the City Manager, Police Chief and the Finance Director or their duly authorized representatives, without search warrant.

(u) Entry to secure areas prohibited. It shall be unlawful for any individual player or other unauthorized person to enter any secure areas within the premises or for any licensee or employee to permit any player or unauthorized person to enter any secure areas within the gaming club premises.

(v) Rules on possession of cards. It shall be unlawful for any patron or any other person not a licensee or key management employee to bring cards into a card room. It shall be unlawful for any person other than a licensee, authorized employee or a patron when playing cards to have playing cards in his or her possession while in a card room. It shall be unlawful for any person in a card room other than on-duty employees with valid work permits to have playing cards in his or her possession outside of a designated card playing area.

(w) Cooperation against unlawful practices. It shall be the responsibility of the licensee, management and their employees to fully cooperate with card game surveillance and

protection personnel in the detection, apprehension and identification of those individuals involved in cheating, fraudulent practices, or other unlawful practices. Management shall retain and deliver to the Police Department as evidence in arrests or detention all playing cards and implements suspected of involvement in cheating. Management shall cooperate with card club surveillance personnel whether provided by a governmental policing agency, a City-contracted service, City-administered or licensee-assigned.

(x) Subletting to persons without licenses prohibited. No licensee, owner or employee shall permit the farming out, assigning, leasing, renting, or subletting of any games or card tables on premises lawfully permitted pursuant to the provisions of this chapter.

(y) Physical arrangements.

(1) All applicable license and site plan conditions for the gaming club shall be complied with at all times.

(2) In addition, whether or not specified in the license and site plan conditions, the following shall apply:

(i) No establishment licensed as a gaming club shall operate or maintain in use more than the maximum number of tables allowed by the license;

(ii) Games shall be located and conducted on what is commonly known as the street floor of the gaming club premises as approved in the license;

(iii) Games shall be located in one or more rooms and so arranged that the gaming tables in a room and the players at the tables shall be visible from the main doorway into such room. No wall, partition, screen, or similar structure between any main doorway into such a room and any gaming table shall be permitted if it interferes with such visibility;

(iv) The licensee shall not conduct any bingo game on the gaming club premises. The licensee may, however, allow other persons or entities to conduct bingo games within meeting or assembly rooms of the gaming club premises; provided, that such persons or entities comply with the provisions of Chapter 15 of Title 5;

(v) The card room portion of the gaming club shall be separated from other activities on the premises;

(vi) The public entities (and the officers and employees thereof) which are charged with the responsibility of law enforcement and which have jurisdiction within the City shall have full and complete access to any and all parts of the gaming club premises during all hours of operation;

(vii) The licensee shall at all times have on-site uniformed security as required in this chapter, as approved in the license and any approved site-plan conditions, and as set forth on an approved security plan; and

(viii) The licensee shall at all times have parking as approved in the license and any approved site-plan conditions.

(z) Display of licenses, certificates and permits. No licensee or employee shall fail, neglect or refuse to exhibit their licenses, certificates or work permits on demand of any law enforcement officer, or of any City employee involved in the oversight of gaming club activities, or in the case of a work permittee, fail, neglect or refuse to wear such permit as identification in a conspicuous place attached to his/her clothing while performing his/her duties for the licensee, if so required.

(aa) Game rules: Posting requirements.

(1) There shall be displayed in a conspicuous place on the gaming club premises the following:

- (i) The rules describing how each game conducted on the premises is to be played;
- (ii) The minimum buy in, time charge, or other fee charged players for the use of the tables;
- (iii) A copy of the current valid license and the licensee's current gaming license issued under the Gambling Control Act.

(2) The items required to be displayed by this subsection shall at all times be of readable print and contained in a brochure or booklet form made available, and readily accessible, to all patrons.

(3) The rules which are displayed and made available to the public shall be identical to the rules provided to the Police Chief pursuant to the requirements of this chapter. Printed copies of the rules and regulations shall also be readily available to the public.

(bb) Annual declaration by licensee. Not later than July 1st of each calendar year, the licensee, and if there is more than one person named on the license, all persons so named, shall execute under penalty of perjury and file with the City a declaration stating the following:

- (1) A list of the minimum buy-in, time charged, or other fee charged players for the use of the tables;
- (2) A set of the then current posted detailed house rules applicable to the games played;
- (3) That all license fees have been paid; and
- (4) The following statement:

I, _____, hereby declare under penalty of perjury that the foregoing is true and correct. Executed this _____ day of _____, 20__ in Clovis, California.

LICENSEE

The declaration shall be accompanied by a complete copy of all license and license applications (and exhibits) filed by the licensee and all persons having a financial interest in the licensee under the Gambling Control Act.

(cc) Responsible persons.

(1) The operation of the gaming club shall be the responsibility of the licensee personally if the licensee is a person and the individual shareholders, directors, officers, managers, partners and members, as applicable, if the licensee is an entity. The operation of the gaming club shall also be the personal responsibility of any and all key management employees of the licensee that are present during gaming club operations.

(2) Either the licensee if a person, or a key management employee of the licensee shall be present on the gaming club premises at all times during the conduct of its legal gambling or gaming operations.

(dd) Cheating.

(1) It shall be unlawful for any person as a player or dealer to deal, draw, distribute, or burn any playing card other than the top card of a deck. The "top card" is defined as the uppermost face-down card of the face-down deck.

(2) It shall be unlawful for any person as a player, dealer, employee, or agent to shuffle or cause to be shuffled any playing cards which are to be used or are being used in a gaming club card game, other than in a random manner. It shall be unlawful to predetermine, or prearrange the sequence of playing cards by value or suit, or to retain or hold back a card or cards either individually, or as a group or slug, in an effort to circumvent a random mixing of the playing cards.

(3) It shall be unlawful for any player or dealer to palm, hold out, or conceal any card during a card game, whether by sleight of hand, mechanical apparatus, or by clothing. It shall also be unlawful for any person, player, or dealer to switch, exchange, or cause to be exchanged any playing card, or cards, as a means of deception.

(4) It shall be unlawful for any person to use any technique in a card game designed to nullify a cut once performed by a player, or to influence or indicate to another person to cut the deck at a specific location.

(5) It shall be unlawful for any person, player, or dealer to deliberately mark or alter any card or cards when there is a likelihood that such cards will be used in gaming club card games or when such cards are in play. It shall be unlawful to knowingly use any altered or marked cards in a card game.

(6) The use of any mechanical or electrical apparatus or other device so as to gain any advantage or to gain information which would enable a player or dealer to deceive others shall be prohibited.

(7) It shall be unlawful for any person to knowingly aid or abet another in any cheating action.

(8) It shall be unlawful for any person to use any cheating techniques, whether or not such techniques are successful. The licensee or management shall immediately notify the Clovis Police Department upon the detection of any person suspected of cheating.

(9) It shall be the responsibility of the licensee, management, and their employees to fully cooperate with all law enforcement personnel in the detection, apprehension, and/or identification of those persons involved in cheating or fraudulent accounting practices. The management shall retain and deliver to the appropriate law enforcement agency, as evidence, all playing cards and implements suspected of involvement in cheating.

(10) The licensee shall cause this section to be reproduced and displayed along with the game rules, which shall be of readable print and contained in a brochure or booklet form made available, and readily accessible, to all patrons. This section shall also be made available in written form in any language besides English as may be required by the Gambling Control Act or other applicable law.

(11) Notwithstanding other provisions of law, any person committing an unlawful act as set forth in this section shall be guilty of a misdemeanor punishable by imprisonment not to exceed six (6) months and/or by a fine not to exceed one thousand and no/100ths dollars (\$1,000.00).

(ee) Surveillance system.

(1) Closed circuit cameras shall be placed at all entrances and exits to the card room portion of the gaming club as well as over each table and at each cashier's booth.

(2) The surveillance system shall monitor and record a general overview of activities occurring in each targeted area with sufficient clarity to identify individuals so that future identification is very likely. The image of the person in the targeted area shall take up at least one-seventh (1/7) of the picture.

(3) The digital surveillance equipment used to satisfy the surveillance standards in this section shall:

(i) Record and play back video at a minimum of fifteen (15) frames per second (FPS), full screen (four (4) common intermediate format CIF), in real time.

(ii) Cameras shall be color unless a noncolor camera (example: black/white with infrared light) would produce better image quality in a given situation.

(iii) All camera positions shall be recorded at all times the card room is open.

(iv) Have adequate storage capacity to maintain for a period of not less than fourteen (14) days, all images obtained from the video cameras.

(v) Have a failure notification system that provides audible and/or visual notification of any failure in the surveillance system or the digital video recording

(DVR) media storage system. Alternatively, daily verification of the effective operation of surveillance system and DVR media storage system components is acceptable.

(vi) Have a media storage system that is configured so that a failure of any single component will result in no loss of data from the media storage system.

(4) All digital video disks or other storage media produced from the DVR system shall contain the data with the time and date it was recorded superimposed, the media player and the software necessary to view the DVR images.

(5) In the event of a failure of a DVR storage media system (total system failure), the gaming operation should strive to repair or replace the equipment within eight (8) hours of the failure.

(6) All DVR equipment must be located in a secure area and the licensee and key management employee shall be ultimately responsible for its proper operation.

(7) A log shall be kept upon the premises of the card room at all times documenting the time and date that the recording equipment is started and stopped each day. Such log shall also include notations indicating any periods of time that the recording was not in operation under the required conditions, an explanation as to why there was an interruption in recording, and the name of the employee making the entry.

(8) All such recordings shall also be made available to the Police Chief, or his/her representative, upon demand at any time the card room is open for business, and upon reasonable notice at all other times.

(ff) Security guards.

(1) At least one uniformed security guard shall be on duty and posted at each main public card room entrance during the hours the card room is open for business. Secondary entrances from other businesses within the card room, for example, dedicated bars and restaurants, are not considered main entrances.

(2) Additional security guards shall be provided as required in the license, any approved site-plan conditions, the security plan, or as otherwise required by the Police Chief to ensure the safety and security of patrons.

(3) Security guards shall be required to hold a California Security Card and be required to attend the Clovis Police Department MOAB (Management of Aggressive Behavior) training within ninety (90) days of employment.

(4) A security plan detailing the number of guards and duties of the guards shall be prepared and submitted to the Police Chief for review, approval, and modification to ensure the safety and security of patrons. The Police Chief may at any time direct that an approved security plan be modified to ensure the safety and security of patrons.

(5) A log shall be kept at the business detailing the security guard deployment as follows: The log shall indicate the date and time the guard comes on duty, the

assignment of the guard, the guard's printed name, his or her signature, and the time the guard ends his or her shift. This log will be supplied by the Clovis Police Department and will be the property of the Clovis Police Department to be available for inspection during regular business hours. Maintenance of the log will be the responsibility of the licensee. Absence of an entry during a period which a guard is required will constitute a violation of this condition.

SECTION 2. Effective Date.

This Ordinance shall go into effect and be in full force from and after thirty (30) days after its final passage and adoption.

APPROVED: _____, 2025

Mayor

City Clerk

* * * * *

The foregoing Ordinance was introduced and read at a regular meeting of the City Council held on _____, 2025, and was adopted at a regular meeting of said Council held on _____, 2025, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

DATED: _____, 2025

City Clerk



C A L I F O R N I A
DEPARTMENT OF JUSTICE

Rob Bonta
Attorney General

BUREAU OF GAMBLING CONTROL
2450 DEL PASO ROAD, SUITE 100
SACRAMENTO, CA 95834

January 27, 2025

Via e-mail only

Andrew Haussler
City Manager
City of Clovis
1033 Fifth Street
Clovis, CA 93612
andrewh@clovisca.gov

Re: City of Clovis – Ordinance Amendments

Dear Mr. Haussler:

On November 25, 2024, the Department of Justice (Department), Bureau of Gambling Control (Bureau) received an email regarding the City of Clovis's (City) proposed amendments to its Municipal Code. These proposed amendments were submitted to the Bureau for review in compliance with Business and Professions Code section 19961.1, and for the Bureau to evaluate the proposed amendments to the City's Municipal Code in light of the restrictions and limitations contained in the Gambling Control Act (Act).

The City proposes amending section 5.6.09 of the Municipal Code, which governs the rules and regulations on the operation of gambling establishments¹ within the City. Specifically, the City proposes amending section 5.6.09 to provide for increases to the number of tables allowed within a gambling establishment consistent with Business and Professions Code section 19961.07.² The Bureau offers the following comments.

¹ Section 5.6.04, subdivision (b), of the Municipal Code includes a definition for "Card room," which the Bureau acknowledges is synonymous with the definition of "gambling establishment" under the Act. (See Bus. & Prof. Code, § 19805, subd. (o).)

² In July 2024, the City submitted proposed amendments to section 5.6.09 of the Municipal Code, and the Bureau provided its comments to the City on those proposed amendments in a letter dated October 3, 2024.

Andrew Haussler, City Manager, City of Clovis
 January 27, 2025
 Page 2

1. Section 5.6.09 – Operations: Rules and regulations.

Section 5.6.09³ currently specifies, among other things, the maximum number of tables that may be allowed in a card room, and currently sets a limit of 20 tables per card room. (Section 5.6.09, subd. (a).) The City proposes amending subdivision (a) of section 5.6.09 to add subdivision (a)(1) to allow for increases to the maximum table limit pursuant to Business and Professions Code section 19961.07. The proposed amendments would allow an increase in the number of tables that may be operated in a card room, provided that the card room is operating fewer than 20 tables at the time of the first increase, and according to the following schedule: (1) up to two additional tables may be operated beginning March 1, 2025, and not more than 21 tables allowed in operation; (2) up to two additional tables may be operated beginning March 1, 2029, and not more than 23 tables allowed in operation; (3) up to two additional tables may be operated beginning March 1, 2033, and not more than 25 tables allowed in operation; (4) up to two additional tables may be operated beginning March 1, 2037, and not more than 27 tables allowed in operation; and, (5) up to two additional tables may be operated beginning March 1, 2041, and not more than 29 tables allowed in operation. The proposed amendments also specify that no more than 10 additional tables above the number operated on January 1, 2023 shall be allowed pursuant to section 5.6.09, subdivision (a). (Section 5.6.09, subd. (a)(2).) The proposed amendments further specify that a licensee must receive authorization from the California Gambling Control Commission to operate additional tables prior to any increase in the number of tables operated in a gambling establishment. (Section 5.6.09, subd. (a)(3).)

The proposed amendments appear to be compliant with the Act and address the concerns that the Bureau raised in its October 3, 2024 comment letter. If further amendments are forthcoming, please provide the Bureau with those amendments prior to adoption as provided by Business and Professions Code section 19961.1.

While the Bureau is required to review and comment upon proposed ordinance amendments, nothing contained herein shall be construed to authorize the operation of a gambling establishment in any manner that is inconsistent with the Act or any other applicable provision of law.

³ Section references are to the City's Municipal Code unless otherwise indicated.

Andrew Haussler, City Manager, City of Clovis
January 27, 2025
Page 3

If you have any questions, or wish to submit further revisions to these ordinances, please contact Analyst Kenneth Larsen at (916) 559-6103, or by email at kenneth.larsen@doj.ca.gov. Thank you for your cooperation regarding this matter.

Sincerely,

Brent Y. Jo

Digitally signed by Brent
Y. Jo
Date: 2025.01.27 10:15:21
-08'00'

BRENT Y. JO
Deputy Attorney General

For ROB BONTA
Attorney General

Scott G. Cross
Attorney at Law

E-mail: scross@lozanosmith.com

November 22, 2024

By E-Mail only: kenneth.larsen@doj.ca.gov

Department of Justice
Bureau of Gambling Control
Attn: Kenneth Larsen
2450 Del Paso Road,
Sacramento, CA 95834.

Re: City of Clovis – Proposed Card Room Ordinance Amendment

Dear Mr. Larsen,

As you know, this office serves as the City Attorney's Office for the City of Clovis. On July 24, 2024, we sent you a proposed amendment to the City's existing Card Room Ordinance found in Chapter 5.6 of the Clovis Municipal Code for review and comment by the Department of Justice, Bureau of Gambling Control ("Bureau") as required by Business and Professions Code section 19961.1.

The City received the Bureau's response letter dated October 3, 2024, signed by Brent Y. Jo, Deputy Attorney General, with comments to the proposed ordinance amendment. We have reviewed the Bureau's comments and suggested changes to the proposed ordinance amendment to ensure compliance with Business and Professions Code section 19961.07, as recently amended by AB 341, and other provisions of the Gambling Control Act.

Enclosed with this transmission, the City is submitting the updated proposed ordinance amendment with changes to address the comments in the Bureau's letter dated October 3, 2024. The updated proposed ordinance (both a redlined track changes version and a clean version) is enclosed for the Bureau's review and comment as required by Business and Professions Code section 19961.1.

Specifically, the proposed ordinance amendment would amend only Section 5.6.09 (Card Rooms, Operations: Rules and Regulations) of the Clovis Municipal Code to authorize an increase in gaming tables at a licensed card room in accordance with a schedule of increased tables and maximum authorized tables (and subject to the 10 additional table limit) allowed by Business and Professions Code section 19961.07.

ATTACHMENT 3

Limited Liability Partnership

7404 N. Spalding Avenue Fresno, California 93720-3370 Tel 559-431-5600 Fax 559-261-9366

As mentioned in our previous letter dated July 24th, the City has only one licensed gaming club operating in the City – the 500 Club Casino. The designated agent for the 500 Club Casino, Jarhett Blonien, is copied on this request to the Bureau.

Please contact me with any questions regarding this request.

Sincerely,



Scott G. Cross
Clovis City Attorney

cc: John Holt, City Manager
Andrew Haussler, Assistant City Manager
Jarhett Blonien, Designated Agent, 500 Club Casino

J. BLONIEN
A PROFESSIONAL LAW CORPORATION
1121 L STREET, SUITE 105
SACRAMENTO, CALIFORNIA 95814
916-441-4242
WWW.JBLONIEN.COM

John Holt, City Manager
City of Clovis
1033 Fifth Street
Clovis, CA
93612

January 5, 2024

Via E-mail: Johnh@ci.clovis.ca.us

Re: Request for Amendment of City Ordinance 5.6.09(a) in
accordance with Business and Professions Code Section
19961.07

Dear Mr. Holt,

On behalf of our client, the 500 Club, we are writing to bring to your attention a recent development in the Business and Professions Code, specifically Section 19961.07, which we believe presents an opportunity for positive growth and enhancement within the City of Clovis.

As you may be aware, Business and Professions Code Section 19961.07 allows cities to revise their ordinances regarding the number of gaming tables permitted at licensed cardrooms. This statute is particularly relevant to the City of Clovis, where the 500 Club is the sole licensed cardroom. Since the fall of 2023, the 500 Club has operated with 19 gaming tables, adhering to the current city ordinance, which restricts the number of tables to 20.

The recently enacted statute provides a strategic framework for the gradual expansion of gambling tables at establishments operating fewer than 20 tables. In the case of the 500 Club, we propose a measured and responsible approach to growth in line with the provisions of Section 19961.07. This statute suggests an initial increase of up to 2 tables within the first year of the ordinance's amendment, followed by the potential addition of 2 tables every four years thereafter, not to exceed 10 additional tables above the number in operation as of January 1, 2023.

We believe that aligning Clovis City Ordinance 5.6.09(a) with the provisions of Section 19961.07 will not only facilitate the natural progression of the 500 Club but also contribute positively to the local economy and community. The 500 Club has maintained

an outstanding working relationship with the City of Clovis, and this proposed amendment is a testament to our commitment to responsible growth and collaboration.

By allowing for the gradual expansion of gaming tables, the City stands to benefit from increased economic activity, job creation, and additional revenue streams. Moreover, this measured approach ensures that the growth remains in harmony with the values and vision of the community.

We kindly request the Clovis City Council's consideration and support for the amendment of City Ordinance 5.6.09(a) in accordance with Business and Professions Code Section 19961.07. We are confident that this strategic adjustment will not only be beneficial for the 500 Club but will also contribute to the continued prosperity of the City of Clovis.

Thank you for your time and attention to this matter. We look forward to the opportunity to discuss this proposal further and address any questions or concerns you may have.

Sincerely,


Jarhett Blonien

Cc: Kevin Barclay
Kerry Barclay



CITY of CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Planning and Development Services

DATE: March 10, 2025

SUBJECT: Consider Approval – Res. 25-____, A resolution approving the annual review and update to the Regional Housing Needs (RHN) Overlay District map of parcels and associated list reflecting those parcels that qualify for development as an RHN Overlay project.

Staff: Marissa Parker, Assistant Planner

Recommendation: Approve

ATTACHMENTS: 1. Resolution 25-____, RHN Overlay District

RECOMMENDATION

Staff recommends that the Council adopt a resolution approving the annual review and update to the RHN Overlay District.

EXECUTIVE SUMMARY

In November of 2018, the City Council adopted Ordinance Amendment 2018-26 establishing the Regional Housing Needs (“RHN”) Overlay District to address requirements from the State Department of Housing and Community Development (“HCD”) regarding the City’s Regional Housing Needs Allocation (“RHNA”). In November of 2020, the RHN Overlay District ordinance was amended to clarify that the RHN Overlay map and list of sites shall be reviewed and updated annually. The Planning and Development Services (“PDS”) Director may also remove sites at any time if it is determined they no longer qualify. Prior to the annual update, one property has been removed from the list of qualifying parcels because it has been developed with a non-RHN Overlay project. No properties are proposed to be added to the RHN Overlay Map and list of sites.

BACKGROUND

Creation and Adoption of the RHN Overlay District

In 2018, the City implemented two new programs to address the shortfall of land to accommodate at least 4,209 affordable units in its housing inventory identified in the Fourth Cycle of the City’s RHNA. These programs were designed to facilitate the development of high-density housing as required by HCD. The first program created the opportunity for residential units to be developed on viable properties within the P-F Zone District. The second program

established the RHN Overlay District. The RHN Overlay District is a citywide zone that allows multi-family housing to be developed as a permitted use at a density between 35 and 43 dwelling units per acre on eligible properties. Eligible parcels must be shown on a map adopted by the Council. The map, together with a list of parcels, needs to be reviewed and updated annually to reflect the parcels that may be developed as RHN Overlay projects.

Properties Eligible for the RHN Overlay

The RHN Overlay applies to all residentially zoned properties citywide. Parcels between one (1) and ten (10) acres in size will qualify as RHN Overlay-eligible sites if they satisfy the requirements for a usable site, as described below. Parcels larger than ten (10) acres can qualify if they can be divided into usable sites of no more than ten (10) acres. Eligible parcels must be free of constraints, which would preclude them from developing within the allowable density range and in conformance with the applicable development standards. The language in the Clovis Municipal Code (“CMC”) includes evaluation of the following criteria:

- Physical characteristics of the parcel, such as size, shape, dimensions, topography, and environmentally sensitive features.
- Rules, regulations, policies, or other relevant guidance from the HCD.
- Current or past use or development, entitlement or permit approvals, and applications for entitlements or permits.
- Encumbrances or other commitments appurtenant to or enforceable against the parcel or recorded against the property.
- Any legal mandates, restrictions, prohibitions, or commitments applicable to the parcel that requires a finding, determination, action, process, proceeding, or otherwise by the City, notwithstanding the purpose of the RHN Overlay District.

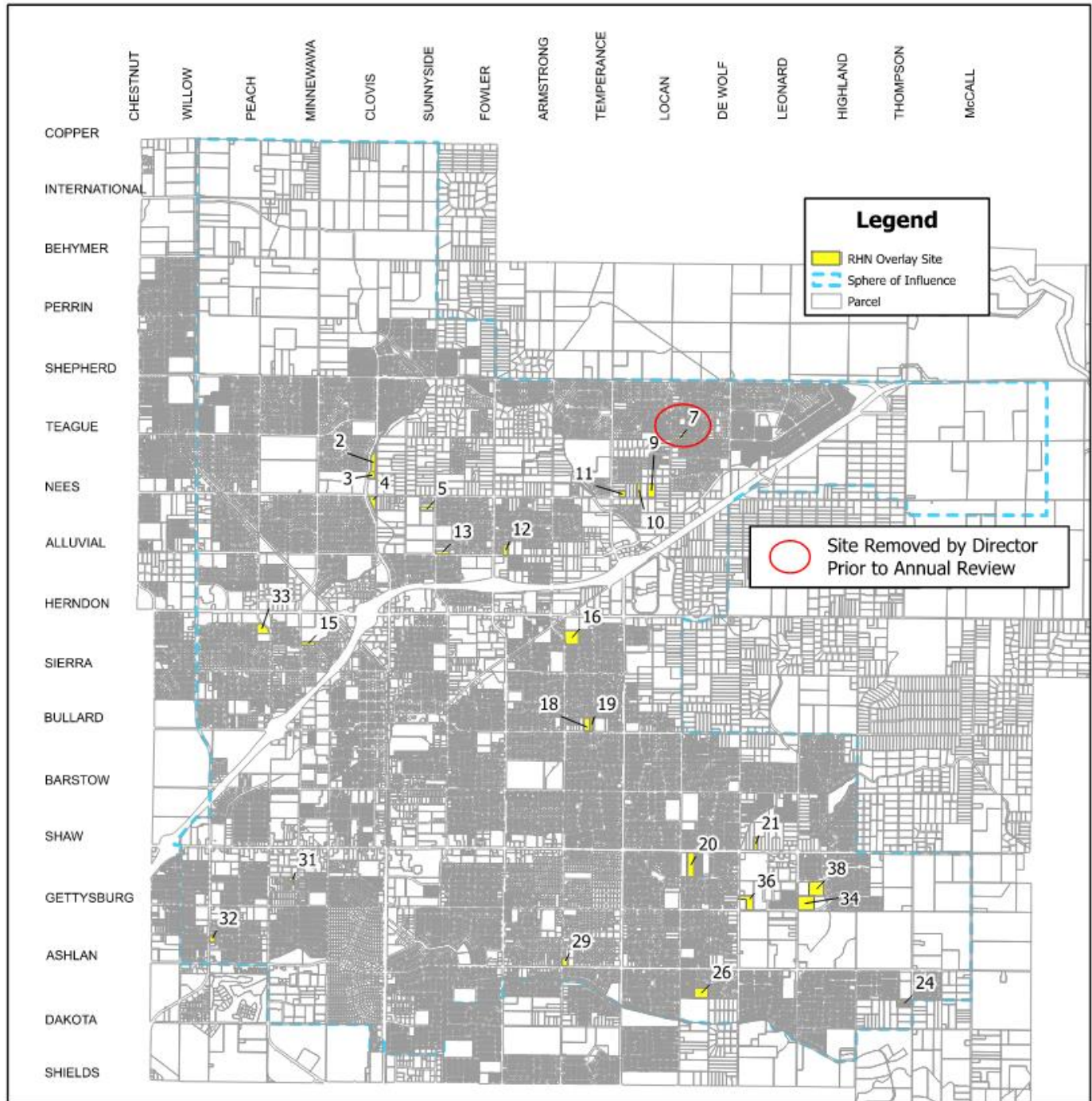
Modifications to the RHN Overlay Map and List of Sites

Prior to the completion of the annual review, staff identified one property that needed to be removed from the RHN Overlay Map and list of sites because the property has been developed with an alternative use. Site 7 has been subdivided to allow single-family residential homes as consistent with the property’s planned land use designation of Low Density Residential and R-1-AH zoning. Because this site no longer qualifies, the Director removed it from the list, as follows:

Site #	Acreage	General Plan	Zoning	Action
Site 7	2.39	LDR	R-1-AH	Removed

Staff has not identified any new sites that should be added to the RHN Overlay District, and no requests have been received from property owners. The updated map of sites is included as **Figure 1** on the following page.

Figure 1: 2025 Regional Housing Needs Overlay District Sites Map



Public Meeting

A public notice was published on February 14, 2025, informing the community of the annual review and update to the RHN Overlay District. No public comments have been received. In accordance with the requirements of the CMC, an informational meeting was scheduled on February 26, 2025, to provide information to the public on the annual review and update, including potential changes to the map and list of sites. This staff report was completed prior to the February 26th meeting. Therefore, any comments received will be summarized during staff's presentation of this item.

California Environmental Quality Act (CEQA)

The City has determined that the annual review and update is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3), the "common sense exemption," which provides that CEQA applies only to projects that have the potential for causing a significant effect on the environment. The annual review and update will not result in the approval of any activities that are not already permitted under the CMC, or otherwise exempt under CEQA Guidelines. Further, the addition of sites to the RHN Overlay map and list is exempt from CEQA pursuant to Government Code section 65584(g) and CEQA Guidelines Section 15283 as RHN determinations.

FISCAL IMPACT

No fiscal impacts have been identified with respect to the annual review and update.

REASON FOR RECOMMENDATION

The RHN Overlay District was established as a tool for the City to assist in meeting its previous RHNA obligations and is a significant part of the City's proposed RHNA inventory as prescribed by the Sixth Cycle Housing Element. The CMC requires that an annual review and update of the RHN Overlay District map and list coincide with the City Council's consideration of the Housing Element Annual Progress Report, which is currently scheduled for the March 17, 2025 meeting. Sites may be added to or removed from the RHN Overlay map and list in conjunction with the review and update. Site 7 has been removed by the PDS Director because it no longer qualifies. No other changes to the map or list of sites have been identified.

ACTIONS FOLLOWING APPROVAL

Following Council approval, staff will finalize the updated RHN Overlay District map and list to reflect the removal of Site 7, ensuring compliance with the requirements of the Sixth Cycle Housing Element.

CONFLICT OF INTEREST

None.

Prepared by: Marissa Parker, Assistant Planner

Reviewed by: City Manager AM

RESOLUTION 25-____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVIS APPROVING THE
ANNUAL REVIEW AND UPDATE OF THE REGIONAL HOUSING NEEDS (RHN) OVERLAY
DISTRICT MAP OF PARCELS AND ASSOCIATED LIST REFLECTING THOSE PARCELS
THAT QUALIFY FOR DEVELOPMENT AS RHN OVERLAY PROJECTS**

WHEREAS, on November 5, 2018, the City Council adopted Ordinance Amendment 2018-26 ("OA 2018-26") to add Section 9.18.050, the RHN (Regional Housing Needs) Overlay District, to the Clovis Municipal Code to address the State Department of Housing and Community Development ("HCD") Regional Housing Needs Allocation ("RHNA") obligation; and

WHEREAS, on November 2, 2020, the City Council adopted revisions and clarifications to the RHN Overlay District ordinance, including language stating that the RHN Overlay map and list of sites will be reviewed and updated annually; and

WHEREAS, Section 9.18.050.C of the Municipal Code authorizes the Director of Planning and Development Services (Director) to remove parcels from the map and list as may be required; and

WHEREAS, prior to the conduct of the 2025 annual review and update of the RHN Overlay map and list, the Director removed one site because that site no longer meets the qualifications for inclusion; and

WHEREAS, the City Council reviewed and considered an update to the RHN Overlay map and list at a duly noticed regular meeting held on March 10, 2025; and

WHEREAS, in accordance with the requirements of the RHN Overlay District ordinance, Section 9.18.050 of the Clovis Municipal Code, a noticed community meeting was held on February 26, 2025 to provide information to the public on the annual review and update of the RHN Overlay District map and list; and

WHEREAS, the updated RHN Overlay District map and list are attached hereto as Exhibits A and B, respectively, and are hereby incorporated by this reference; and

WHEREAS, the City Council has reviewed and considered the staff report and all written materials submitted in connection with the request, and heard, reviewed, and considered the comments from staff and the public at the community meeting and the regular City Council meeting ("Administrative Record"); and

WHEREAS, the City Council has considered the Administrative Record and finds that the annual review and update is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3), Government Code section 65584(g), and CEQA Guidelines Section 15283.

**NOW, THEREFORE, BASED UPON THE ENTIRE RECORD OF THE PROCEEDINGS,
THE CITY COUNCIL RESOLVES AND FINDS AS FOLLOWS:**

1. The annual review and update is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3), the “common sense exemption,” which provides that CEQA applies only to projects that have the potential for causing a significant effect on the environment. The annual review and update will not result in the approval of any activities that are not already permitted under the Clovis Municipal Code, or otherwise exempt under CEQA Guidelines. In addition to the “common sense exemption,” the addition of sites to RHN Overlay District map and list is exempt from CEQA pursuant to Government Code section 65584(g) and CEQA Guidelines Section 15283 as RHN determinations.
2. The annual review and update to the RHN Overlay District map and list of sites, attached hereto as Attachments A and B respectively, is hereby approved.

* * * * *

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Clovis held on March 10, 2025, by the following vote, to wit.

AYES:

NOES:

ABSENT:

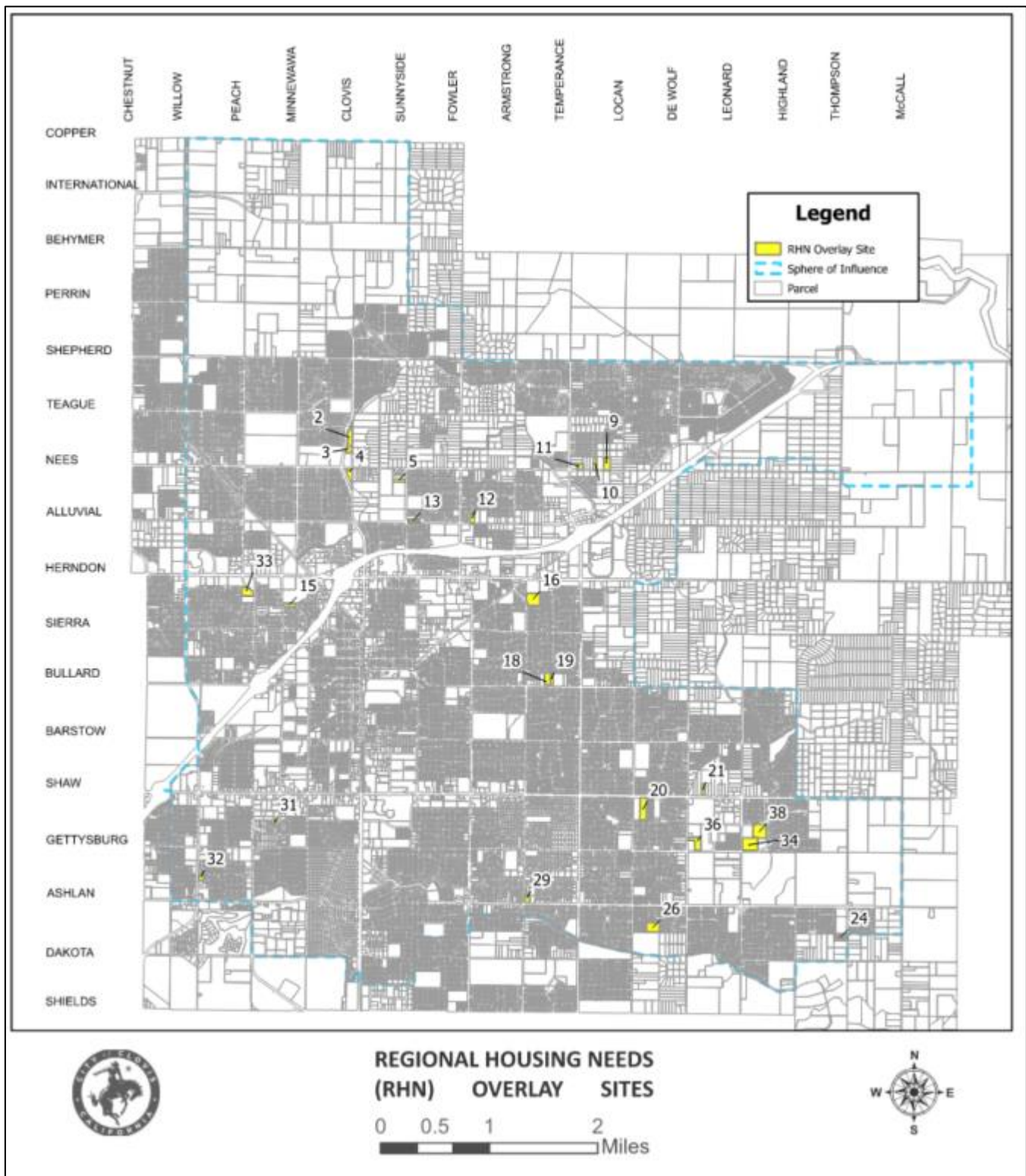
ABSTAIN:

DATED: March 10, 2025

Mayor

City Clerk

ATTACHMENT A **MAP OF PARCELS QUALIFYING FOR DEVELOPMENT AS RHN OVERLAY SITES 3-10-25**



ATTACHMENT B
LIST OF PARCELS QUALIFYING FOR DEVELOPMENT AS RHN OVERLAY SITES 3-10-25

Site	Original APN	Updated APN	Acreage
1	Removed	N/A	0
2	56005119	N/A	4.33
3	56005124	N/A	2.24
4	56201047T	N/A	3.06
5	56223012	N/A	2.17
6	Removed	N/A	0
7	Removed	N/A	0
8	Removed	N/A	0
9	55908025	N/A	4.79
10	55908017	N/A	2.36
11	55908013	N/A	2
12	56303206	N/A	2.5
13	56314234	N/A	1.71
14	Removed	N/A	0
15	49134043	N/A	2.38
16	55002018	N/A	8.99
17	Removed	N/A	0
18	55026018	N/A	3.85
19	55026019S	N/A	2.1
20	55502061	N/A	8.28
21	55405354	N/A	2.28
22	Removed	N/A	9.05
23	Removed	N/A	7.85
24	30902102	N/A	4.86
25	Removed	N/A	0
26	31079524	N/A	6.93
27	Removed	N/A	0
28	Removed	N/A	0
29	55222081	N/A	2.2
30	Removed	N/A	0
31	49906074	N/A	1.25
32	43060101	43060121	1.83
33	41003113	N/A	4.8
34	55503222	55503226	10
35	Removed	N/A	0
36	55503127	N/A	5.3
37	Removed	N/A	0
38	55503224	55503227	9.5



CITY *of* CLOVIS

REPORT TO THE CITY COUNCIL

TO: Mayor and City Council

FROM: Finance Department

DATE: March 10, 2025

SUBJECT: Receive and File - 2025 Five-Year Financial Forecast for the City of Clovis through 2029/30 and discuss options for budget preparation for 2025/26.

Staff: Jay Schengel, Finance Director

Recommendation: Receive and File

ATTACHMENTS: 1. Five-Year Financial Forecast through 2029/30

RECOMMENDATION

That the City Council receives, provides comment, and files the Five-Year Financial Forecast.

EXECUTIVE SUMMARY

The Five-Year Financial Forecast is a management tool that is updated and prepared each year to provide the City Council and City management with information on trends for the City's long-term financial condition. The forecast represents a continuing effort to analyze the City's fiscal condition based upon a reasonable set of economic and operational assumptions. It is a very important management tool for identifying fiscal trends and issues which must be addressed early to assure continued financial success. This report will serve as an opportunity to review the information and provides guidance on delivering the City's core services in a sustainable manner.

BACKGROUND

The Five-Year Financial Forecast is intended to be utilized in identifying financial issues confronting the City. The Five-Year Financial Forecast represents a continuing effort to analyze the City's long-term fiscal condition based upon a reasonable set of economic and operational assumptions. As such, any change in any one of the assumptions can impact the forecasted projections.

The document is presented in several sections that include Introduction, Executive Summary, Analysis of Funds, Narratives, and Exhibits.

The report presents exhibits that are the financial forecast spreadsheets and assumptions. This provides a quick review of the revenues, expenditures, and fund balances for operations of the General Fund as well as operations of the Public Utilities Enterprise Funds, Planning and Development Services, and Transit.

Based on current growth figures, the City of Clovis is expected to reach about 138,000 in population over the next five years. The City pays very close attention to growth in our analysis of the General Fund to estimate revenues and expenditures for the day-to-day operations and servicing of the City's population including police, fire, parks, recreation, senior services, and street maintenance.

General Fund Status

The current Five-Year Financial Forecast is a shift from recent years in the General Fund. Last year's forecast projections indicated that there may not be sufficient resources to maintain current operations or increase staffing to meet the growing demand for services at established levels, even if revenues meet expectations. With the passage of Measure Y on November 5, 2024, this additional local 1¢ sales tax has provided an enormous opportunity to the City from our citizens, to ensure that we not only remain financially stable, but provide additional services to meet the community's growing needs and key priorities. The Five-Year Forecast for the General Fund shows that revenues are growing faster than expenditures over the five-year period. This is largely attributable to the Measure Y sales tax to be implemented on April 1, 2025. It is estimated to come in for the last quarter in 2024/25 for \$6.3 million, and projected at about \$26 million per fiscal year in addition to the City's Bradley Burns sales tax. As a result of this new revenue source, each forecasted year ends with a positive fund balance. Additional items that were not able to be funded last year are receiving transfers such as Housing, Government Capital Facilities, Fleet and building the Emergency Reserve to 20% of expenditures. This is a significant reversal of what the City was faced with this time last year when the potential for cutting services was a reality in the near future due to expenditures exceeding revenues.

General Fund revenues are projected to exceed the current fiscal year's working budget by \$6.3 million. This significant increase in revenues is due to the additional sales tax from the passage of Measure Y on November 5, 2024. This additional local 1¢ sales tax is estimated at \$26 million annually. The additional sales tax for 2024/25 will be for one sales quarter at an estimated \$6.3 million. Although there was other revenue increases projected for this current year, most of those increases are being offset by a significant decrease to the original Statewide Bradley Burns sales tax receipts received from the State's 7.25% base, of which 1% is allocated to the City's General Fund. Since the quarter ending June 2022, Bradley Burns sales tax revenue has been declining 8 out of the last 10 quarters compared to the same period in the prior year. Sales tax revenues for fiscal year 2024/25 are currently 4.5% less than the prior year's receipts. Bradley Burns sales tax revenues have been reduced by \$2.1 million in the current year based on this trend. State reimbursements for wildfires are coming in with an additional \$1.7 million over working budget largely due to the Los Angeles wildfires. Property Taxes are projected to be flat from working budget along with Card Room and Franchise Fees. The City was awarded a Police grant for \$6.0 million to fund five police officers and a police service officer. \$2.2 million of this

grant was projected for the current year. All additional grant revenues projected are offset with corresponding additional expenditure increases in salaries, benefits, and overtime.

General Fund expenditures are projected to exceed the current fiscal year's council approved budget by approximately \$3.5 million. These increases are due to the addition of a Senior Services Supervisor position along with several other budget amendments in the category of services, materials, and supplies. Of the services, materials, and supplies, \$1.6 million is for attorney fees related to the housing settlement agreement, which was covered by the City's emergency reserve. In addition, the Fire Department's callout overtime has increased by \$1.2 million due to their increased participation in the State's wildfires. In summary, this leaves the General Fund operating budget projected at a surplus of \$2.4 million for the current fiscal year.

The Forecast shows that the General Fund is on a stable financial path thanks to the citizens of Clovis and the passage of Measure Y. The additional sales tax revenue provides the City with an ability to maintain current operations while allowing for sustainable growth in the services and needs the citizens have outlined as their key priorities.

These key priorities are to maintain:

- 9-1-1 emergency medical, police, fire and paramedic response, fire protection, police patrols;
- keep public areas safe and clean;
- retain local small businesses and jobs;
- protect local drinking water sources;
- accelerate repairs to streets and roads;
- address homelessness;
- maintain youth, parks and other general services.

The City has estimated it will receive \$26 million annually from Measure Y; however, these funding amounts are approximate and subject to change should inflationary pressures continue to make resident's discretionary spending more restricted creating major fluctuations in this revenue. The City will continually monitor these funds and make changes to our spending plan, as the need arises.

Enterprise Funds Status

The Water Enterprise Fund forecast maintains adequate but declining reserves with annual 3% rate increases that have been adopted and are included in each year of the forecast. The forecast also includes continued contributions to the reserves for drought contingency and for the Sustainable Groundwater Management Act (SGMA) through 2029/30. In 2020/21, there was a \$5 million down payment as required by the Firm Water Supply Agreement with the Fresno Irrigation District (FID). The remaining balance of \$30 million will be paid by development impact fees in future years. The forecast includes an interfund loan of \$7.5 million in 2021/22 from the Trichloropropane (TCP) reserves to General Services to fund the construction of Fire Station 6, and annual loan repayments for ten years that began in 2022/23. This loan will not affect the City's ability to treat for TCP during the term of the loan. A water rate study is currently in

progress and is expected to be completed in the 2025 calendar year with a goal of ensuring adequate revenues to operate the water system.

The Sewer Enterprise Fund forecast maintains stable reserves throughout the forecast period. Beginning in 2025/26, a 3% rate increase is included in each year of the forecast period to keep up with rising operating, maintenance, and capital costs, and to maintain a sufficient fund balance for future bonding capacity. An interfund loan is shown beginning in 2026/27 of the forecast because it is projected that the collection of development impact fees for Sewer Major Facilities will be insufficient to cover the debt service payments. However, there are sufficient funds in the bond charge fund balance collected in prior years to continue the full \$7.30 per month rebate to customers until 2028/29. The ability to continue to rebate funds back to ratepayers will be monitored closely throughout the forecast period.

The Community Sanitation Fund will experience a decline in reserves in this forecast due to increased personnel costs, fleet renewal charges and anticipated adjustments to the recycling and organic contracts. A 4% annual increase, or portion thereof, was approved by City Council in November 2004 to be implemented as necessary. For Refuse, a 4% rate increase is projected for the forecast period. To keep pace with the recycling and green waste contract increases, the approved 4% annual increase is projected for these operations. Additionally, a 4% rate increase is projected for the forecast period for street cleaning.

The Transit Fund reflects enough revenues throughout the forecast period to support its operational and capital needs because of increased revenues from the Transportation Development Act, which includes Local Transportation Funds (LTF) and State Transit Assistance (STA) funds allocated to Transit based on population, taxable sales, and transit performance. Project-specific funding, including SB1 and various cap-and-trade grants, are used for capital expenses for enhancement of rider amenities. The State's Transit and Intercity Rail Capital Program (TIRCP) will assist in funding for land purchase to build a Transit Operations Center, which will include infrastructure to support zero-emissions mandates. Transit began receiving federal funding in 2024/25, which will provide further support for operations. With funding for Transit constantly in flux, and the Measure C sales tax due to expire after 2027, the types and levels of funding will be closely monitored to make any necessary adjustments to current service levels should the need arise. Beginning with the 2017/18 fiscal year, the Transit Fund was required to defer revenue that it had received but not yet spent. Any working capital that is required to be deferred can be seen on the Transit Fund forecast on the line labeled "Deferred Revenue."

The Planning and Development Services Enterprise Fund forecast maintains stable reserves throughout the projected years. The reserves are included in case of a slow-down and prudent funding is maintained to absorb development declines. There have been several years of relatively high numbers of residential units per year; however, starting in 2021/22, those numbers have declined from the most recent three-year average of 709 units. As a result, the prior three fiscal years have drawn from the fund's working capital but will increase working capital in the current and projection years beginning in 2024/25, with an anticipated steady increase in residential units. The fund maintains a healthy working capital balance throughout the forecast period.

FISCAL IMPACT

The forecast provides an opportunity to review the historical trends for actual results and consider current economic factors for future decisions. It provides guidance for the City to maintain fiscally sustainable operations into the future.

REASON FOR RECOMMENDATION

The financial forecast provides an assessment of the impacts of past budgetary policy and possible future outcomes based on current budget strategies. Enhancing services while maintaining financial sustainability are shown to be critical to the City's future success. The forecast is a tool to be used for prudent management of the City's resources.

ACTIONS FOLLOWING APPROVAL

The staff will receive comments from the Council to assist with the preparation of the 2025/26 Annual Budget.

CONFLICT OF INTEREST

None.

Prepared by: Jay Schengel, Finance Director

Reviewed by: City Manager AK



City of Clovis

Five-Year Financial Forecast

Through Fiscal Year 2029/30

Prepared March 2025



CITY OF CLOVIS

Five-Year Financial Forecast

Through Fiscal Year 2029/30

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CITY OF CLOVIS

FIVE-YEAR FINANCIAL FORECAST

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INTRODUCTION

The Five-Year Financial Forecast through 2029/30 represents a continuing effort to analyze the City's long-term fiscal condition based upon a reasonable set of economic and operational assumptions. It is an important management tool used by both the City Council and senior management to identify fiscal trends and issues which must be addressed to assure continued financial stability. The set of forecasts contained in this report is not a prediction of what will occur. Rather, this forecast is a snapshot in time and an **approximate view of what could occur** in the future if all the assumptions are realized. As with any forecast or prediction, the assumptions and projections for the nearer years carry more certainty and confidence than for the years further into the future.

While the forecast has become a valuable management tool to examine the ever-changing fiscal conditions the City is faced with, we have also learned of its limitations. The first few years of the forecast are a fairly good indicator of coming events while the later years are subject to less certainty as actual economic conditions become known. Also, the many financial and regulatory changes by the Federal and State governments, which require new programs and other unanticipated expenses and adjustments can have a dramatic financial impact to the City's revenue and expenditures. Despite these challenges, staff is committed to providing the best projections for these years based upon what is known at the time in order to reveal trends in both revenue and expenditure growth or decline, while staying abreast of local, state and national economic conditions and policies that will impact the City's financial health.

The report reviews actual financial performance over the past three years, determines an estimated financial performance for the current year, and projects financial performance for the next five years. All the forecasts are based upon a specific set of assumptions that are utilized throughout the report and identified with each forecast. In addition, the report contains a mid-year review for the current fiscal year.

The report is presented to initiate discussion that will ultimately result in policy guidelines for the development of the 2025-26 Annual City Budget and the Five-Year Community Investment Program and budgetary planning for future years. This forecasting tool has proven useful for examining spending policies which have resulted in the City's ability to live within its means, provide for important programs and adequate service levels for the growing community, and begin to set aside reserve funding for major capital investment in public facilities.

On November 5, 2024, the voters of Clovis approved Measure Y, a 1¢ sales and use tax to be implemented on April 1, 2025. It is estimated that the measure will provide \$26 million annually in revenue to the General Fund in the Forecast. This amount has been reduced from the Measure's original estimate of \$28 million due to more recent

information that shows a softening in taxable sales. The measure shall maintain:

- 9-1-1 emergency medical, police, fire and paramedic response, fire protection, police patrols;
- keep public areas safe and clean;
- retain local small businesses and jobs;
- protect local drinking water sources;
- accelerate repairs to streets and roads;
- address homelessness;
- maintain youth, parks and other general services.

At present, staff is working on an investment plan that will meet these needs and ensuring an oversight committee is established for accountability and transparency. The forecast includes estimated revenues and expenditures to begin the initial investments in meeting the top funding priorities set out by several community input surveys.

In 1986, Fresno County voters passed Measure C, a half-cent sales tax that improves the overall quality of Fresno County's transportation system, including the County and all its 15 cities. In November 2006, Fresno County voters chose to extend Measure C for an additional 20 years through 2027. At present, Fresno County's current half-cent sales tax Measure C will expire in 2027 resulting in a significant loss of revenue which will impact several City departments. These funds help to fund the design and construction of many street, pedestrian, and bicycle improvements throughout the City each year. Additionally, the funds are used to leverage grant funding, including grant match requirements. Finally, the funds sustain the operation of the City's Transit program. If the Measure C renewal effort is unsuccessful, the City will have to make some very hard decisions regarding the projects and services currently being completed and provided. The impact of the loss of Measure C sales tax would be significant to Clovis but the loss of revenue has not been reflected in this year's Forecast in fiscal year's 2027/28 and beyond, as there is still time for Fresno County voters to pass an extension on Measure C.

EXECUTIVE SUMMARY

The current Five-Year Financial Forecast is a shift from recent years in the General Fund. Last year's forecast projections indicated that there may not be sufficient resources to maintain current operations or increase staffing to meet the growing demand for services at established levels, even if revenues meet expectations. With the passage of Measure Y on November 5, 2024, this additional 1¢ sales tax has provided an enormous opportunity to the City from our citizens, to ensure that we not only remain financially stable, but maintain services to meet the community's needs and key priorities.

The City's Staffing for Adequate Fire and Emergency Response (SAFER) grant, which funded the hiring of additional fire fighters in May 2021 for Fire Station 6, ended last year. From that point forward, the General Fund has incurred the additional cost of the nine firefighters – approximately \$1.5 million annually. In December 2023, the City partnered

with the City of Fresno to apply for the Organized Retail Theft Prevention grant from the Board of State and Community Corrections (BSCC). Clovis received approximately \$6.0 million for a three-year period to cover five police officers and one police service officer to address increasing retail theft crime in the City. The BSCC grant will end in 2026/27. From that point forward, the General Fund will incur the additional cost of the six new police positions – approximately \$1.2 million annually.

The Five-Year Forecast for the General Fund shows that revenues are growing faster than expenditures over the five-year period. This is largely attributable to the Measure Y sales tax to be implemented on April 1, 2025. It is estimated to come in annually at approximately \$26 million per fiscal year in addition to the City's Bradley Burns sales tax. As a result of this new revenue source, each forecasted year ends with a positive fund balance. Additional items that were not able to be funded last year are receiving transfers such as Housing, Government Capital Facilities, Fleet and building the Emergency Reserve to 20% of expenditures. This is a significant reversal of what the City was faced with this time last year when the potential for cutting services was a reality in the near future with deficits forecasted.

The Budget Hearing process begin with a thorough review of the Departments and needs to maintain the Clovis Way of Life. The process will continue with additional input hearings to build the investment plan for the City. This will be a critical process as there is only one opportunity to set up the use of Measure Y Funds to reach the previous mentioned goals and ensure fiscal sustainability.

The Water Enterprise Fund forecast maintains adequate but declining reserves with annual 3% rate increases that have been adopted and are included in each year of the forecast. The forecast also includes continued contributions to the reserves for drought contingency and for the Sustainable Groundwater Management Act (SGMA) through 2029/30. In 2020/21, there was a \$5 million down payment as required by the Firm Water Supply Agreement with the Fresno Irrigation District (FID). The remaining balance of \$30 million will be paid by development impact fees in future years. The forecast includes an interfund loan of \$7.5 million in 2021/22 from the Trichloropropane (TCP) reserves to General Services to fund the construction of Fire Station 6, and annual loan repayments for ten years that began in 2022/23. This loan will not affect the City's ability to treat for TCP during the term of the loan. A water rate study is currently in progress and is expected to be completed in the 2025 calendar year with a goal of ensuring adequate revenues to operate the water system.

The Sewer Enterprise Fund forecast maintains stable reserves throughout the forecast period. Beginning in 2025/26, a 3% rate increase is included in each year of the forecast period to keep up with rising operating, maintenance, and capital costs, and to maintain a sufficient fund balance for future bonding capacity. An interfund loan is shown beginning in 2026/27 of the forecast because it is projected that the collection of development impact fees for Sewer Major Facilities will be insufficient to cover the debt service payments. However, there are sufficient funds in the bond charge fund balance collected in prior years to continue the full \$7.30 per month rebate to customers until

2028/29. The ability to continue to rebate funds back to ratepayers will be monitored closely throughout the forecast period.

The Community Sanitation Fund will experience a decline in reserves in this forecast due to increased personnel costs, fleet renewal charges and anticipated adjustments to the recycling and organic contracts. A 4% annual increase, or portion thereof, was approved by City Council in November 2004 to be implemented as necessary. For Refuse, a 4% rate increase is projected annually for the forecast period. To keep pace with the recycling and green waste contract increases, the approved 4% annual increase is projected for these operations. Additionally, a 4% rate increase is projected annually for the forecast period for street cleaning.

The Transit Fund reflects enough revenues throughout the forecast period to support its operational and capital needs because of increased revenues from the Transportation Development Act, which includes Local Transportation Funds (LTF) and State Transit Assistance (STA) funds allocated to Transit based on population, taxable sales, and transit performance. Project-specific funding, including SB1 and various cap-and-trade grants, are used for capital expenses for enhancement of rider amenities. The State's Transit and Intercity Rail Capital Program (TIRCP) will assist in funding for land purchase to build a Transit Operations Center, which will include infrastructure to support zero-emissions mandates. Transit began receiving federal funding in 2024/25, which will provide further support for operations. With funding for Transit constantly in flux, and the Measure C sales tax due to expire after 2027, the types and levels of funding will be closely monitored to make any necessary adjustments to current service levels should the need arise. Beginning with the 2017/18 fiscal year, the Transit Fund was required to defer revenue that it had received but not yet spent. Any working capital that is required to be deferred can be seen on the Transit Fund forecast on the line labeled "Deferred Revenue."

The Planning and Development Services Enterprise Fund forecast maintains stable reserves throughout the forecast period. The reserves are included in case of a slow-down and prudent funding is maintained to absorb development declines. There have been several years of relatively high numbers of residential units per year; however, starting in 2021/22, those numbers have declined from the most recent three-year average of 709 units. As a result, the prior three fiscal years have drawn from the fund's working capital but will increase working capital in the current and projection years beginning in 2024/25, with an anticipated steady increase in residential units. The fund maintains a healthy working capital balance annually through 2029/30.

Internal Service Funds are projected to be self-balancing throughout the forecast period. Each of the Internal Service Funds is continually monitored, and more cost-effective programs are implemented wherever possible to reduce costs to all other City operations.

Debt Service Funds will be fully funded to make all debt payments and meet all legal obligations.

ANALYSIS OF FUNDS

The purpose of this forecast is to provide the City Council and senior management with an early identification of financial trends. With early detection, financial trends identified as possible problems can be dealt with in a reasonable manner rather than waiting for a crisis to occur.

The City's Annual Budget represents a total financing plan for all City operations and must be analyzed by its component parts to make any meaningful adjustments. Unlike a private holding company, the City cannot remove cash from any one enterprise operation to help support general tax funded operations. Although there is certainly some financial interdependence between the funds, such as internal service fund charges to allocate common costs, each fund represented in the budget must stand alone.

When analyzing City operations, it is appropriate to look at the budget department by department. However, when reviewing long range financial policies, it is best to look at the fund structure rather than the department structure. The major fund groups reviewed in this forecast are the operating funds of the City, including:

General Fund - This fund includes the functions of general government, including elected officials, administration and finance, public safety, and some field maintenance activities, such as parks, street lighting, and street maintenance.

Enterprise Funds - These funds include operations for water, sewer, solid waste, street cleaning, transit, and planning and development services.

Internal Service Funds - These funds include property and liability insurance, employee benefits, fleet maintenance, and general services.

Debt Service Funds - These funds include all debt service activity for which the City is responsible.

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GENERAL FUND

Current Year – 2024/25

The 2024/25 Annual Budget was not able to meet the operational needs of the City and address backlogs from previous years. This put into question if the City could maintain the service levels residents deserve, and have come to expect, as the 5-year Financial Forecast showed General Fund deficits in the near term. This prompted the consideration of a revenue measure to address the funding shortfall and enable the City to maintain the Clovis Way of Life. Measure Y was passed in the 2024 General Election and provides a tool to enable the City to maintain the Clovis Way of Life. Based on current estimates, revenues are currently projected to be approximately \$2.4 million above expenditures for fiscal year 2024/25. This is attributable to Measure Y, otherwise, the General Fund would have been operating at a deficit.

General Fund revenues are projected to exceed the current fiscal year's working budget by \$6.3 million. This significant increase in revenues is due to the additional sales tax from the passage of Measure Y on November 5, 2024. This additional local 1¢ sales tax is to be implemented on April 1, 2025 and estimated at \$26 million annually. The additional sales tax for 2024/25 will be for one quarter at an estimated \$6.3 million. Although there was other revenue increases projected for this current year, most of those increases are being offset by a significant decrease to the original Statewide Bradley Burns sales tax receipts received from the State's 7.25% base, of which 1% is allocated to the City's General Fund. Since the quarter ending June 2022, Bradley Burns sales tax revenue has been declining 8 out of the last 10 quarters compared to the same period in the prior year. Sales tax revenues for fiscal year 2024/25 are currently 4.5% less than the prior year's receipts. Bradley Burns sales tax revenues have been reduced by \$2.1 million in the current year based on this trend. State reimbursements for wildfires are coming in with an additional \$1.7 million over working budget largely due to the Los Angeles wildfires. Property taxes are projected to be flat from working budget along with card room and franchise fees. The City was awarded a Police grant for \$6.0 million to fund five police officers and a police service officer. \$2.2 million of this grant was projected for the current year. All additional grant revenues projected are offset with corresponding additional expenditure increases in salaries, benefits, and overtime.

General Fund expenditures are projected to exceed the current fiscal year's council approved budget by approximately \$3.5 million. These increases are due to the addition of a Senior Services Supervisor position along with several other budget amendments in the category of services, materials, and supplies. Of the services, materials, and supplies, \$1.6 million is for attorney fees related to the housing settlement agreement, which was covered by the City's emergency reserve. In addition, the Fire Department's callout overtime has increased by \$1.2 million due to their increased participation in the State's wildfires. In summary, this leaves the General Fund operating budget projected at a surplus of \$2.4 million for the current fiscal year.

Forecast Years – 2025/26 through 2029/30

Revenues

Property taxes and sales taxes are the two largest sources of discretionary revenue making up 85% of the total discretionary revenues on average; franchise fees, business licenses, and transient occupancy taxes make up most of the remainder. Property tax growth is largely driven by growth in the City. When residential, commercial, or industrial growth occurs, there is a corresponding increase in the demand for services. However, the increase in property tax revenues to support the additional demand for services will not be received by the City until potentially two years after the growth occurs. In addition, the property tax rate cannot exceed 2% growth annually due to Proposition 13 statutory limitations. Property tax growth during the forecast period is projected to increase at a rate corresponding to the 15-year average of approximately 800 single and multi-family residential units. The forecast does not project a prolonged housing downturn because those are difficult to anticipate. However, if one was to occur, this would result in property tax growth being lower than forecasted.

Sales Tax is projected to experience an almost doubling of funds due to the passage of Measure Y on November 5, 2024 which will be implemented on April 1, 2025. This additional local sales tax will supplement the Statewide 1% Bradley Burns sales tax. The City's Bradley Burns was experiencing the first reduction in growth in 2022/23 since the Great Recession. Prior to the 2022/23 fiscal year, the City experienced robust growth in 2020/21 and 2021/22 totaling 36%, which is unprecedented. Sales tax is now declining due to inflationary pressures on households, shifting household dollars away from discretionary spending as a larger portion of income goes to essentials such as non-taxable food, transportation, and housing costs. For the remaining projected years, and with the additional revenue from Measure Y, sales tax is expected to experience normalized growth at 3% annually with population growth at 750-800 residential units per year.

Growth in franchise taxes is largely due to electricity rate increases. As more households move away from traditional hard-wired phone and cable TV service towards cellular and satellite services which are not taxed, there is a decline in franchise taxes for these services. All other discretionary revenues are forecast to increase at average growth plus inflation based on the Pacific Cities Consumer Price Index for December 2024 of 2.5%.

Expenditures

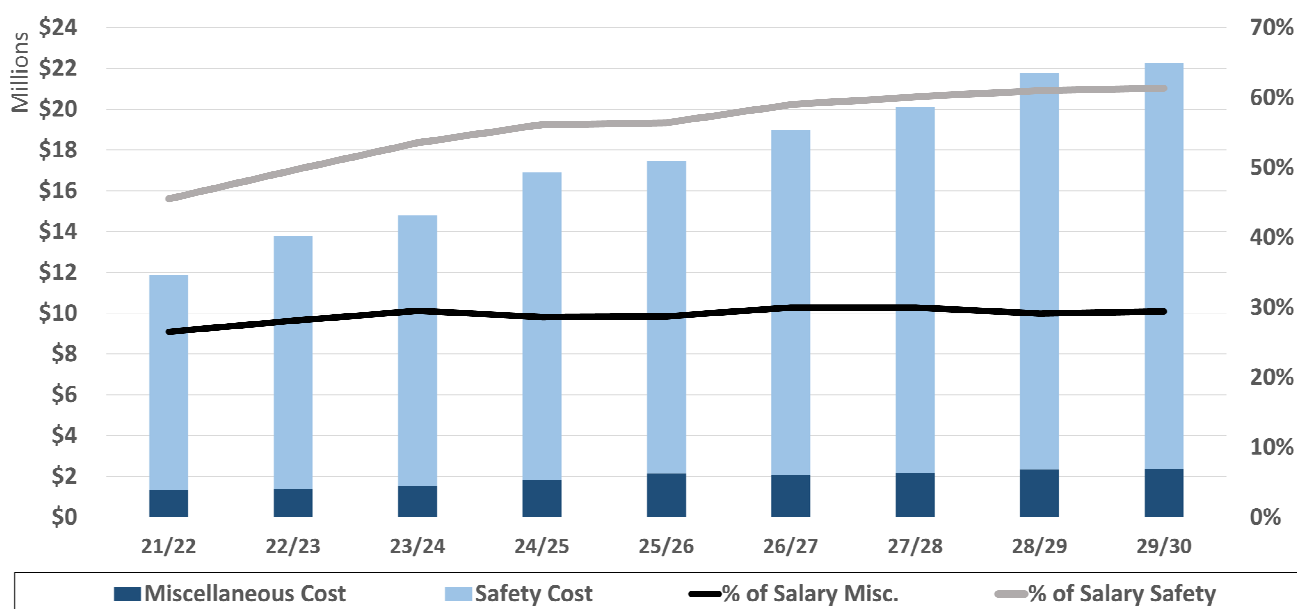
With the passage of the City's local sales tax Measure Y, several departments are expected to grow significantly, for all projected five years, to continue supporting the Clovis Way of Life and address top priorities surveyed from our residents. These priorities include maintaining 9-1-1 emergency medical, police, fire and paramedic response, fire protection, police patrols; keeping public areas safe and clean; retaining local small businesses and jobs; protecting local drinking water sources; accelerating repairs to streets and roads; addressing homelessness; maintaining youth, parks and other general services. This includes remaining financially stable by increasing our emergency reserve, building a stable fund balance, and setting aside funds for future fleet and facility needs. Departments will see considerable allocations over the projected five-year period in the specific categories of Staff, Fleet, and Capital purchases. These estimated expenditures have been allocated to the following departments as follows for the forecasted years: Public Safety is anticipated to receive 65 new positions at an estimated

cost of \$48 million over the five-year projected period, Fleet - \$18 million, Capital - \$5.5 million; Public Utilities is expected to receive 16 new positions at an estimated cost of \$9 million; Fleet - \$550,000 and other General Government Departments will receive approximately \$8 million over the five-year projected period.

Measure Y sales tax begins implementation on April 1, 2025. The City has estimated to receive \$26 million annually, however, these funding amounts are approximate and subject to change should inflationary pressures continue to make resident's discretionary spending more restricted creating major fluctuations in this revenue. The City will continually monitor these funds and make changes to our spending plan, as the need arises.

Public Employment Retirement System (PERS)

PERS costs are projected to continue to rise significantly during the forecast period due to the market volatility of investment returns for the PERS investment portfolio. PERS did outperform its expected rate of return of 6.8% (discount rate) for its 2023/24 investments with a 9.3% rate of return, a notable improvement from the two most recent years of -6.1% and 5.8% in 2021/22 and 2022/23, respectively. Like all investments, they are influenced by a variety of economic and geopolitical challenges. At this point, the full impact of the investment fluctuations has not been determined, however. The following chart shows the expected General Fund PERS costs, both as a percentage of salary and in dollars, for the forecast period.



As can be seen in the chart, annual General Fund PERS costs are projected to rise by approximately \$5 million between the current year and the end of the forecast period. The impact of the PERS costs associated with salaries is significant; those costs as a percentage of Miscellaneous salaries remain fairly constant at about 30%, while the percentage of costs for Safety continue to increase from the current 58%.

Approach to the Forecast

The Five-Year Financial Forecast represents staff's best estimate of the City's finances for the next five years and will be the basis on which the budget is developed. The forecast is structurally sound. Major increases to revenues such as extraordinary commercial growth, are not currently realized at this time so they were not considered in the development of the forecast. Measure Y will begin being collected on April 1, 2025. The Departments developed their 5-year implementation plans for the use of Measure Y funds. These investments are included in the forecast but not everything was able to be included to maintain fiscal sustainability. This required some identified needs to be excluded in the forecast but remain as goals to achieve if funding becomes available.

Growing Demands

The City continues to grow, and in recent years, it has grown faster than the long-term average. The growth drives some revenue growth, but it also drives a growing demand for services. Last fiscal year, Police and Fire comprised the largest expenditures in the General Fund at 87% of the City's discretionary revenues and are most impacted by this growing demand. Measure Y will allow for the City to grow services back to a level residents deserve and have come to expect. In order to be as effective as possible, staff will continue to evaluate different ways of delivering services using technology, social media, and best practices. Failure to grow these departments, as well as other General Fund departments at a rate corresponding to the growth of the City, will diminish the Clovis Way of Life we have all come to enjoy and expect.

The Forecast shows that Clovis is on a sustainable fiscal path with substantial opportunities to invest wisely to build up the foundation for maintaining a high-quality community. This is a significant shift from just a year ago where the City was facing forecasted deficits and corresponding service cuts. It is imperative that the City invests all resources wisely and not return to the previous precarious fiscal condition that threatened the Clovis Way of Life. The City's revenue streams have varying degrees of dependency on economic conditions, with sales tax including Measure Y, currently being the most exposed to this dependency and volatility. Preparing for downturns and implementing strategic investment plans with strong fiscal support is crucial for the City to weather an economic downturn or disruption and maintain the Clovis Way of Life as the community grows.

General Fund Financial Forecast - Summary

(dollars in thousands)

	ACTUALS			ESTIMATED	PROJECTED				
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Beginning Available Fund Balance	1,280	8,420	8,060	4,460	5,340	5,560	6,750	4,260	3,330
Reappropriation/Encumbrances	(790)	230	(450)	(1,620)					
REVENUES									
Discretionary	73,630	76,290	79,840	88,260	112,000	115,770	120,010	124,390	128,930
Non-Discretionary	30,170	23,340	24,880	29,020	27,670	27,000	26,710	27,450	28,200
Total Revenues	103,800	99,630	104,720	117,280	139,670	142,770	146,720	151,840	157,130
EXPENDITURES									
Public Safety	63,300	72,210	77,460	84,580	92,520	97,500	104,330	107,550	110,910
Public Utilities	11,000	12,400	13,060	14,870	15,930	16,990	17,690	18,210	18,680
General Government	9,660	10,700	11,800	15,480	15,500	15,850	16,120	16,740	17,020
Total Expenditures	83,960	95,310	102,320	114,930	123,950	130,340	138,140	142,500	146,610
Resources Above/(Below) Operating Expenditures	19,840	4,320	2,400	2,350	15,720	12,430	8,580	9,340	10,520
ADDITIONAL ITEMS									
Transfers Out to Housing Trust	0	0	0	0	(2,000)	(100)	(100)	(100)	(100)
Transfers Out to General Government Facilities Fund	(5,550)	(2,020)	(2,580)	(1,130)	0	0	(1,000)	(1,000)	(1,000)
Transfers Out to PDS/Projects	(310)	(300)	(370)	(350)	(350)	(350)	(350)	(350)	(350)
Transfers Out to Fleet Fund	(3,010)	(990)	(1,000)	0	(5,150)	(3,690)	(3,020)	(3,920)	(2,350)
Total Additional Items	(8,870)	(3,310)	(3,950)	(1,480)	(7,500)	(4,140)	(4,470)	(5,370)	(3,800)
Net Increase/(Decrease) to Fund Balance	10,970	1,010	(1,550)	870	8,220	8,290	4,110	3,970	6,720
OTHER ITEMS									
(Use of)/Addition to Measure Y Balance (Capital Needs)	0	0	0	0	5,000	5,000	5,000	4,000	4,000
(Use of)/Addition to Emergency Reserve	3,040	1,600	1,600	(1,630)	3,000	2,100	1,600	900	800
Total Other Items	3,040	1,600	1,600	(1,630)	8,000	7,100	6,600	4,900	4,800
Ending Available Fund Balance	8,420	8,060	4,460	5,340	5,560	6,750	4,260	3,330	5,250
Measure Y Balance	0	0	0	0	5,000	10,000	15,000	19,000	23,000
Emergency Reserve Balance	19,400	21,000	22,600	20,970	23,970	26,070	27,670	28,570	29,370
Emergency Reserve as a % of Expenditures	23.10%	22.00%	22.10%	18.20%	19.30%	20.00%	20.00%	20.00%	20.00%

CITY OF CLOVIS

General Fund - Financial Forecast (dollars in thousands)

REVENUES	ACTUALS			ESTIMATED	PROJECTED				
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Residential Units (SF + MF)	859	658	610	700	750	800	800	800	800
<u>Discretionary</u>									
Property Taxes	18,230	19,890	21,510	23,010	24,780	25,470	26,510	27,560	28,630
Property Tax In Lieu-VLF	11,900	12,910	13,880	14,680	15,310	15,980	16,680	17,410	18,180
Sales Tax - Bradley Burns	30,640	29,720	29,020	28,260	29,110	29,980	30,880	31,820	32,770
Sales Tax - Measure Y	0	0	0	6,360	26,190	26,980	27,790	28,620	29,480
Franchise Fee	2,770	2,950	2,950	3,100	3,180	3,290	3,400	3,510	3,630
Business License Tax	4,000	4,120	4,680	5,060	5,460	5,900	6,370	6,880	7,430
Other Taxes	5,780	6,040	7,020	7,090	7,270	7,450	7,640	7,830	8,030
Interest	40	400	510	450	450	460	470	480	490
Other Revenues-Discretionary	270	260	270	250	250	260	270	280	290
<u>Total Discretionary</u>	73,630	76,290	79,840	88,260	112,000	115,770	120,010	124,390	128,930
<u>Non-Discretionary</u>									
Community Facility Fees	2,170	2,680	3,230	3,520	3,760	4,020	4,290	4,560	4,840
Sales Tax-Public Safety	470	520	500	470	480	490	500	520	530
Licenses & Permits	60	70	60	80	80	80	80	80	80
Fines & Forfeitures	190	260	190	200	200	200	200	200	200
Building Rentals	50	50	80	100	100	100	100	100	100
State Subventions-Gas Tax	1,580	1,780	2,020	2,850	2,890	2,920	2,950	2,980	3,010
Grants	3,900	3,110	3,390	5,080	3,030	1,670	660	660	660
From Other Agencies	620	880	850	840	860	880	900	920	940
Current Services	1,640	2,280	2,070	2,500	2,570	2,630	2,700	2,770	2,840
Landscape Maintenance Charges	4,270	4,650	4,960	5,790	5,940	6,090	6,240	6,400	6,560
Other Revenues-Non Discretionary	8,780	410	550	450	470	480	490	500	510
Impact/Rental Fees	1,830	1,870	1,960	2,040	2,090	2,140	2,190	2,240	2,300
Admin Charges	4,610	4,780	5,020	5,100	5,200	5,300	5,410	5,520	5,630
<u>Total Non-Discretionary</u>	30,170	23,340	24,880	29,020	27,670	27,000	26,710	27,450	28,200
Total Revenues	103,800	99,630	104,720	117,280	139,670	142,770	146,720	151,840	157,130

Revenue Assumptions (dollars in dollars)

AGENDA ITEM NO. 9.

PROPERTY TAXES:	<u>ANNUAL INCREASE</u>	<u>INCREASE IN ASSESSED VALUE</u>	<u>CITY TAX RATE (Before reductions)</u>
	2.00%	\$352,000,000	18.81% of 1%
<i>Increase in Assessed Value above is based on 750 residential units</i>		<i>Nonresidential Units based on % of Residential Units is 23%</i>	
PROPERTY TAX IN LIEU-VEHICLE LICENSE FEES (VLF):	INCREASE BY ASSESSED VALUE GROWTH		4.30% <i>(Based on 750 units)</i>
SALES TAX:	<u>CURRENT CPI</u>	<u>SALES TAX RATE</u>	<u>POPULATION GROWTH</u>
	2.50%	1.00%	2,000 PER YEAR
COUNTY SHARE:	5.00% OF GROSS SALES TAX		<u>PER CAPITA PER YEAR</u>
	<u>2025/26</u>		\$242
SALES TAX GROWTH %:	PROJECTED	3.0%	
FRANCHISE FEE:	<u>CURRENT CPI</u>	<u>NEW RES UNITS PER YEAR</u>	<u>FEE OF GROSS</u>
	2.50%	750	1.00%
			<u>PARTICIPATION %</u>
			50.00% Comcast/AT&T
			\$90 Per Unit per Month
			<u>P G & E</u>
			\$250 Per Unit per Mo
<i>Note: 5 year average for residential units is 900, 10 year average is 927, 15 year average is 808 units</i>			
BUSINESS LICENSE TAX:	2.50%	INCREASE BY CURRENT CPI	NEW BUSINESSES 5.50%
OTHER TAXES:	<i>Includes Transient Occupancy Tax, Cardroom Fees, and Real Property Transfer Tax</i>		
	2.50%	INCREASE BY CURRENT CPI	
INTEREST RATE:	3.00%	ON PRIOR YEAR'S BALANCE	
OTHER REVENUES:	2.50%	INCREASE BY CURRENT CPI	
COMMUNITY FACILITY FEE:	2/3 OF NEW RESIDENTIAL UNITS:	500	ANNUAL FEE: \$294 CURRENT CPI: 2.50%
SALES TAX-PUBLIC SAFETY:	PROPOSITION 172 - HALF CENT SALES TAX FOR PUBLIC SAFETY - ESTIMATES PROVIDED BY CONSULTANT		
LICENSES & PERMITS:	2.50%	INCREASE BY CURRENT CPI	
FINES AND FORFEITURES:	PARKING AND VEHICLE	\$213,000	BASED ON THREE YEAR AVERAGE
BUILDING RENTALS:	2.00%	ANNUAL INCREASE	
STATE SUBVENTIONS:	<u>GAS TAX</u>	<u>POPULATION GROWTH</u>	
	PER CAPITA	\$16.00	2,000 PER YEAR
			<i>(Based on 750 units)</i>
	<i>Gas Tax Per Capita based on last year actuals</i>		
GRANTS:	\$660,000	CURRENT AVERAGE OF ONGOING GRANTS	
FROM OTHER AGENCIES:	2.50%	INCREASE BY CURRENT CPI	
CURRENT SERVICES:	2.50%	INCREASE BY CURRENT CPI	
LANDSCAPE MAINTENANCE CHARGES:	2.50%	INCREASE BY CURRENT CPI	
IMPACT/RENTAL FEES:	BASED ON ADD'L ROUTES PROJECTED IN THE ENTERPRISE FUND AND INCREASE BY CURRENT CPI		
ADMIN CHARGES:	2.00%	ANNUAL INCREASE	

General Fund - Financial Forecast (dollars in thousands)

<u>EXPENDITURES</u>	ACTUALS			ESTIMATED	PROJECTED				
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
<u>PUBLIC SAFETY</u>									
Salaries									
Police - Sworn	9,820	11,720	12,880	14,380	15,490	16,900	17,810	18,760	19,740
Fire	6,810	7,640	7,350	7,670	8,430	9,470	9,660	9,860	10,060
Public Safety - Management	3,860	4,330	4,340	4,150	4,250	4,340	4,430	4,520	4,610
Police - Non Sworn	3,890	4,250	4,240	5,040	5,440	5,970	6,440	6,720	6,930
Fire - Non Firefighters	300	340	360	440	520	660	820	840	920
Overtime									
Overtime - Police	3,090	3,340	3,670	3,740	3,830	3,930	4,030	4,130	4,230
Overtime - Fire	2,800	2,620	2,870	3,370	2,190	2,240	2,300	2,360	2,420
Extra Help	820	1,130	1,470	1,440	1,440	1,440	1,440	1,440	1,440
Benefits									
Health	3,640	3,830	4,220	4,670	5,280	6,060	6,650	7,230	7,830
Retirement	10,510	12,400	13,270	15,070	15,330	16,900	17,750	19,170	19,600
Other	3,650	4,300	4,610	5,050	5,200	5,300	5,410	5,520	5,630
Services, Materials & Supplies	13,490	15,530	16,890	18,550	24,170	23,310	26,590	25,970	26,450
Capital Outlay	620	780	1,290	1,010	950	980	1,000	1,030	1,050
Total Public Safety	63,300	72,210	77,460	84,580	92,520	97,500	104,330	107,550	110,910
<u>PUBLIC UTILITIES</u>									
Salaries	2,400	2,780	2,940	3,300	3,750	4,250	4,480	4,570	4,660
Overtime	130	130	130	130	130	130	130	130	130
Extra Help	30	40	0	0	0	0	0	0	0
Benefits									
Health	530	550	640	750	900	1,080	1,200	1,280	1,370
Retirement	510	540	580	710	790	860	920	990	1,000
Other	320	280	270	300	350	410	440	450	460
Services, Materials & Supplies	7,020	8,040	8,430	9,600	9,950	10,200	10,460	10,720	10,990
Capital Outlay	60	40	70	80	60	60	60	70	70
Total Public Utilities	11,000	12,400	13,060	14,870	15,930	16,990	17,690	18,210	18,680
<u>GENERAL GOVERNMENT</u>									
Salaries	3,730	3,830	4,080	4,490	5,040	5,140	5,240	5,340	5,450
Overtime	50	10	10	20	20	20	20	20	20
Extra Help	440	610	650	780	860	860	860	860	860
Benefits									
Health	660	660	670	750	870	930	1,000	1,070	1,140
Retirement	830	850	940	1,110	1,350	1,210	1,250	1,350	1,350
Other	270	290	310	340	380	400	420	450	500
Services, Materials & Supplies	3,680	4,420	4,930	7,910	6,890	7,200	7,240	7,560	7,610
Capital Outlay	0	30	210	80	90	90	90	90	90
Total General Government	9,660	10,700	11,800	15,480	15,500	15,850	16,120	16,740	17,020
Total Expenditures	83,960	95,310	102,320	114,930	123,950	130,340	138,140	142,500	146,610

SALARIES:		<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
<u>POLICE-CPOA</u>	7/1	3.00%	2.50%	2.00%	2.00%	2.00%	2.00%
SALARY BASE		\$14,380	\$14,740	\$16,080	\$17,940	\$19,230	\$20,350
Additional Officers-Salary		\$0	\$1,020	\$1,510	\$910	\$720	\$660
Number of Additional Officers		3	7	10	5	5	5
Additional Non-Sworn Positions		0	4	6	5	2	1
Total Sworn Officer Positions		125	132	142	147	152	157
<u>FIRE</u>	7/1	3.00%	2.50%	2.00%	2.00%	2.00%	2.00%
SALARY BASE		\$7,670	\$7,860	\$8,670	\$9,860	\$10,210	\$10,410
Additional Firefighter-Salary		\$0	\$640	\$1,000	\$150	\$0	\$60
Number of Addl Firefighters		0	6	9	0	0	0
Total Sworn Positions		67	73	82	82	82	82
<u>PUBLIC UTILITIES</u>	7/1	3.00%	2.50%	2.00%	2.00%	2.00%	2.00%
SALARY BASE		\$3,300	\$3,380	\$3,830	\$4,340	\$4,570	\$4,660
Additional Salaries-Park/Street		\$0	\$370	\$420	\$140	\$0	\$0
Addl Park/Street employees		0	6	7	3	0	0
<u>GENERAL GOVT</u>	7/1	3.00%	2.50%	2.00%	2.00%	2.00%	2.00%
<u>MANAGEMENT</u>	7/1	3.00%	2.50%	2.00%	2.00%	2.00%	2.00%
OVERTIME: INCREASE BY CPI			2.50%	2.50%	2.50%	2.50%	2.50%
EXTRA HELP: FLAT FOR NEXT FIVE YEARS							
HEALTH: INCREASE PER YEAR					7.0%		
					(PERS ESTIMATE)		
RETIREMENT:		<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
POLICE-SAFETY		58.98%	58.08%	58.90%	59.20%	61.10%	60.30%
FIRE		58.98%	58.08%	58.90%	59.20%	61.10%	60.30%
PUBLIC UTILITIES		30.00%	29.37%	28.60%	28.90%	30.10%	29.80%
GENERAL GOVERNMENT		30.00%	29.37%	28.60%	28.90%	30.10%	29.80%
MANAGEMENT		30.00%	29.37%	28.60%	28.90%	30.10%	29.80%
PERS EE COST SHARING -MISC		-8.40%	-8.40%	-8.40%	-8.40%	-8.40%	-8.40%
PERS EE COST SHARING -SAFETY		-8.00%	-8.00%	-8.00%	-8.00%	-8.00%	-8.00%
WORKERS COMP: Police-CPOA		16.55%	17.00%	17.00%	17.00%	17.00%	17.00%
(included in other benefits) Fire		3.47%	3.00%	3.00%	3.00%	3.00%	3.00%
Mgmt & Admin		1.91%	2.00%	2.00%	2.00%	2.00%	2.00%
Public Utility		3.71%	4.00%	4.00%	4.00%	4.00%	4.00%
OTHER BENEFITS: Previous year's amount increased by contracted and estimated salary increases. Includes 2% of non-safety salaries for deferred comp, 1% of total salaries for sick leave incentive, 1.45% for medicare and 1% for other benefits.							
OTHER SMS:	INCREASE BY CPI		2.50%	2.50%	2.50%	2.50%	2.50%
CAPITAL OUTLAY:	INCREASE BY CPI		2.50%	2.50%	2.50%	2.50%	2.50%
	FOUR YEAR AVERAGE-PUBLIC SAFETY			\$930			
	FOUR YEAR AVERAGE-PUBLIC UTILITIES			\$60 + ADDITIONAL EQUIP FOR NEW EMPLOYEES			
	FOUR YEAR AVERAGE-GEN GOVT			\$80			
EMERGENCY RESERVE: Maintain not less than 15% with a goal to reach 25% of total expenditures. See the Summary Sheet for reserve amounts.							

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ENTERPRISE FUNDS

The purpose of the forecast for the Enterprise Funds is to provide the City Council and the City Manager with an early identification of financial trends, along with the future financial costs of legislative and regulatory requirements, and the ability to respond appropriately. Enterprise Funds, by definition, are supported by rates set to recover the full cost of services, including capital outlays and debt service. The rate setting process requires advance planning, preparation of rate studies, a public hearing process, and a final decision to implement new rates if approved. This process can take up to six months to complete. For this reason, the forecast is a critical management tool for the City.

Further detail regarding each Enterprise Fund is discussed in the following pages. Annually, staff re-evaluates all enterprise operations to determine if any adjustments to rates are needed. At this time, water, sewer, and community sanitation enterprise operations have increases approved sufficient to carry the operations through the forecast period, barring any unforeseen or catastrophic event. Once these rate increases meet their objectives, staff will begin to evaluate implementing smaller, more measured increases on an annual basis to avoid large one-time increases.

Water Enterprise

The Water Enterprise Fund is projected to have a working capital balance of approximately \$19.4 million at June 30, 2025. The City Council approved adjusted water rates in the Water Enterprise Fund beginning in June 2016 to comply with state legal requirements regarding a tiered water rate structure. The rate adjustment was revenue neutral. Council also approved a 3% annual increase that can be implemented when necessary to fund the increased cost to treat and distribute potable water, for capital improvements, and to provide debt service coverage for the 2013 Surface Water Treatment Plant bonds. A 3% rate increase to water rates is included in each of the five years of the projected forecast. In 2020/21, there was a \$5 million down payment as required by the Firm Water Supply Agreement with the Fresno Irrigation District (FID). The remaining balance of \$30 million is anticipated to be paid by development impact fees in future years. In 2016/17, the Water Enterprise Fund received a legal settlement for Trichloropropane (TCP) treatment. The Water Enterprise Fund is required to treat potable water for any TCP present, and a reserve for TCP treatment has been established for the treatment costs. Included in 2023/24 is a \$1.7 million transfer from the Parks Development Fund to reimburse the Water Enterprise Fund for its share of a property purchase for a future basin and park site. Beginning in 2024/25, the capital outlay includes an expenditure of \$2.5 million per year for five years to fund an Advanced Metering Infrastructure (AMI) project. Contributions to the reserves for the Sustainable Groundwater Management Act (SGMA) and for drought contingency are included during the forecast period. A water rate study is currently in progress and is expected to be completed in the 2025 Calendar Year. It is anticipated that a Proposition 218 protest hearing to increase water charges will be needed to generate funds for high-cost maintenance projects and to sustain a revenue neutral budget with rising operation and maintenance costs.

Water Enterprise - Financial Forecast (dollars in thousands)

	Actual 2021/22	Actual 2022/23	Actual 2023/24	Estimated 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30
BEGINNING WORKING CAPITAL	22,510	22,060	20,210	22,730	19,440	15,440	12,710	9,630	7,710
<u>REVENUES</u>									
WATER CHARGES	19,190	19,980	20,840	22,460	23,270	24,100	24,970	25,860	26,780
DBCP-LEGAL SETTLEMENTS	130	210	210	170	180	190	190	190	190
TOTAL REVENUES	19,320	20,190	21,050	22,630	23,450	24,290	25,160	26,050	26,970
<u>EXPENDITURES</u>									
SALARIES	3,190	3,630	3,680	4,040	4,260	4,480	4,660	4,750	4,850
EXTRA HELP	0	20	0	10	10	10	10	10	10
OVERTIME	130	140	150	150	150	150	150	150	150
BENEFITS									
RETIREMENT	680	710	750	920	920	900	960	1,030	1,040
HEALTH	570	590	620	770	830	890	950	1,020	1,090
OTHER	390	410	360	380	440	460	480	490	500
SERVICES, MATERIALS & SUPPLIES	12,050	10,950	12,910	16,280	17,730	17,000	16,180	16,350	16,530
MEMBRANE REPLACEMENT	300	450	0	0	0	1,100	0	0	0
TCP TREATMENT	100	100	150	150	150	150	150	150	150
CAPITAL OUTLAY	910	3,720	1,990	3,910	4,060	4,060	4,060	4,060	3,060
TOTAL EXPENDITURES	18,320	20,720	20,610	26,610	28,550	29,200	27,600	28,010	27,380
<u>OTHER REVENUE AND EXPENSE</u>									
INTEREST/RENTAL/GRANTS	1,250	760	2,080	1,370	1,280	1,160	1,040	990	980
	1,250	760	2,080	1,370	1,280	1,160	1,040	990	980
TRANSFERS-OUT (CAPITAL)	(1,000)	(500)	(500)	(500)	(250)	(250)	(250)	(250)	(250)
WATER BANKING LOAN TO DEV FUND	0	0	0	0	0	0	0	0	0
PARK DEV PAYBACK - BASIN/PARK	0	0	1,700	0	0	0	0	0	0
INTERFUND LOAN TO GENERAL SERVICES	(7,500)	770	770	770	770	770	770	770	770
CONTRIBUTION-SURFACE WTP	(750)	(750)	(750)	(730)	(730)	(730)	(730)	0	0
MEMBRANE REPLACEMENT RESERVE	450	(100)	(100)	(100)	(100)	1,100	(100)	(100)	(100)
RESERVE FOR DROUGHT CONTINGENCY	(500)	(500)	(500)	500	1,000	1,000	(500)	(500)	(500)
RESERVE FOR SGMA	(1,000)	(1,000)	0	0	(250)	(250)	(250)	(250)	(250)
RESERVE FOR TCP TREATMENT	7,600	0	(620)	(620)	(620)	(620)	(620)	(620)	(620)
ENDING WORKING CAPITAL	22,060	20,210	22,730	19,440	15,440	12,710	9,630	7,710	7,330
RESERVE FOR MEMBRANE REPLACEMENT	980	1,080	1,180	1,280	1,380	280	380	480	580
RESERVE FOR DROUGHT CONTINGENCY	6,500	7,000	7,500	7,000	6,000	5,000	5,500	6,000	6,500
RESERVE FOR SGMA	4,000	5,000	5,000	5,000	5,250	5,500	5,750	6,000	6,250
RESERVE FOR TCP TREATMENT	7,650	7,650	8,270	8,890	9,510	10,130	10,750	11,370	11,990

Water Enterprise - Revenue Assumptions (dollars in dollars)

AGENDA ITEM NO. 9.

Bi-monthly Meter Charges: Residential - \$26.90 Commercial - \$21.65

Residential Usage Rates: \$1.10 per 1,000 gallons for 0 to 23,000 gallons, \$1.83 per 1,000 gallons for 23,000 - 40,000 gallons, \$2.26 per 1,000 gallons above 40,000 gallons. Dwelling unit charge \$13.45 per month (\$26.90 bi-monthly).

Commercial Usage Rates: \$1.10 per 1,000 gallons 0 to 23,000 gallons, \$1.49 per 1,000 gallons over 23,000 gallons. Monthly charge from \$10.83 (1") to \$1,097.43 (10").

Current Charges: INCREASED EACH YEAR BY THE AVERAGE INCREASE OF THE PREVIOUS THREE YEARS

		<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
Rate Increase:	7/1	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Rate Increase:	3% Based on Council approved annual rate increase unless not necessary.						
Interest:	3.00% OF PREVIOUS YEAR'S WORKING CAPITAL OR A MINIMUM OF \$10,000						

Water Enterprise - Expense Assumptions (dollars in thousands)

Salaries:	CPWEA	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
	7/1	3.00%	2.50%	2.00%	2.00%	2.00%	2.00%
	Salary Base	\$4,040	\$4,140	\$4,370	\$4,570	\$4,750	\$4,850
	Additional Employee		\$150	\$110	\$90		
Extra Help:	FLAT FOR NEXT FIVE YEARS						
Overtime:	FLAT FOR NEXT FIVE YEARS						
		(PERS ESTIMATE)					
Retirement:		<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
		30.00%	29.37%	28.60%	28.90%	30.10%	29.80%
PERS Cost Sharing:		-8.40%	-8.40%	-8.40%	-8.40%	-8.40%	-8.40%
Health:	INCREASE PER YEAR					7.00%	
Other Benefits:	-WORKERS COMP			4.00% FOR CPWEA		2.00% FOR ADMIN	
	-MEDICARE			1.45% OF SALARIES			
	-DEFERRED COMP/SICK LEAVE/OTHEF			5.25% OF SALARIES			
Other SMS:	INCREASE BY CPI FOR FUTURE YEARS					2.50%	
	(Increase energy cost by 50% for the Surface Water Treatment Plant operation beginning in 2004/05)						
	Rental of the New Corp Yard-beginning 2002/03				\$320 per year		
Capital Outlay:	CURRENT CPI					2.50%	
Transfers Out:	FOR CAPITAL CONTRIBUTIONS FOR DISTRIBUTION SYSTEM IMPROVEMENTS FOR LAND ACQUISITION DESIGN AND CONSTRUCTION OF RECHARGE FACILITIES-100%						
Reserves:	WELLHEAD TREATMENT CONTINGENCY ESTABLISHED FOR CLEANUP OF DBCP CONTAMINATION MEMBRANE REPLACEMENT RESERVE ESTABLISHED FOR NEW MEMBRANE COSTS DROUGHT CONTINGENCY ESTABLISHED FOR WATER PURCHASE DURING POSSIBLE DROUGHT TCP TREATMENT RESERVE FOR TREATMENT CAPITAL AND O&M SUSTAINABLE GROUNDWATER MANAGEMENT ACT RESERVE						

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Sewer Enterprise

The Sewer Enterprise Fund is projected to have a working capital balance of approximately \$27.2 million at June 30, 2025. The City Council approved a series of rate increases for the Sewer Enterprise Fund beginning August 1, 2010. Rate increases are driven by the rising cost of treatment and capital improvements at the Regional Treatment facility as well as the increase in the costs to operate new pump stations, the Sewer Treatment Water Reuse Facility (ST-WRF), and to meet bond covenants normally borne by development fees which are projected to be insufficient to meet the City's obligations in a portion of the forecast period. A 3% rate increase is included in each year of the forecast period to keep up with rising operating, maintenance, and capital costs, and to maintain a sufficient fund balance for future bonding capacity. An interfund loan is shown beginning in 2026/27 of the forecast because it is projected that the collection of development impact fees for Sewer Major Facilities will be insufficient to cover the debt service payments. However, there are sufficient funds in the bond charge fund balance collected in prior years to continue the full \$7.30 per month rebate to customers until 2028/29. The ability to continue to rebate funds back to ratepayers will be monitored closely throughout the forecast period.

Sewer Enterprise - Financial Forecast (dollars in thousands)

	Actual 2021/22	Actual 2022/23	Actual 2023/24	Estimated 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30
BEGINNING WORKING CAPITAL	26,260	26,720	28,270	28,750	27,200	23,680	20,240	18,500	19,160
<u>REVENUES</u>									
SEWER CHARGES	13,780	14,510	15,000	16,010	16,720	17,460	18,220	19,000	19,810
PRETREATMENT CHARGES	50	50	50	50	50	50	50	50	50
TOTAL REVENUES	13,830	14,560	15,050	16,060	16,770	17,510	18,270	19,050	19,860
<u>EXPENDITURES</u>									
SALARIES	1,090	1,280	1,300	1,660	1,790	1,820	1,860	1,900	2,060
EXTRA HELP	0	0	0	10	10	10	10	10	10
OVERTIME	20	20	10	20	20	20	20	20	20
BENEFITS									
RETIREMENT	230	250	270	360	360	370	380	410	440
HEALTH	190	200	210	300	320	340	360	390	420
OTHER	120	130	140	150	140	190	190	200	220
SERVICES, MATERIALS & SUPPLIES	5,090	4,840	5,100	6,510	6,670	6,830	6,990	6,840	7,010
FRESNO TREATMENT PLANT	3,180	3,770	4,730	4,870	4,990	5,110	5,240	5,370	5,500
CLOVIS TRMT/REUSE PLANT (ST-WRF)	2,460	2,380	2,510	2,700	2,790	2,890	2,990	3,090	3,200
DEBT SERVICE	1,220	1,220	1,220	10	10	0	0	0	0
CAPITAL	110	440	40	650	2,150	1,710	220	220	230
CAPITAL-FRESNO PLANT IMPROVEMENTS	460	1,080	2,210	2,250	2,000	500	500	500	500
TOTAL EXPENDITURES	14,170	15,610	17,740	19,490	21,250	19,790	18,760	18,950	19,610
<u>OTHER REVENUE AND EXPENSE</u>									
INTEREST	500	860	1,670	950	1,130	1,020	930	890	930
GRANTS/MISC/SALE OF ASSETS/REFUNDS	350	40	190	660	60	50	50	50	50
BOND COVERAGE CHARGES/(REBATE)	0	0	0	0	0	0	0	1,850	1,850
	850	900	1,860	1,610	1,190	1,070	980	2,790	2,830
TRANSFERS IN-DEBT SERVICE	430	430	430	0	0	0	0	0	0
TRANSFERS OUT-CAPITAL	0	0	0	(500)	(500)	(500)	(500)	(500)	(500)
FROM DEVELOPER-PLANT CAPITAL IMPROV	270	270	270	270	270	270	270	270	270
INTERFUND (LOANS)/REPAYMENT	0	0	(390)	0	0	(1,500)	(1,500)	(1,500)	(1,500)
(INC)/USE OF FRESNO PLANT CAP RESERVE	(750)	1,000	1,000	500	0	(500)	(500)	(500)	(500)
ENDING WORKING CAPITAL	26,720	28,270	28,750	27,200	23,680	20,240	18,500	19,160	20,010
RESERVE FOR FRESNO PLANT CAPITAL	2,750	1,750	750	250	250	750	1,250	1,750	2,250
RESERVE FOR RATE STABILIZATION	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000

Sewer Enterprise - Revenue Assumptions (dollars in dollars)

AGENDA ITEM NO. 9.

Current Charges:	Population Increase 2,000	New Units Per Year 750	Additional Commercial \$42,000	Residential:	2024/25 Per Unit Per Month \$24.16	Bond Charge Per Unit Per Month \$7.30 (\$7.30) Beginning FY 20/21	Pretreatment Per Unit Per Month \$0.06
Rate Rebate:							
Rate Increase:*		<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
Percentage		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Revised Monthly Rate		\$24.16	\$24.88	\$25.63	\$26.40	\$27.19	\$28.01
Interest:	3.00%	OF PREVIOUS YEAR'S WORKING CAPITAL					

* **Rate Increase:** Note: The Council can approve up to a 3% annual rate increase if deemed necessary.

Sewer Enterprise - Expense Assumptions (dollars in thousands)

Salaries: (CPWEA)	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
7/1	3.00%	2.50%	2.00%	2.00%	2.00%	2.00%
SALARY BASE	\$1,660	\$1,700	\$1,820	\$1,860	\$1,900	\$1,940
Additional employee		\$90				\$120
Extra Help:	FLAT FOR NEXT FIVE YEARS					
Overtime:	FLAT FOR NEXT FIVE YEARS					
Retirement:	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
	30.00%	29.37%	28.60%	28.90%	30.10%	29.80%
PERS Cost Sharing:	-8.40%	-8.40%	-8.40%	-8.40%	-8.40%	-8.40%
Health:	INCREASE PER YEAR					
Other Benefits:	-RETIREMENT		30.00%	OF EXTRA HELP		
	-WORKERS COMP		4.00%	FOR CPWEA	2.00%	FOR ADMIN
	-MEDICARE		1.45%	OF SALARIES		
	-DEFERRED COMP/SICK LEAVE/OTHEF		5.25%	OF SALARIES		
Other SMS:	INCREASE BY AVERAGE CPI FOR PREVIOUS 3 YEARS				2.50%	
	Rental of the New Corp Yard-Beginning in 2002/03				\$320	
	Clovis Treatment/Reuse Plant Operations-Beginning 1/1/2009				\$1,000	
Regional Treatment Plant:	Annual payment for original plant buy-in plus O&M costs.					
	Adjusted for average 3 year CPI and per capita amount				2.50%	
Capital Outlay:	FUTURE YEARS @				\$200	
	- ADJUSTED BY 3 YEAR AVERAGE CPI				2.50%	
Cap-Plant Improvements:	Based on estimates from the City of Fresno for sewer main and plant refurbishments					
Transfers In-Debt Service:	In from Major Facilities-34.57% of debt service for 1993 WWTP Renovation				\$427	
Transfers Out:	Out for on-going capital improvements-per Five Year CIP					
Interfund Loans:	Temporary cash loans to conform with various bond covenants					

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Community Sanitation Enterprise

The Community Sanitation Enterprise Fund is projected to finish the current fiscal year with a working capital balance of approximately \$11.3 million at June 30, 2025. The fund will experience a decline in reserves over the next few years due to increased administration and personnel costs, fleet renewal charges and anticipated adjustments to the recycling and organic contracts. Reserves are expected to stabilize towards the end of the five-year forecast. A 4% annual increase, or portion thereof, for Solid Waste was approved by City Council in November 2004, and a 4% annual increase for street sweeping was approved by City Council in 2021. The annual increases can be implemented by Council as necessary. A 4% annual increase is projected in the forecast period for Solid Waste, Street Sweeping, Recycling and Organics operations. These annual increases will assist in stabilizing reserves toward the end of the five-year forecast. Staff will continue to monitor fund levels to determine if an increase greater than the 4% is warranted.

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Community Sanitation - Financial Forecast (dollars in thousands)

	<u>Actual 2021/22</u>	<u>Actual 2022/23</u>	<u>Actual 2023/24</u>	<u>Estimated 2024/25</u>	<u>Projected 2025/26</u>	<u>Projected 2026/27</u>	<u>Projected 2027/28</u>	<u>Projected 2028/29</u>	<u>Projected 2029/30</u>
BEGINNING WORKING CAPITAL	13,520	13,390	13,100	12,820	11,310	9,020	7,440	6,330	6,130
<u>REVENUES</u>									
REFUSE CHARGES	17,770	18,100	18,890	19,900	20,860	21,870	22,930	24,040	25,200
RECYCLING CHARGES	2,110	2,210	2,320	2,420	2,640	2,770	2,900	3,040	3,180
GREEN WASTE CHARGES	2,540	2,680	2,820	2,910	3,060	3,220	3,380	3,550	3,730
STREET SWEEPING CHARGES	1,280	1,570	1,660	1,730	1,740	1,820	1,910	2,000	2,090
TOTAL REVENUES	23,700	24,560	25,690	26,960	28,300	29,680	31,120	32,630	34,200
<u>EXPENDITURES</u>									
SALARIES	3,900	4,400	4,440	4,900	5,440	5,550	5,740	5,850	5,970
EXTRA HELP	70	90	10	80	0	0	0	0	0
OVERTIME	400	390	440	460	460	460	460	460	460
BENEFITS									
RETIREMENT	840	870	930	1,150	1,140	1,120	1,180	1,270	1,280
HEALTH	790	810	870	1,050	1,130	1,210	1,290	1,380	1,480
OTHER	610	530	360	500	570	580	600	610	630
SERVICES, MATERIALS & SUPPLIES	10,350	10,600	11,790	12,850	13,690	14,030	14,380	14,420	14,780
RECYCLING	1,640	1,610	1,790	1,910	2,410	2,480	2,550	2,620	2,700
GREEN WASTE PROGRAM	2,010	2,010	2,200	2,170	3,030	3,130	3,230	3,330	3,430
STREET SWEEPING	1,770	1,810	2,110	2,080	2,130	2,180	2,230	2,290	2,350
LANDFILL CLOSURE	380	340	350	390	400	410	420	430	440
CAPITAL	1,390	1,190	600	1,180	880	600	600	600	600
LANDFILL IMPROVEMENTS	30	720	1,020	770	100	300	300	300	1,000
TOTAL EXPENDITURES	24,180	25,370	26,910	29,490	31,380	32,050	32,980	33,560	35,120
<u>OTHER REVENUE AND EXPENSE</u>									
INTEREST	170	270	530	450	550	500	460	440	450
GRANTS/MISC/SALE OF ASSETS	30	100	260	420	90	90	90	90	90
	200	370	790	870	640	590	550	530	540
TRANSFERS	150	150	150	150	150	200	200	200	200
ENDING WORKING CAPITAL	13,390	13,100	12,820	11,310	9,020	7,440	6,330	6,130	5,950
RESERVE FOR CLOSURE	5,000	5,340	5,690	6,080	6,480	6,890	7,310	7,740	8,180
RESERVE FOR LIABILITY INS	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Note: Maintain minimum ending working capital at 15% of expenditures or the bond covenant requirements.

Community Sanitation - Revenue Assumptions (dollars in dollars)

Current Charges:		New Units	24/25 Avg Unit	Recycling	Green Waste	Street Cleaning
		Per Year	Per Month	Per Month	Per Month	Per Month
		750	\$27.50	\$4.79	\$7.03	\$2.97
Additional Commercial Annual Revenue ----->		\$35,000				
		<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
Rate Increase/(Decrease):	7/1	4.0%	4.0%	4.0%	4.0%	4.0%
Adjusted Monthly Rate:		\$27.50	\$28.60	\$29.74	\$30.93	\$32.17
Rate Increase:		Based on Council approved 4% annual rate increase unless not necessary.				
Green Waste/Recycling:		Based on current year charges, increased by new unit growth and projected rate increases of 4% per year.				
Street Cleaning:		Based on current year charges, increased by new unit growth and projected rate increases of 4% per year.				
Interest:	3.00%	OF PREVIOUS YEAR'S WORKING CAPITAL				

Community Sanitation - Expense Assumptions (dollars in thousands)

Salaries: (CPWEA)	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
7/1	3.00%	2.50%	2.00%	2.00%	2.00%	2.00%
Salary Base:	\$4,900	\$5,320	\$5,550	\$5,660	\$5,850	\$5,970
Additional Personnel: Res/Comm		\$120		\$75		
Extra Help:	\$150 for Operations per year					
Overtime:	FLAT FOR FUTURE YEARS					
	(PERS ESTIMATE)					
Retirement:	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
	30.00%	29.37%	28.60%	28.90%	30.10%	29.80%
PERS Cost Sharing:	-8.40%	-8.40%	-8.40%	-8.40%	-8.40%	-8.40%
Health:	INCREASE PER YEAR				7.00%	
Other Benefits:	-WORKERS COMP				2.00% FOR ADMIN	
	-MEDICARE					
	-DEFERRED COMP/SICK LEAVE/OTHER					
Other SMS:	INCREASE BY AVERAGE CPI FOR PREVIOUS 3 YEARS				2.50%	
Capital Outlay:	Flat for future years				\$600	
	Adjusted by 3 year average CPI				2.50%	
Transfers:	In-For Toters				\$200 /year	
Reserve For Closure:	FROM 98/99, INCREASE BY 3 YEAR AVERAGE CPI				2.50%	

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Transit Enterprise

The Transit Fund is projected to have sufficient revenues throughout the forecast period to meet its operational and capital needs. Revenue from the Transportation Development Act, which includes Local Transportation Funds (LTF) and State Transit Assistance (STA) funds, is allocated to Transit based on factors like population, taxable sales, and transit performance. Recently, these funds have been used to support operational costs and the purchase of vehicles for the route redesign project. Transit is also working toward securing land to build a Transit Operations Center, which will include infrastructure to support zero-emissions mandates. The land for this project will be funded by the state's Transit and Intercity Rail Capital Program (TIRCP). Additionally, Clovis Transit began receiving federal funding in 2024/25, which will provide further support for operations and enable competition for capital grants. Given that transit funding is often subject to change, and with the Measure C sales tax set to expire after 2027, the types and levels of funding will be closely monitored to ensure any necessary adjustments to service levels are made. The Transit Fund must defer LTF and STA revenue that has been received but not yet spent. This deferred revenue is reflected in the Transit Fund forecast under "Deferred Revenue."

Transit - Financial Forecast (dollars in thousands)

	<u>Actual 2021/22</u>	<u>Actual 2022/23</u>	<u>Actual 2023/24</u>	<u>Estimated 2024/25</u>	<u>Projected 2025/26</u>	<u>Projected 2026/27</u>	<u>Projected 2027/28</u>	<u>Projected 2028/29</u>	<u>Projected 2029/30</u>
BEGINNING WORKING CAPITAL	320	650	340	440	0	0	0	0	0
<u>REVENUES</u>									
MEASURE C FUNDS *	2,130	2,190	2,170	2,160	2,210	2,270	2,330	2,390	2,450
LOCAL TRANSPORTATION FUNDS (LTF)	5,050	5,340	6,780	5,010	5,450	4,660	4,760	4,880	4,940
STATE TRANSIT ASSISTANCE (STA) **	1,020	200	2,190	5,160	4,760	5,750	5,850	2,210	2,320
FEDERAL TRANSIT ADMINISTRATION (FTA)	0	0	0	3,270	3,430	3,520	3,610	3,700	3,790
OTHER (Fares, Advertising, Trolley Rents)	50	70	110	40	0	0	0	0	0
TOTAL REVENUES	8,250	7,800	11,250	15,640	15,850	16,200	16,550	13,180	13,500
<u>EXPENDITURES</u>									
SALARIES	1,690	1,890	2,050	2,550	2,810	2,870	2,930	2,990	3,050
EXTRA HELP	1,050	1,540	1,760	1,930	2,030	2,130	2,240	2,350	2,470
OVERTIME	80	60	70	100	100	110	120	130	140
BENEFITS									
RETIREMENT	360	380	410	550	630	580	600	650	650
HEALTH	330	350	430	550	620	660	710	760	810
OTHER	520	560	620	890	740	790	830	890	920
SERVICES, MATERIALS & SUPPLIES	2,900	3,100	3,730	4,460	4,660	4,780	4,900	5,020	5,150
CAPITAL-OTHER	160	170	450	740	200	200	200	200	200
CAPITAL-BUSES	110	110	2,100	1,500	1,000	1,000	1,000	1,000	1,000
TOTAL EXPENDITURES	7,200	8,160	11,620	13,270	12,790	13,120	13,530	13,990	14,390
<u>OTHER REVENUE AND EXPENSE</u>									
INTEREST/GRANTS/MISC	180	50	470	940	690	670	730	810	890
	180	50	470	940	690	670	730	810	890
TRANSFERS (TRANSIT STATION)	(900)	0	0	(3,750)	(3,750)	(3,750)	(3,750)	0	0
ENDING WORKING CAPITAL	650	340	440	0	0	0	0	0	0
DEFERRED REVENUE	5,740	10,820	12,490	13,870	16,690	18,620	21,220	24,060	27,230

Transit- Revenue Assumptions

AGENDA ITEM NO. 9.

Transit Revenue:	Measure C revenue is projected to grow by its historical average increase	2.50%
	* Subject to availability for FY 2027/28 through FY 2029/30 *	
	LTF revenue is projected to grow by its historical average increase	5.00%
	** State Transit Assistance, for fiscal years 2019/20 through 2025/26, a transit agency may expend funds apportioned on any operating or capital costs to maintain transit service levels. For fiscal years 2024/25 through 2027/28, significant increase is due to one-time funds from the Transit and Intercity Rail Capital Program TIRCP **	
	Other revenue is projected to grow by the Current CPI	2.50%
Interest:	3.00% OF PREVIOUS YEAR'S WORKING CAPITAL	
Deferred Revenue:	REVENUE RECEIVED AND NOT SPENT	

Transit- Expense Assumptions

Salaries:	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
7/1	3.00%	2.50%	2.00%	2.00%	2.00%	2.00%
Salary Base:	\$2,550	\$2,620	\$2,870	\$2,930	\$2,990	\$3,050
Additional Personnel:		\$190				
Extra Help:	INCREASE PER YEAR FOR ADDITIONAL DEMAND IN ROUNDUP TRANSIT SERVICES					5.00%
Overtime:	INCREASE BY CURRENT CPI					2.50%
	(PERS ESTIMATE)					
Retirement:	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
	30.00%	29.37%	28.60%	28.90%	30.10%	29.80%
PERS Cost Sharing:	-8.40%	-8.40%	-8.40%	-8.40%	-8.40%	-8.40%
Health:	INCREASE PER YEAR			7.00%		
Other Benefits:	-WORKERS COMP			4.00% OF SALARIES	2.00%	FOR ADMIN
	-MEDICARE			1.45% OF SALARIES and EXTRA HELP		
	-DEFERRED COMP/SICK LEAVE/OTHER			5.25% OF SALARIES		
Other SMS:	INCREASE BY CURRENT CPI					2.50%
Capital Outlay:	BASED ON BEST ESTIMATES FOR BUSES AND OTHER ADJUSTED BY CURRENT CPI					2.50%

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Planning and Development Services Enterprise

The Planning and Development Services (PDS) Department transitioned into an Enterprise Fund in 2012/13. This allows for services to be adjusted as demand fluctuates. The 2025/26 forecast estimates 750 residential units to be constructed; this is shy of our historical average of 800 units per year for the past 20 years. The 2024/25 forecast estimates that 700 residential units (380 single-family, 320 multi-family) are projected to be issued this fiscal year. This is primarily due to high interest rates, which continue to lower consumer housing demand. Revenues fluctuate based on construction valuation for different project types; census housing unit numbers are just one indicator. Commercial activity performed better this year than our historical average, with fewer permits but higher valuation. Over the past ten years, the 10-year moving average for commercial valuation rose from \$35 million to \$48 million per year. This year, we anticipate finishing at a \$50 million valuation, \$2 Million higher than the 10-year moving average.

The PDS Department is projected to finish 2024/25 with a working capital balance of approximately \$9.7 million. The forecast reflects that the PDS Department will maintain a prudent reserve that allows for immediate adjustments, should they become necessary.

Planning & Development Services - Financial Forecast (dollars in thousands)

RESIDENTIAL UNITS PER YEAR	859	658	610	700	750	800	800	800	800
	<u>Actual 2021/22</u>	<u>Actual 2022/23</u>	<u>Actual 2023/24</u>	<u>Estimated 2024/25</u>	<u>Projected 2025/26</u>	<u>Projected 2026/27</u>	<u>Projected 2027/28</u>	<u>Projected 2028/29</u>	<u>Projected 2029/30</u>
BEGINNING WORKING CAPITAL	10,080	9,890	9,520	9,080	9,720	9,720	10,260	10,550	10,770
<u>REVENUES</u>									
BUILDING PERMITS	3,390	3,650	3,580	4,950	4,890	5,120	5,120	5,220	5,130
PLANNING FEES	1,310	1,300	2,120	1,730	1,640	1,890	1,830	1,910	1,990
GENERAL PLAN CONSULTANT	180	320	360	1,660	2,410	1,470	670	670	670
ENGINEERING FEES	2,700	2,410	1,720	2,160	2,050	2,100	2,150	2,200	2,260
CAPITAL IMPROVEMENT CHARGES	2,690	3,840	4,000	4,070	4,850	4,970	5,090	5,220	5,350
TOTAL REVENUES	10,270	11,520	11,780	14,570	15,840	15,550	14,860	15,220	15,400
<u>EXPENDITURES</u>									
SALARIES	5,060	5,990	6,050	6,370	7,020	7,270	7,420	7,570	7,720
EXTRA HELP	70	120	150	110	100	100	100	100	100
OVERTIME	80	80	40	140	310	150	150	150	150
BENEFITS									
RETIREMENT	1,050	1,150	1,210	1,280	1,430	1,490	1,540	1,660	1,670
HEALTH	790	870	850	870	900	960	1,030	1,100	1,180
OTHER	420	440	450	560	570	580	590	600	620
SERVICES, MATERIALS & SUPPLIES	3,460	3,840	3,970	3,750	3,630	3,680	3,770	3,860	3,960
GENERAL PLAN CONSULTANT	180	320	360	1,430	2,090	1,400	600	600	600
CAPITAL	40	10	160	70	420	10	10	10	10
TOTAL EXPENDITURES	11,150	12,820	13,240	14,580	16,470	15,640	15,210	15,650	16,010
<u>ADDITIONAL ITEMS</u>									
INTEREST	180	260	510	600	300	300	310	320	320
OTHER REVENUES/GRANTS	200	370	140	120	80	80	80	80	80
TRANSFERS FROM GENERAL FUND	310	300	370	350	350	350	350	350	350
TOTAL ADDITIONAL ITEMS	690	930	1,020	1,070	730	730	740	750	750
NET INC/(DEC) TO WORKING CAPITAL	(190)	(370)	(440)	1,060	100	640	390	320	140
<u>OTHER ITEMS</u>									
(USE OF)/ADDITION TO EMERGENCY RESERVE	0	0	0	420	100	100	100	100	100
ENDING WORKING CAPITAL	9,890	9,520	9,080	9,720	9,720	10,260	10,550	10,770	10,810
Emergency Reserve - (Dollars)	2,500	2,500	2,500	2,920	3,020	3,120	3,220	3,320	3,420
Emergency Reserve as a % of Expenditures	22.4%	19.5%	18.9%	20.0%	18.3%	19.9%	21.2%	21.2%	21.4%

Planning & Development Services - Revenue Assumptions (dollars in dollars)

AGENDA ITEM NO. 9.

	<u>2023/24 (Act.)</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
Residential Units Per Year:	610	700	750	800	800	800	800
Non-Residential Valuation %:	19%	20%	20%	20%	20%	20%	20%
<i>Averages based on two years actuals and estimate to close</i>							
Average Permit Fees Per Unit:		<u>Building</u>	<u>Planning</u>	<u>Engineering</u>	<u>International Code Council 2% Increase:</u>		
		\$5,200	\$2,200	\$2,700	<u>2022/23</u>	<u>2025/26</u>	<u>2028/29</u>
Current CPI:	2.50%						
	<u>2023/24 (Act.)</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
Planning Program Fee (Staff):	\$970,000	\$1,070,000	\$1,110,000	\$1,140,000	\$1,170,000	\$1,210,000	\$1,250,000
Gen. Plan Consultant Admin Fee:	\$0	\$230,000	\$310,000	\$70,000	\$70,000	\$70,000	\$70,000
Plan. Prgm. Fee (Consultant):	\$360,000	\$1,430,000	\$2,100,000	\$1,400,000	\$600,000	\$600,000	\$600,000
Other Planning Fees:	\$1,150,000	\$660,000	\$530,000	\$750,000	\$660,000	\$700,000	\$740,000
Total FY	\$2,480,000	\$3,390,000	\$4,050,000	\$3,360,000	\$2,500,000	\$2,580,000	\$2,660,000
Capital Improvement Charges:	BASED ON HOURLY RATE CHANGES (AS NEEDED)						
Interest:	3.00%	OF PREVIOUS YEAR'S WORKING CAPITAL					
Other Revenues:		INCREASE BY CURRENT CPI				2.50%	
Grants:		BASED ON AWARDED GRANTS					

Planning & Development Services - Expense Assumptions (dollars in thousands)

	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
Salaries: (CPTA)						
7/1	3.00%	2.50%	2.00%	2.00%	2.00%	2.00%
Salary Base:	\$6,840	\$7,010	\$7,270	\$7,420	\$7,570	\$7,720
Additional Personnel:		\$120				
Extra Help:	\$110	\$100	\$100	\$100	\$100	\$100
Overtime:	WILL REMAIN FLAT THROUGHOUT PROJECTION YEARS					
	(PERS ESTIMATE)					
Retirement:	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
	30.00%	29.37%	28.60%	28.90%	30.10%	29.80%
PERS Cost Sharing:	-8.40%	-8.40%	-8.40%	-8.40%	-8.40%	-8.40%
Health:	INCREASE PER YEAR				7.00%	
Other Benefits:	INCREASE BY CURRENT CPI				2.50%	
Other SMS:	INCREASE BY CURRENT CPI				2.50%	
	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
General Plan Consultant:						
General Plan Update & Housing Element	\$1,000	\$1,600	\$900	\$100	\$100	\$100
Misc. Services (Legal, Housing, Design, Engr)	\$230	\$230	\$230	\$230	\$230	\$230
Specific Plan/Master Plan Prep/Updates	\$0	\$0	\$0	\$0	\$0	\$0
Utility Plans & Engineering Studies	\$100	\$100	\$100	\$100	\$100	\$100
Planning Studies Guidelines	\$40	\$100	\$100	\$100	\$100	\$100
LAFCO Budget Contribution	\$60	\$70	\$70	\$70	\$70	\$70
Total FY	\$1,430	\$2,100	\$1,400	\$600	\$600	\$600
Capital Outlay:	BASED ON CAPITAL NEEDS PROJECTED FOR DEPARTMENT					
Transfers:	GENERAL FUND DISCRETIONARY FUNDING				\$350 PER YEAR	

INTERNAL SERVICE FUNDS

The Internal Service Fund group is projected to be self-balancing throughout the Five-Year Forecast. Since the Internal Service Fund group is funded by charges to the operating funds, issues that will affect the Internal Service Funds are dealt with in conjunction with analysis of the impact on the operating funds. Each of the funds within the Internal Service Fund group is continually reviewed to determine where more cost-effective programs and services can be utilized, and expenditure reductions have been made in recent years to reduce the impact of cost sharing on all other City operations.

DEBT SERVICE FUNDS

The Debt Service Fund group, out of necessity and legal obligation, will be fully funded in order to make the required debt payments.