



# City of Corning

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## THE CORNING FRIDAY NOTES

**TO: MAYOR AND COUNCIL**  
**FROM: CITY MANAGER JOHN L. BREWER, AICP**  
**DATE: APRIL 24, 2015**

*JL*

### **CITY MANAGER:**

#### **2015 CDBG Street Re-Paving Project:**

The project is out for bidding and generating some interest among paving contractors. We have scheduled a walk-thru on May 20<sup>th</sup> and the bid opening on May 28<sup>th</sup>.

#### **Pavement at Clark Park Parking Lot:**

The replacement of the parking lot pavement damaged during the Verizon Wireless cell tower construction is now completed.

#### **Street Maintenance Funds:**

The primary revenue source for our Street Maintenance Funds is Highway User Taxes (also known as "Gas Taxes") that are imposed and collected in California. We get periodic projections from the *League of California Cities* website called *California City Finance* to assist us in budgeting. At the end of January their projection for the next fiscal year (FY 2015-2016) totaled about \$212,000, down about \$12,000 (or about 5.3%) from this year's totals; a reduction, but one that's manageable. However, in February they revised their projections significantly downward. Accordingly, we now expect our 2015-2016 Gas Tax totals to be in the range of \$172,000. That is about \$52,000 below the FY 2014-2015 total and represents a reduction of about 23%.

These reductions are the result of a Board of Equalization reduction in one of the Gas Taxes (Sec. 2103-from 36 cents to 30 cents/gallon), reduced sales due to better auto efficiency, and, surprisingly, reduced overall fuel sales. These reductions are affecting all jurisdictions in the State, not just Corning. You may have read April 22<sup>nd</sup> edition of the *Red Bluff Daily News* article regarding the projected \$1.5 million budget shortfall being projected by the Tehama County Road Department that addresses the same issue, but at the County magnitude.

A \$52,000 hit to our road maintenance budget is troubling. We will have to adjust our budget accordingly. One short term mitigating factor is that we're able to utilize our CDBG Reuse funds for a sizeable repaving project that we're currently bidding. So, for now, the loss will be less notable. However, if the reduced funding levels continue beyond the next fiscal year, and that appears to be the trend, our road maintenance funds will continue to diminish.

#### **Water Conservation Ordinance:**

We're working to compile information from other communities regarding Water Conservation that would be useful and can be incorporated into our current Ordinance to improve it. We've been focusing on equitable methods for establishing "base and monthly" allocations". The urgency of implementing the revisions is reduced since we do not meet the State definition of an "Urban Water Provider" as we reported in our April 14<sup>th</sup> City Council staff report.

On Monday, the 4<sup>th</sup> District Court of Appeal rendered a decision regarding Water Rates and conservation strategy that will affect our current Ordinance and how we choose to amend it. In the decision, the court ruled that a Water Conservation Ordinance (City of San Juan Capistrano) that imposed "tiered rates"; i.e. rates that increase based on use, was unconstitutional. In summary, the decision cited the limits of Proposition 218 that requires a direct relationship (or "nexus") between the cost to provide a service and the fee charged. The Ordinance addressed by the court imposed higher fees based on use to encourage water conservation. Our Water Conservation Ordinance currently is constructed to impose "penalty" rates for use beyond a reduced monthly allocation, and in that manner resembles the San Juan Capistrano Ordinance. The court decision is merely another reason to revisit and potentially amend our Water Conservation Ordinance.

**Rodgers Theater Restoration & Grant Retention:**

Jeanne Ekstrom of the State Department of Parks and Recreation was touring other North State facilities and stopped by on her way through town. We took her to the Theater to show her the progress. She was happy to see the new floor and took a number of photographs that she will add to her records.

**2015-2016 Budget Preparation:**

CPA Roy Seiler was in town on Thursday. We began the preliminary work on the upcoming fiscal year Budget. We generated a schedule that includes presentation of the Capital Improvement Plan at the City Council Meeting of May 12<sup>th</sup>, presentation of the draft budget on June 9<sup>th</sup>, and adoption of the final budget document on June 23<sup>rd</sup>.

**Possible refinancing of Sewer and Water Debt:**

Roy Seiler and I spoke with Jeff Land at Brandis and Tallman in San Francisco. Jeff will update their proposal to refinance our Sewer and Water debt and present it to Staff for presentation at the May 12<sup>th</sup> City Council Meeting. The intent is to reduce annual debt load without extending the terms of the respective loans.

**PUBLIC WORKS DEPARTMENT:**

**Water:**

Public Works senior Water/Equipment Operator Lee Blaylock and Maintenance Workers Tracy Johnstone and Brett White completed the installation of the pipeline and fire hydrant at the new Fire Training Facility. The hydrant is now operational for the members of the Fire Department.

Public Works Maintenance Workers also repaired a water leak in the alley behind the 7-11 Store. If anyone sees running water, or suspects possible water leaks, please notify City Hall at 530/824-7029 so the Public Works can investigate the problem.

**Building Maintenance:**

Public Works Maintenance Workers have repaired a few minor issues at the Animal Shelter mobile home, the Library and at the Senior Center.

**Parks:**

Public Works Parks Maintenance Workers are diligently working in the Parks and are looking forward to the opening of Lennox Fields to the public.

**POLICE DEPARTMENT:**

**Patrol:**

In addition to responding to 168 calls for service, a total of 29 officer reports were taken and there were 89 officer-initiated incidents, including 36 traffic stops. Officers made 12 misdemeanor arrests and 2 felony arrests, and issued 26 citations of which 1 was a felony, 11 were misdemeanors, 11 were infractions, 2 were parking-related, and 1 was animal-related during the period of April 15, 2015 through April 22, 2015.