



City of Corning

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THE CORNING FRIDAY NOTES

TO: MAYOR AND COUNCIL
FROM: CITY MANAGER JOHN L. BREWER, AICP
DATE: AUGUST 2, 2013

JLB

SCHEDULES:

8-2-2013 (Friday): City Manager John Brewer is planning to take the day off to attend to some personal business in Sacramento.

CITY MANAGER:

Local Agency Investment Fund (LAIF)

At the July 9th City Council meeting the Mayor asked if we would investigate alternatives to our current investment within the LAIF, which currently is paying only 0.28% APR interest. At that rate, our sizeable investment earns only about \$6,700/year.

I spoke with CPA Roy Seiler about that matter and he relayed that options are limited. Interest bearing checking accounts are generally earning less than the LAIF rate. Also, we could purchase CD's (Certificates of Deposit) that could earn rates as high as 0.78% APR, but they would tie up our investments for lengthy periods. The current 0.78% offered would require a 5 year investment commitment.

I also spoke with a friend in the banking industry who told me that interest bearing checking accounts were typically providing returns of only 0.20% APR, even less than our 0.28% with LAIF.

With LAIF, we are currently able to access our funds within 24 hours. This is important so that we can respond to short-term needs. For example, we recently paid the Park and Safe Routes to School Contractors a sum of over \$500,000 for work they'd completed. These funds will be reimbursed, however they needed to be available to pay the Contractors so that work could continue. If we'd had our funds tied up in CD's we'd be unable to quickly access the funds. Additionally, early withdrawals would be subject to considerable early withdrawal penalties that would likely negate any increased interest amount.

Because it better fits our needs, the current LAIF investment appears to be our best option at this point.

Meeting with Bob Warren & Kathy Sarmiento:

I met with Tourism Consultant Bob Warren and Kathy Sarmiento of Tehama Economic Development Corporation on Monday to discuss the potential formation of a Tourism Business Improvement District (TBID). In a nutshell, a TBID would be formed for the purpose of promoting tourism. It would be funded by an increase to the existing Transient Occupancy Tax (TOT). We currently have a 10% TOT. What's being considered is a 2% increase to 12%. Therefore the rate for a \$100 motel room would increase by about \$2. For now, Mr. Warren will be introducing himself and speaking informally to the motel owners/managers to gauge interest in supporting a TBID. Ultimately, it'll be up to the innkeepers to vote to support the TBID.

The City's role would be to facilitate the required public hearings and, if successful, to collect and split out the additional TOT and direct it to the administering agency (perhaps TEDC) for promotional use. If there appears to be support among the innkeepers, the required public hearings will be scheduled.

Meeting with Rabobank Manager:

Mayor Strack, John Stoufer and I met with Jose Bravo, the Branch Manager of Rabobank to discuss potential acquisition of bank-owned foreclosed property along the south side of Jewett Creek between Toomes Avenue and the Old Highway. We had considered the same property as part of an alternative to the property we ultimately acquired for the new park. The site in question has very limited development potential due to floodplain, creek setback and access issues. It does have some potential as open space and a bike/foot trail that could connect the highway to the new park. Mr. Bravo said he'd contact their division that deals with foreclosed properties and ask them to contact us. Within an hour of that meeting we received contact information for the appropriate person at Rabobank. John Stoufer has since followed up with an email.

While we were at the bank, Mr. Bravo told us that Rabobank would like to be involved with events such as the opening day ceremony for the new park. He told us the bank was similarly involved in events in Red Bluff. We'll keep him abreast of scheduling.

Wayfinding Signs:

I spoke with Kathy Sarmiento of TEDC about the Wayfinding Sign program that was being forwarded in Red Bluff and our desire to obtain copies of their proposed standards. She followed up with an email to Kate Grissom of Rolling Hills asking that we be sent a copy.

I also spoke with Scot Timboe, the Red Bluff Planning Director, who agreed to scan what he had and provide it electronically.

Transportation Commission Technical Advisory Committee (TAC):

Pat Walker and I attended the July 27th Tehama County Transportation Commission TAC meeting at the County Public Works offices in Gerber. The purpose of the meeting was to discuss changes in the STIP program and to start compiling our recommendations for the 2014 STIP (Statewide Transportation Improvement Plan). We were discouraged to hear that the previous Transportation Enhancement (TE) program funding was being discontinued with the 2014 STIP. Of course, the TE program is the one that was to fund our Solano Streetscape Project in July 2014. We left the meeting thinking that our opportunity to complete the Streetscape Project next year had gone by the wayside, and that funding would be subject to a statewide competitive application process called Transportation Alternatives Program (TAP).

On Wednesday, Barbara O'Keeffe, Deputy Director of Public Works for Transportation, came by my office to discuss an alternative funding plan. She suggested that we speed the process and attempt to get the project funded while TE funding is still available. With Barbara's help, we have put together a plan to get our application packet complete for submittal in mid October 2013, in hopes of acquiring funding authorization before year's end. We'll need to update the plans, finish the NEPA process, obtain right-of-way clearance, and gain approval of the Division of the State Architect (DSA), Tehama County and State Transportation Commission. If we're successful, the project can proceed pretty much on the previous schedule; constructing the project in the summer of 2014.

The TE funds that we're attempting to acquire are "Construction Dollars" and can't be used for design work. We need to make some revisions to the plans that we currently have however we don't have any Streetscape design funds specifically built into our current budget. We do have \$8,300 in transportation related "Gas Tax" funds that we could use. We expect the additional engineering costs to be in the range of \$20,000. We also have some additional RSTP (Regional Surface Transportation Program) funds that we're expecting to receive sometime in August. Those funds can also be expended for transportation design work. When we receive the funds we'll present a staff report to authorize the expenditures for the engineering design work.