CITY OF CORNING
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City of Corning

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THE CORNING FRIDAY NOTES

TO: MAYOR AND COUNCIL
FROM: CITY MANAGER JOHN L. BREWER, AICP
DATE: JULY 10, 2015

SCHEDULES:

Lisa Linnet: On vacation between July 22nd and August 4th.

John Brewer: I will be on vacation between September 10th and 19th.

CITY MANAGER:

2015-2016 Draft Budget:

Roy Seiler was here on Monday. We have the completed the draft Budget. It has been printed and distributed to Council with their City Council Agenda packets for review on Friday. It is posted on the City's website and will be presented to the City Council for consideration at the July 14th City Council meeting.

A bit of good news on that front-the General Fund deficit will be less than anticipated. The draft document we'll present envisions using $285,000 of our Operating Reserves. That's down from the initial projection of $370,000 in Scenario 1 as presented on June 9th.

Groundwater Sustainability Plan and Agency:

Dawn Grine and I attended a meeting at the Tehama County Public Works Department in Gerber along with Red Bluff City Manager Rick Crabtree and Tehama County Flood Control & Water Resources Manager Ryan Teubert. The meeting was scheduled to discuss City participation in the proposed Groundwater Sustainability Agency (GSA), whose primary purpose is to prepare a Groundwater Management Plan (GSP) for Tehama County. We (Cities) presented our requests to be part of the Agency, based on our reliance of groundwater as the sole source for our respective municipal water systems. We also discussed the anticipated costs of GSP preparation and how the Cities might participate in those costs.

Refinancing Water & Sewer Debt:

Now that the draft budget is prepared, we have provided updates of the Water and Sewer Enterprise Fund Spreadsheets to Brandis & Tallman, the firm that is preparing our potential refinance application for our Water and Sewer debts. Our water revenues are down, at least partly due to the drought. Lenders typically have certain minimum revenue to debt (Parity) ratios that must be met in order to qualify for the best refinancing rates. We found out that our Water Enterprise Fund Revenue/debt ratio does not meet those minimum requirements. So, it appears that to meet that requirement, we'd need to change the revenue to debt ratios & raise our Water Rates.

BUILDING **824-7027** • PLANNING **824-7036** • CITY MANAGER **824-7034** • CITY CLERK **824-7033** • FINANCE **824-7020**
PUBLIC WORKS **824-7025** • POLICE DEPARTMENT **824-7000** • FIRE DEPARTMENT **824-7044**

"THE CITY OF CORNING IS AN AFFIRMATIVE ACTION-EQUAL OPPORTUNITY EMPLOYER"

Our last scheduled Water Rate increase occurred in April 2014. Now, from the Water Enterprise Fund Spreadsheet, we know that we need to implement rate increases to account for inflation and avoid deficit spending, and plan to present that matter for Council action later this year or early 2016. But, raising water rates right now to justify refinancing to lower debt service seems counter-intuitive. So, for now, Brandis Tallman has suspended their efforts on a possible refinancing transaction.

PUBLIC WORKS DEPARTMENT:

Water Leak:

Public Works completed repairs to a water main leak located on Sixth Avenue near Fig Lane.

Ordinance No. 660; Water Use Regulations:

Ordinance No. 660; an Ordinance recently adopted by City Council took effect on July 9, 2015. This Ordinance can be read in its entirety on our City website at www.corning.org. It is listed on the website under "Public Information", CMC 660 – Stage 2 Drought Declaration.

All irrigation timers for City Parks are set to irrigate two days per week between the hours of 8 p.m. and 8 a.m. with the exception of Lennox Fields. Lennox Fields Soccer Park has been reduced from seven days a week to five days a week between the hours of 8 p.m. and 8 a.m. and is being closely monitored by the Public Works Department.

POLICE DEPARTMENT:

Patrol:

In addition to responding to 242 calls for service, a total of 35 officer reports were taken and there were 78 officer-initiated incidents, including 30 traffic stops. Officers made 8 misdemeanor arrests and 5 felony arrests, and issued 23 citations of which 1 was a felony, 12 were misdemeanors, 6 were infractions, 3 were parking-related and 1 was unclassified during the period of July 1, 2015 through July 8, 2015.