



CORRECTION
CITY OF CORNING
SPECIAL CLOSED SESSION
OF THE CITY COUNCIL
TUESDAY, FEBRUARY 24, 2015
CITY COUNCIL CHAMBERS
794 THIRD STREET

A. CALL TO ORDER: 6:00 p.m.

B. ROLL CALL:

Council:

Darlene Dickison

Dave Linnet

Tony Cardenas

Willie Smith

Mayor:

Gary Strack

The Brown Act requires that the Council provide the opportunity for persons in the audience to briefly address the Council on the subject(s) scheduled for tonight's closed session. Is there anyone wanting to comment on the subject(s) the Council will be discussing in closed session? If so, please come to the podium, identify yourself and give us your comments.

C. PUBLIC COMMENT ON CLOSED SESSION SUBJECTS:

D. ADJOURN TO CLOSED SESSION:

1. PUBLIC EMPLOYEE APPOINTMENT

(Pursuant to California Government Code, Section 54957):

Title: Public Works Director

2. CONFERENCE WITH LEGAL COUNSEL ON PENDING LITIGATION

(Pursuant to California Government Code, Section 54956.9 (d)(1).

Shellegarger v. City of Corning, et. al.

E. RECONVENE IN OPEN SESSION AND REPORT ON CLOSED SESSION:

F. ADJOURN:

POSTED: MONDAY, FEBRUARY 23, 2015



**CITY OF CORNING
CITY COUNCIL AGENDA**

**TUESDAY, FEBRUARY 24, 2015
CITY COUNCIL CHAMBERS
794 THIRD STREET**

A. CALL TO ORDER: 6:30 p.m.

B. ROLL CALL:

Council:

**Darlene Dickison
Dave Linnet
Tony Cardenas
Willie Smith
Gary Strack**

Mayor:

C. PLEDGE OF ALLEGIANCE: Led by the City Manager.

D. INVOCATION: Led by Councilman Tony Cardenas.

Persons of no religious persuasion will not be expected in any manner to stand or to participate other than to remain quiet out of respect for those who do choose to participate.

E. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, PRESENTATIONS:

F. BUSINESS FROM THE FLOOR:

G. CONSENT AGENDA: It is recommended that items listed on the Consent Agenda be acted on simultaneously unless a Councilmember or members of the audience request separate discussion and/or action.

1. Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.

2. Waive the reading and approve the Minutes of the February 10, 2015 City Council Meeting with any necessary corrections.

3. February 18, 2015 Claim Warrant - \$139,008.05.

4. February 18, 2015 Business License Report.

H. ITEMS REMOVED FROM THE CONSENT AGENDA:

I. PUBLIC HEARINGS AND MEETINGS:

J. REGULAR AGENDA:

5. Approve installation of Fire Hydrant service line for the Volunteer Fire Department Training Center.

6. Annual Mid-Year Budget Review and General Discussion.

K. ITEMS PLACED ON THE AGENDA FROM THE FLOOR:

L. COMMUNICATIONS, CORRESPONDENCE AND INFORMATION:

M. REPORTS FROM MAYOR AND COUNCIL MEMBERS: City Councilmembers will report on attendance at conferences/meetings reimbursed at City expense (Requirement of Assembly Bill 1234).

**Dickison:
Cardenas:**

**Linnet:
Smith:**

Strack:

N. ADJOURNMENT!:

POSTED: FRIDAY, FEBRUARY 20, 2015



**CITY OF CORNING
CITY COUNCIL MINUTES
TUESDAY, FEBRUARY 10, 2015
CITY COUNCIL CHAMBERS
794 THIRD STREET**

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the Secretary of Agriculture, Washington, D.C. 20250.

A. CALL TO ORDER: 6:30 p.m.

B. ROLL CALL:

Council:

**Darlene Dickison
Dave Linnet
Tony Cardenas
Willie Smith
Gary Strack**

Mayor:

All members of the City Council were present.

C. PLEDGE OF ALLEGIANCE: Led by the City Manager.

D. INVOCATION: Led by Mayor Gary R. Strack.

Persons of no religious persuasion will not be expected in any manner to stand or to participate other than to remain quiet out of respect for those who do choose to participate.

E. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, PRESENTATIONS:

- 1. Presentation of Senior Center Financial Audit.** Mayor Strack introduced Senior Center Board Treasurer Judy Metcalf who presented the Center's Financial Audit.
- 2. Proclamation – One year anniversary of “Tehama Together 211”, an informational contact for Tehama County Services.** The Proclamation was read by City Clerk Lisa Linnet.

F. BUSINESS FROM THE FLOOR: None.

G. CONSENT AGENDA: It is recommended that items listed on the Consent Agenda be acted on simultaneously unless a Councilmember or members of the audience requests separate discussion and/or action.

- 3. Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.**
- 4. Waive the reading and approve the Minutes of the January 27, 2015 City Council Meeting with any necessary corrections.**
- 5. February 4, 2015 Claim Warrant - \$237,111.50.**
- 6. January 2015 Wages and Salaries: \$350,927.16.**
- 7. January 2015 Building Permit Valuation Report - \$88,728.79.**
- 8. January 2015 Treasurer's Report.**
- 9. January 2015 City of Corning Wastewater Operation Summary Report.**
- 10. Approve Waiver of Yost Park Recreations Use Fees for the March 20-21, 2015 Corning Westside American Legion Rain or Shine Softball Tournament.**

11. Approve Partial Payment Request No. 8 in the amount of \$2,260 to Trent Construction for the Corning Community Park Phase 2 Project.

Councilor Smith moved to approve Consent Items 3-11; Councilor Linnet seconded the motion. **Ayes: Strack, Dickison, Linnet, Cardenas and Smith. Opposed/Absent/Abstain: None. Motion was approved by a 5-0 vote.**

H. ITEMS REMOVED FROM THE CONSENT AGENDA: None.

I. PUBLIC HEARINGS AND MEETINGS:

12. Public Hearing and action on request for Disposal Service CPI Rate Increase of 1.57%.

Mayor Strack confirmed that the City had received no letters or communications of protest. He then inquired whether Staff had contacted Matt Fryer of Waste Management to confirm that the garbage receptacles to be installed within the four block Streetscape Project area of Solano Street will not create barriers to their existing service. City Manager John Brewer and Public Works Director Patrick Walker responded stating that different arrangements would need to be made for the new receptacles; the exiting trucks are not equipped to grab them...the driver would be required to manually empty the receptacles.

Mayor Strack then opened the public hearing at 6:47 p.m. Having received no comments, the Public Hearing was closed at 6:48 p.m.

Having conducted the Public Hearing and received no protests, Councilor Cardenas moved to approve the proposed Disposal Service Rate Increase of 1.57% as shown on the presented rate schedule attached as Exhibit "C" to be effective April 1, 2015. The rate increase equates to an additional \$0.34 (residential) per month, and \$0.24 per month (Senior). Councilor Linnet seconded the motion. **Ayes: Strack, Dickison, Linnet, Cardenas and Smith. Opposed/Absent/Abstain: None. Motion was approved by a 5-0 vote.**

J. REGULAR AGENDA:

13. Consider adoption of a Categorical Exemption pursuant to Section 15301 (c) of the California Environmental Quality Act (CEQA) for the 2015 Street Paving and Reconstruction Project using Program Income funds as authorized by Resolution 10-14-2014-01.

City Manager Brewer provided a brief explanation of this item and informed the Council that this exemption is a pre-requisite to obtaining the funding for the project.

Councilor Dickison moved to adopt Factual Subfinding and Legal Finding #1 and direct Staff to file a Notice of Exemption from CEQA with the Tehama County Clerk and Recorder pursuant to Section 15301, Existing Facilities, Class 1. Councilor Smith seconded the motion. **Ayes: Strack, Dickison, Linnet, Cardenas and Smith. Opposed/Absent/Abstain: None. Motion was approved by a 5-0 vote.**

14. Presentation and acceptance of annual City Audit for Fiscal Year 2013-2014.

Mayor Strack introduced Don Reynolds C.P.A. the City's independent auditor. City Manager John Brewer summarized the report by pointing out that the overall revenues for the 2013-14 Fiscal year came in \$304,533 higher than projected with the Budget; and the actual expenditures were \$146, 731 less than what was budgeted. He further stated that the City had set aside \$830,000 of General Fund monies for an "Operating Reserve" to cover fluctuations in normal cash flow during the year; this balance was increased by \$80,000 via Council action on July 1, 2014 bringing the Operating Reserve to \$910,000. Mr. Brewer suggested that the City continue to increase the reserve until it reaches at least \$1 million to provide better protection from any future economic downturns. Mr. Reynolds provided additional detailed information.

Councilor Linnet moved to receive and accept the Annual Audit for Fiscal Year ending June 30, 2014. Councilor Cardenas seconded the motion. **Ayes: Strack, Dickison, Linnet, Cardenas and Smith. Opposed/Absent/Abstain: None. Motion was approved by a 5-0 vote.**

K. ITEMS PLACED ON THE AGENDA FROM THE FLOOR: None.

L. COMMUNICATIONS, CORRESPONDENCE AND INFORMATION: None.

M. REPORTS FROM MAYOR AND COUNCIL MEMBERS: City Councilmembers will report on attendance at conferences/meetings reimbursed at City expense (Requirement of Assembly Bill 1234).

Dickison: Reported that the LAFCO Meeting scheduled for tomorrow has been cancelled, that the following week is the Community Action Tripartite Board Meeting and announced that she has tickets for the March Theater Fundraising drawing for the painting of the Theater.

Linnet: Thanked Public Works for their assistance and stated that he is finding more projects for them. He announced that he recently found a new wall covered in graffiti that he is currently working on.

Cardenas: Thanked Building Official Terry Hoofard for his work on the Theater. He then reported that the Government had released the Bureau of Justice Assistance (BJA) grant funds associated with the Bryne Criminal Justice Innovation Program (BCJI) and the Memorandum of Understanding (MOU) between the City and the Corning Union High School District for counseling support services for students. He also reported that he attended the Sign Committee Meeting today and believes it went well. There were a number of people in attendance on behalf of the Veterans Hall. He reported on the Chamber of Commerce Board of Directors Meeting and announced that they are trying to put together an Easter Egg Hunt, possibly not this year, but maybe next year.

Smith: Stated that she also attended the Sign Committee Meeting and believes it went well. She reported that the Senior Center is doing well and reported that an advertisement has been placed in the paper to fill the vacant position there.

Strack: Reported that the February Tehama County Transportation Meeting Commission has also been cancelled.

N. ADJOURNMENT!: 7:10 p.m.

Lisa M. Linnet, City Clerk



MEMORANDUM

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: LORI SIMS
ACCOUNTING TECHNICIAN

DATE: February 18, 2015

SUBJECT: Cash Disbursement Detail Report for the
Tuesday February 24, 2015 Council Meeting

PROPOSED CASH DISBURSEMENTS FOR YOUR APPROVAL CONSIST OF THE FOLLOWING:

A.	Cash Disbursements	Ending 02-12-15	\$ 74,471.60
B.	Cash Disbursements	Ending 02-18-15	\$ 25,796.62
C.	Payroll Disbursements	Ending 02-18-15	\$ 38,739.83
GRAND TOTAL			<u>\$ 139,008.05</u>

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
019851	02/06/15	PET03	PETTY CASH	269.04	.00	269.04	150204	PETTY CASH-
019852	02/06/15	PGE04	PG&E	532.25	.00	532.25	150130	TranspFacility-
019853	02/06/15	PGE2A	PG&E	31.81	.00	31.81	150130	ELECT-CLELAND PROP
019854	02/06/15	3C000	SCORE, INC.	38.50	.00	38.50	2015-2/6	THEATRE FLOORING-RODGERS
019855	02/09/15	AND01	ED ANDERSON	1762.50	.00	1762.50	15-0203	PROF SVCS-
019856	02/09/15	PGE03	PG&E	67.09	.00	67.09	150201	MAT & SUPPLIES-POLICE
019857	02/09/15	PGE05	PG&E	1919.95	.00	1919.95	150130	FIRE-ELECT & GAS
019858	02/10/15	JEN03	JENSEN, MICHAEL	300.00	.00	300.00	703555	PROP 84 PHASE 2 CONSTR-PA
019859	02/10/15	TRE00	TRENT CONSTRUCTION INC.	2147.00	.00	2147.00	15-0210	PROP 84 PHASE 2 CONST-PAR
019860	02/12/15	AIR00	AIRGAS USA, LLC	64.44	.00	64.44	932477514	MAT & SUPPLIES-FIRE
019861	02/12/15	ARA02	ARAMARK UNIFORM SERVICES	64.42	.00	64.42	3448340	MAT & SUPPLIES-BLD MAINT
				64.42	.00	64.42	3462588	MAT & SUPPLIES-BLD MAINT
				64.42	.00	64.42	3477241	MAT & SUPPLIES-BLD MAINT
				64.42	.00	64.42	3491561	MAT & SUPPLIES-BLD MAINT
				64.42	.00	64.42	3505938	MAT & SUPPLIES-BLD MAINT
				64.42	.00	64.42	3520019	MAT & SUPPLIES-BLD MAINT
				64.42	.00	64.42	3534374	MAT & SUPPLIES-BLD MAINT
				64.42	.00	64.42	3548625	MAT & SUPPLIES-BLD MAINT
				64.42	.00	64.42	3563079	MAT & SUPPLIES-BLD MAINT
				4.83	.00	4.83	LFC CHRGE	MAT & SUPPLIES-FINANCE
			Check Total.....	584.61	.00	584.61		
019862	02/12/15	EAS01	BASIC LABORATORY, INC	126.00	.00	126.00	1501217	ProfServices Water Dept
019863	02/12/15	CAM02	FERGUSON ENTERPRISES INC.	394.37	.00	394.37	1043091-1	MAT & SUPPLIES-WTR
019864	02/12/15	COR13	CORNING VOLUNTEER FIRE	5156.76	.00	5156.76	877722	EQUIP REPLAC-FIRE CAP REP
019865	02/12/15	DEP12	DEPT OF JUSTICE	232.00	.00	232.00	079340	PROF SVCS-
019866	02/12/15	EXO00	EXOTIC CAR AUDIO OR	654.00	.00	654.00	A40500	VEH OP/MAINT-POLICE
019867	02/12/15	FIR05	FIRST NATIONAL BANK OMAHA	480.88	.00	480.88	150129	MAT & SUPPLIES-
019868	02/12/15	FIR06	FIRST NATIONAL BANK OMAHA	143.35	.00	143.35	150129	TRAINING/ED-
019869	02/12/15	FIR07	FIRST NATIONAL BANK OMAHA	274.52	.00	274.52	150129	MAT & SUPPLIES-

REPORT.: Feb 12 15 Thursday
 RUN...: Feb 12 15 Time: 09:05
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 02-15 Bank Account.: 1020

PAGE: 002
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information-Description
019870	02/12/15	GRA02	GRAINGER, W.W., INC	22.53	.00	22.53	965314877	MAT & SUPPLIES-PARKS
				14.45	.00	14.45	965439244	MAT & SUPPLIES-BLD MAINT
			Check Total.....	36.98	.00	36.98		
019871	02/12/15	GRE01	GREEN WASTE OF TEHAMA	54.98	.00	54.98	4582	MAT & SUPPLIES-PARKS
019872	02/12/15	HOL04	HOLIDAY MARKET #32	11.78	.00	11.78	122321302	MAT & SUPPLIES-ACO
019873	02/12/15	IMA01	IMAGE SALES, INC.	17.09	.00	17.09	40806	MAT & SUPPLIES-POLICE
019874	02/12/15	LEA02	LEAGUE OF CA CITIES	50.00	.00	50.00	4333	ASSOC DUES-CITY ADMIN
019875	02/12/15	LNC01	LN CURTIS & SONS	548.30	.00	548.30	134292200	SAFETY ITEMS-FIRE
019876	02/12/15	MIS01	MISSION LINEN SUPPLY	29.03	.00	29.03	250165971	MAT & SUPPLIES-PARKS
019877	02/12/15	MOR02	RAY MORGAN COMPANY	543.48	.00	543.48	836675	COMMUNICATIONS-
019878	02/12/15	MUN02	MUNICIPAL CODE CORPORATIO	400.00	.00	400.00	00252158	PROF SVCS-CITY CLERK
019879	02/12/15	MUN03	MUNNELL & SHERRILL, INC.	17.20	.00	17.20	124674	MAT & SUPPLIES-
019880	02/12/15	NOR31	NORM'S PRINTING	95.22	.00	95.22	014768	OFFICE SUPPLIES-FINANCE
019881	02/12/15	OFF01	OFFICE DEPOT	5.88	.00	5.88	735568678	OFFICE SUPPLIES-POLICE
				225.67	.00	225.67	753568577	OFFICE SUPPLIES-POLICE
			Check Total.....	231.55	.00	231.55		
019882	02/12/15	QUI02	QUILL CORPORATION	205.08	.00	205.08	9949498	OFFICE SUPPLIES-FINANCE
019883	02/12/15	SCH01	LES SCHWAB TIRE CENTER	71.58	.00	71.58	611001410	VEH OP/MAINT-POLICE
019884	02/12/15	SEV00	SEVERN TRENT ENVIRONMENTA	4343.00	.00	4343.00	2077417	PROF SVCS-WWTP
				51507.69	.00	51507.69	2077478	PROF SVCS-
			Check Total.....	55850.69	.00	55850.69		
019885	02/12/15	THO01	THOMES CREEK ROCK CO	669.02	.00	669.02	150131	MAT & SUPPLIES-
019886	02/12/15	TRI02	TRI-COUNTY NEWSPAPERS	105.20	.00	105.20	176852	Print/Advert. City Clerk
				71.79	.00	71.79	177251	Print/Advert. City Clerk
				193.13	.00	193.13	177252	Print/Advert. City Clerk
			Check Total.....	370.12	.00	370.12		
019887	02/12/15	XER00	XEROX CORPORATION	90.43	.00	90.43	078092372	EQUIP MAINT-POLICE
			Cash Account Total.....	74471.60	.00	74471.60		
			Total Disbursements.....	74471.60	.00	74471.60		

REPORT.: Feb 18 15 Wednesday
 RUN.....: Feb 18 15 Time: 14:21
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 02-15 Bank Account.: 1020

PAGE: 001
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
019796	02/17/15	\T032	THUEMLER, JAMES	-4.00	.00	-4.00	000B50201u	Ck# 019796 Reversed
019888	02/12/15	PUB04	PUBLIC UTILITIES & WATERW	499.00	.00	499.00	15-0212	TRAINING/ED-
019889	02/18/15	ACC00	ACCESS INFORMATION MANAGE	116.32	.00	116.32	0895405	EQUIP MAINT-GEN CITY
019890	02/18/15	ACI01	ACI SPECIALTY BENEFITS	336.96	.00	336.96	16509	WORKMENS COMP-GEN CITY
019891	02/18/15	BAS01	BASIC LABORATORY, INC	735.00	.00	735.00	1501374	ProfServices Water Dept
			Check Total.....:	861.00	.00	861.00		
019892	02/18/15	CAM02	FERGUSON ENTERPRISES INC.	556.71	.00	556.71	1063628	MAT & SUPPLIES-PARKS
019893	02/18/15	CAR12	CARREL'S OFFICE MACHINES	8.24	.00	8.24	131905	MAT & SUPPLIES-LIBRARY
019894	02/18/15	COM06	COMCAST	26.91	.00	26.91	150209	COMMUNICATIONS-PW ADMIN
019895	02/18/15	FOO01	FOOTHILL READY MIX	2089.80	.00	2089.80	1502019	THEATRE FLOORING-RODGERS
019896	02/18/15	GRA02	GRAINGER, W.W., INC	90.69	.00	90.69	966268165	VEH OP/MAINT-
			Check Total.....:	119.97	.00	119.97	966527258	MAT & SUPPLIES-STR
019897	02/18/15	JAC02	JACOBUS, BOB	65.04	.00	65.04	021215257	MECH MAINT-
019898	02/18/15	MUN03	MUNNELL & SHERRILL, INC.	71.25	.00	71.25	125412	MAT & SUPPLIES-
019899	02/18/15	PGE01	PG&E	19077.43	.00	19077.43	150211	Electricity General City-
019900	02/18/15	QUI02	QUILL CORPORATION	6.45	.00	6.45	1159502	MAT & SUPPLIES-FINANCE
			Check Total.....:	850.88	.00	850.88	1204811	OFFICE SUPPLIES-FINANCE
							121.88	OFFICE SUPPLIES-FINANCE
							408.49	MACH/EQUIP-
							6.44	MAT & SUPPLIES-CITY COUNC
019901	02/18/15	SCH01	LES SCHWAB TIRE CENTER	795.26	.00	795.26	611001444	EQUIP MAINT-MECH MAINT
019902	02/18/15	WAR05	WARREN, DANA KARL	325.85	.00	325.85	150213	REC INSTRUCTOR-REC
			Cash Account Total.....:	25796.62	.00	25796.62		
			Total Disbursements.....:	25796.62	.00	25796.62		

REPORT.: Feb 18 15 Wednesday
 RUN.....: Feb 18 15 Time: 15:30
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report - Payroll Vendor Payment (s)
 Check Listing for 02-15 Bank Account.: 1025

PAGE: 001
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
6659	02/18/15	AME20	AMERICAN WEST BANK	6637.07	.00	6637.07	B50217	HSA DEDUCTIBLE
6660	02/18/15	BAN03	POLICE OFFICER ASSOC.	225.00	.00	225.00	B50217	POLICE OFFICER ASSOC
6661	02/18/15	CAL37	CALIFORNIA STATE DISBURSE	430.61	.00	430.61	B50217	WITHHOLDING ORDER
6662	02/18/15	EDD01	EMPLOYMENT DEVELOPMENT	3981.75	.00	3981.75	B50217	STATE INCOME TAX
				993.08	.00	993.08	1B50217	SDI
			Check Total.....:	4974.83	.00	4974.83		
6663	02/18/15	ICM01	ICMA RETIREMENT TRUST-457	487.87	.00	487.87	B50217	ICMA DEF. COMP
				62.50	.00	62.50	1B50217	ICMA DEF. COMP ER PD
			Check Total.....:	550.37	.00	550.37		
6664	02/18/15	PERS1	PUBLIC EMPLOYEES RETIRE	24005.79	.00	24005.79	B50217	PERS PAYROLL REMITTANCE
6665	02/18/15	PERS4	Cal Pers 457 Def. Comp	1170.24	.00	1170.24	B50217	PERS DEF. COMP.
				112.50	.00	112.50	1B50217	PERS DEF. COMP. ER P
			Check Total.....:	1282.74	.00	1282.74		
6666	02/18/15	VAL06	VALIC	558.42	.00	558.42	B50217	AIG VALIC P TAX
				75.00	.00	75.00	1B50217	AIG VALIC P TAX ER P
			Check Total.....:	633.42	.00	633.42		
			Cash Account Total.....:	38739.83	.00	38739.83		
			Total Disbursements.....:	38739.83	.00	38739.83		

Date.: Feb 18, 2015
 Time.: 2:34 pm
 Run by: LORI

CITY OF CORNING
 NEW BUSINESSES FOR CITY COUNCIL

Page.: 1
 List.: NEWB
 Group: WTFMB

Business Name	Address	CITY/STATE/ZIP	Contact Name	Business Desc. #1	Business Start Date	Primary Teleph
ACCELERATED PCS	1424 TEHAMA ST	CORNING, CA 96021	RAMOS	JEFFERE IT CONSULTANT AND REPAIR	02/13/15	(530)586-8732
BREAULT ASPHALT MAIN	8215 FERGUSON AVE. #103	SACRAMENTO, CA 95828	BREAULT	JIM ASPHALT SERVICE	02/10/15	(916)379-3769
CC DEPENDABLE SERVIC	24685 SOUTH AVE	CORNING, CA 96021	CLAUNCH	BOB APPLIANCE REPAIR	02/10/15	(530)824-1584
MOTAS FLOOR COVERING	11731 STERLING AVE. #G	RIVERSIDE, CA 92503	MOTA	JUAN FLOOR COVERINGS	02/10/15	(951)687-6682
MURDER SUPPLY & DIS	1017 FIFTH ST.	CORNING, CA 96021	MURR	EARL BIKES, SKATEBOARDS, MUSIC, T-HIRTS, HATS	02/10/15	(530)646-6677
SALEM ENGINEERING GR	4729 W. JACQUELYN AVE	FRESNO, CA 93722	SALEM	R. SAMM WELL DRILLING	02/13/15	(559)271-9700
SANTA FE PLUMBING	5442 MOUNTAIN VIEW AVE	YORBA LINDA, CA 92886	LYNESS	KIRK PLUMBING	02/10/15	(714)693-8484
SHANNON'S DRIVING SE	1351 WEST ST	CORNING, CA 96021	RICHARDS	SHANNON DRIVING CARS FOR FORD GARAGE.	02/05/15	(530)586-1170
WILLIAMS PANELING	10026 CEDAR AVE	BLOOMINGTON, CA 92316	WILLIAMS	DENNIS PANELING	02/05/15	(909)875-4625
WINTERS ACOUSTICS	9971 VERNON AVE.	MONTCLAIR, CA 91763	WINTERS	DALE DRYWALL, PLASTER	02/05/15	(909)730-8997

**ITEM NO: J-5
APPROVE FIRE HYDRANT SERVICE
LINE INSTALLATION FOR THE
VOLUNTEER FIRE DEPARTMENT
TRAINING CENTER**

February 24, 2015

**TO: HONORABLE MAJOR AND COUCILMEMBERS
OF THE CITY OF CORNING**

FROM: JOHN BREWER, AICP; CITY MANAGER 
PATRICK WALKER, DIRECTOR OF PUBLIC WORKS
MARTIN SPANNAUS, FIRE CHIEF

SUMMARY:

The Public Works Department and Corning Fire Department propose a joint project to extend water and install a new fire hydrant at the new Fire Training Center on Blackburn Avenue.

BACKGROUND:

Last year Corning Fire Department obtained funds to build a training facility located on Blackburn Avenue. To date the Volunteers have installed driveways, a gravel training area, large metal storage bins and chain link fencing around this facility.

Currently there is no water on site for the Training Facility. Because the Blackburn Well is located adjacent to the facility, it makes sense for Public Works to install a water service line from this site to the Training Center.

The costs associated with the installation of the water service:

C900 Water Pipe, 4" hydrant and Fittings	\$4,200.00
Sand, Base	<u>\$ 750.00</u>
	\$4,950.00

The design plans for this installation ensure that the asphalt resurfacing completed in 2012 on Blackburn Avenue will not be disturbed. A map with the location of the service line installation is attached as Exhibit "A".

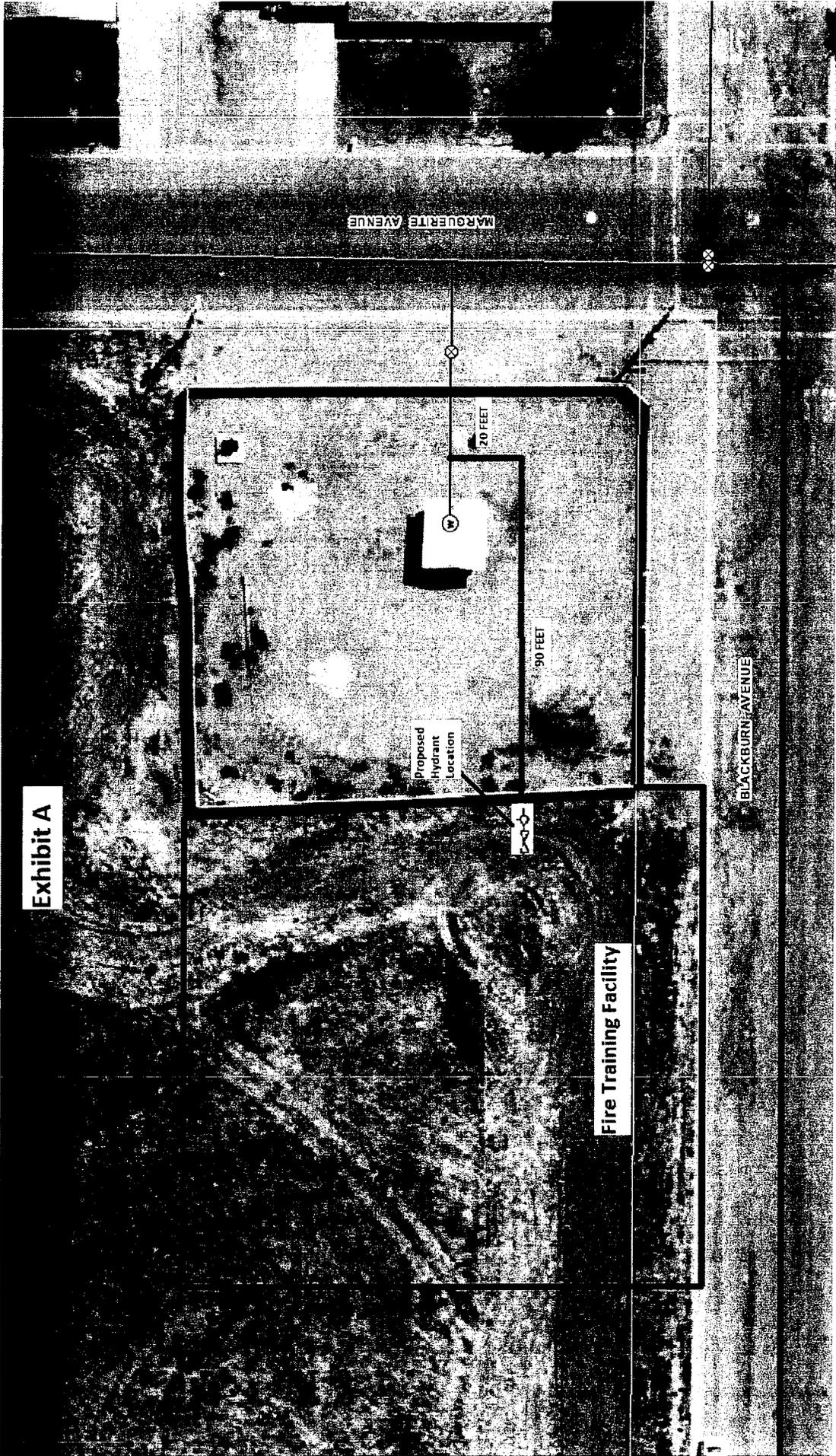
Public Works will install and disinfect the water service for usage. One half of the cost will be from Fund 346-Water Capital Improvements and the other half will come from 076-9301-2301 Equipment/Fire Capital Improvement.

RECOMMENDATION:

REQUEST MAYOR AND COUNCIL AUTHORIZE THE INSTALLATION OF A FIRE HYDRANT SERVICE TO SUPPLY WATER TO THE VOLUNTEER FIRE DEPARTMENT TRAINING FACILITY ON BLACKBURN AVENUE; AND AUTHORIZE FUNDING FOR THIS PROJECT FROM THE FOLLOWING ACCOUNTS:

- **FUND 346, WATER CAPITAL IMPROVEMENT IN THE AMOUNT OF \$2,475; AND**
- **ACCOUNT 076-9301-2301, EQUIPMENT/FIRE CAPITAL IMPROVEMENT IN THE AMOUNT OF \$2,475 TO PURCHASE MATERIALS FOR THE WATER SERVICE.**

Exhibit A



MARGUERITE AVENUE

20 FEET

90 FEET

Proposed Hydrant Location

Fire Training Facility

BLACKBURN AVENUE

ITEM NO: J-6
 ANNUAL MID-YEAR BUDGET REVIEW AND
 GENERAL DISCUSSION-FY 2014-2015

FEBRUARY 24, 2015

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: JOHN L. BREWER, AICP, CITY MANAGER

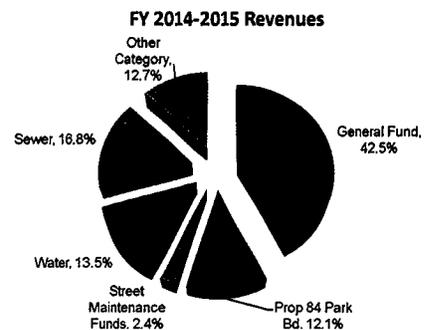
SUMMARY:

Staff has regularly provided "Mid-year" Budget updates to the City Council. The purpose is to update the Council and the public regarding how the City is fairing financially at near the mid-point of the 2014-15 Fiscal Year. This report largely relies on information from that fiscal year mid-point which is December 31, 2014.

OVERALL BUDGET REVENUES & EXPENDITURES:

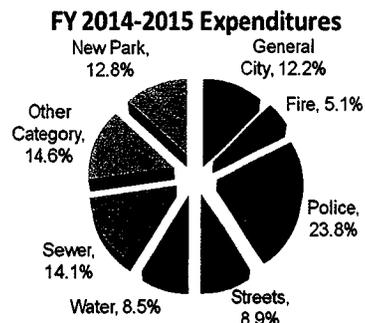
First, a recap of the 2014-2015 Budget highlights might be in order.

The 2014-15 Budget projected total revenues of \$10,707,174. The chart to the right illustrates the anticipated sources of those revenues. General Fund Revenues were expected to make up about 42.5% (\$4,547,410) of total revenues. The City Council maintains primary discretion over how the General Fund is expended.



The remainder, about 57.5% (\$6,159,764) of revenues originate from sources other than General Fund revenues and must be allocated (expended) for specific purposes like the new Park, Sewer, Water, or Street Maintenance, etc. We refer to those funds as "non-discretionary", because the Council has little choice regarding how they're spent.

The 2014-15 Budget projected expenditures totaling \$11,683,930. The chart to the left shows how that spending is allocated among the various City Programs/Projects.

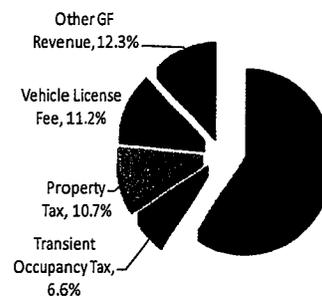


The 2014-15 Budget projected expenditures totaling \$11,683,930. The chart to the left shows how that spending is allocated among the various City Programs/Projects.

A. GENERAL FUND.

Since the City Council does have discretion over how the General Fund revenues are expended, the performance of the General Fund will be the heart of our Mid-year Budget Review.

Sources of GF Revenues



The sources of the General Fund revenues for FY 2014-15 are shown on the chart to the right. The General Fund revenues were projected to total \$4,547,410 this fiscal year. Note that Sales Tax is projected to generate 59.2% of the total General Fund Revenues, or \$2,690,000.

1. Budget Variations affecting the General Fund FY 2014-2015:

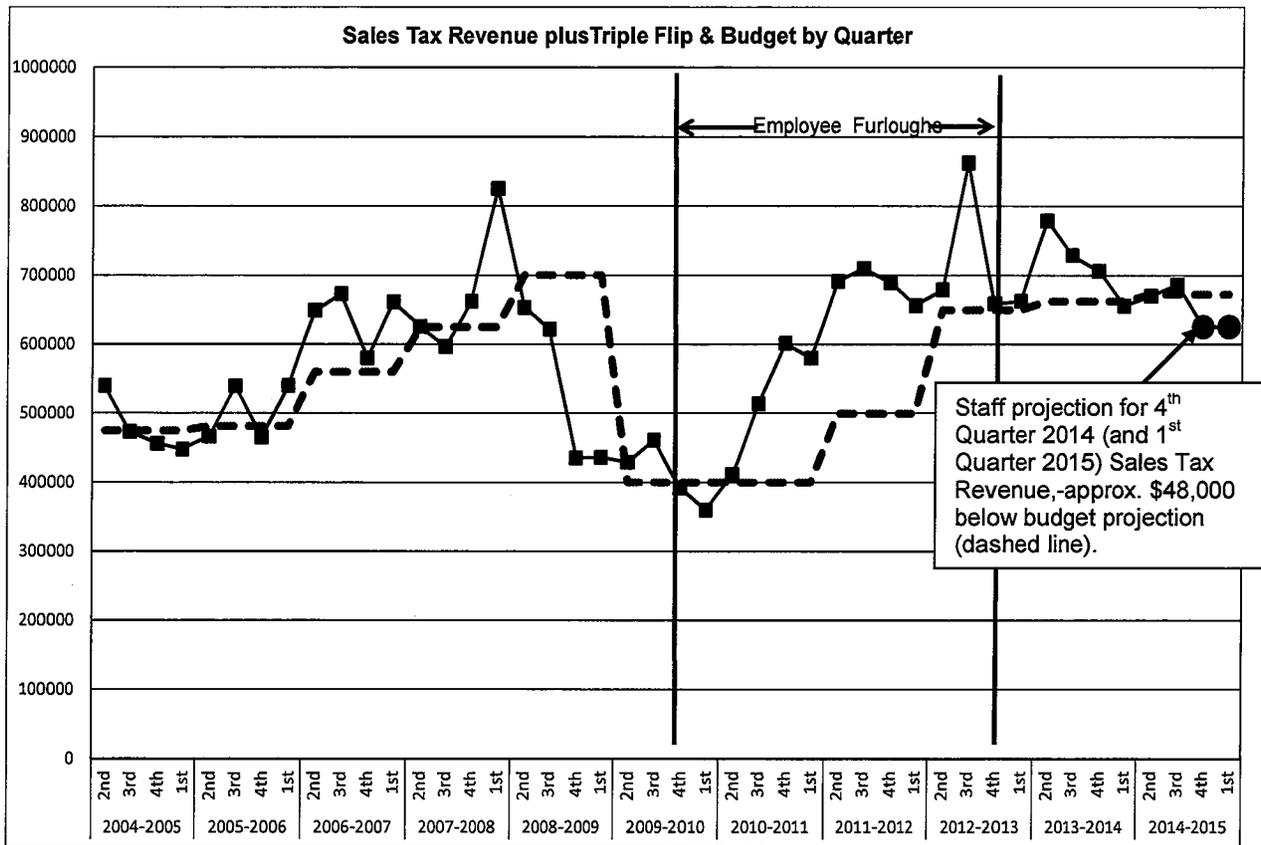
a) Projected Sales Tax Shortfall:

Sales tax generates a significant part of our General Fund; therefore a drop in Sales Tax can have serious consequences to our budget. Additionally, since Corning is the home of three large travel centers (truckstops), we are reliant on the sales tax from fuel sales. In fact, since 2009, sales tax on fuel sales amounts to (on average) about 57% of our total sales tax. We have all noted the recent reduction in fuel costs. Of course lower fuel costs mean less sales and lower sales tax revenue for us.

At this moment, we have complete sales tax data for two calendar quarters for FY 2014-15; the 2nd and 3rd quarters of 2014. Those receipts are on target for meeting the \$2.69 million budget. The 4th Quarter 2014 totals will not be received until late March 2015, and the totals for the 1st Quarter of 2015, three months after that in June.

The most recent projections by HdL (Hinderliter de Llamas & Assoc.) expect the remaining two quarters (4th Quarter 2014 & 1st Quarter 2015) Sales Tax revenues will come in substantially lower due to the reduced fuel costs. Their revised estimate is \$2,587,000; a reduction of \$103,000 from what we budgeted.

Staff concurs with the HdL conclusions. Our analysis is derived from an approx. 18.2% reduction in the “mid-quarter” gasoline price for the 3rd Quarter vs. the mid-quarter gasoline price for the 4th Quarter (see “Exhibit A” that’s attached to this Staff Report). Based on that, we came up with a projected 4th Quarter Sale tax shortfall of nearly \$48,000. If fuel prices remain low thru the 1st Quarter of 2015, another similar shortfall would occur. Those two “short” quarters would mean a \$96,000 shortfall to our annual budget (see the staff-generated spreadsheet below).



HdL’s numbers assume that lower fuel costs will continue throughout the first quarter of 2015. It now appears that fuel costs are creeping up. Also, Staff’s projection is based on gasoline prices. Actually, the lion’s share of fuel sales occurring here is diesel, and diesel costs have not been nearly as volatile as gasoline. This means that the \$100,000 shortfall projection may be the “worst case scenario”. So the actual Sales Tax Revenue could come in above the revised \$2.59 million projection, though most certainly below the budgeted amount.

b) Electricity Cost Increases:

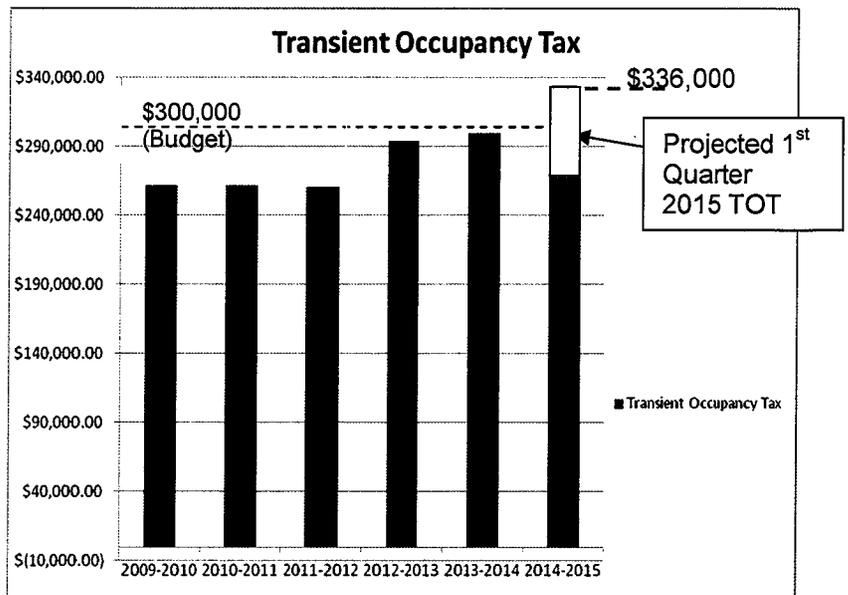
We are experiencing increased electricity costs-pretty much across the board to all City Departments. The more intensive energy using Departments are naturally more impacted by increased electricity costs. The following spreadsheet presents an accounting of the electricity costs incurred to date, as well as the projected electricity cost shortfalls by City Department and Fund. We have sent this spreadsheet to our PG & E Representative for assistance in identifying the cause of the increase and to obtain suggestions for a solution. The impact of those excess costs will be borne by the various City funds, including approximately **\$17,000 to the General Fund**, but also the Water (\$34,063) and Sewer Enterprise Funds (\$6,626). It should be noted that the Solar Power Purchase Agreement that the Council recently authorized will help offset these increased energy costs in the future.

Department	Number	Annual Elec Budget	Remaining	Percent remaining	Needs %	Needs	Projected Shortfall	GF?
Gen. City	1600	\$ 47,000	\$ 11,303	24.05%	42%	\$ 19,740	\$ 8,437	Y
Library	1700	\$ 9,000	\$ 2,014	22.38%	42%	\$ 3,780	\$ 1,766	Y
Fire	2300	\$ 12,000	\$ 2,044	17.03%	42%	\$ 5,040	\$ 2,996	Y
Streets	3100	\$ 60,000	\$ 21,155	35.26%	42%	\$ 25,200	\$ 4,045	Y
Trans Ctr	3160	\$ 5,000	\$ 2,329	46.58%	42%	\$ 2,100	\$ (229) OK	N
Airport	3500	\$ 2,500	\$ 96	3.84%	42%	\$ 1,050	\$ 954	N
L & L 1	3901	\$ 450	\$ 168	37.33%	42%	\$ 189	\$ 21	N
L & L 3	3903	\$ 1,800	\$ 948	52.67%	42%	\$ 756	\$ (192) OK	N
L & L 4	3904	\$ 1,200	\$ 300	25.00%	42%	\$ 504	\$ 204	N
Sewer	5000	\$ 5,000	\$ 1,610	32.20%	42%	\$ 2,100	\$ 490	N
WWTP	5200	\$ 70,700	\$ 23,558	33.32%	42%	\$ 29,694	\$ 6,136	N
Parks	6100	\$ 16,000	\$ 8,967	56.04%	42%	\$ 6,720	\$ (2,247) OK	Y
Rodgers Theater	6125	\$ 2,000	\$ 1,049	52.45%	42%	\$ 840	\$ (209) OK	Y
Water	7100	\$ 171,800	\$ 38,093	22.17%	42%	\$ 72,156	\$ 34,063	N
		\$ 404,450	\$ 113,634	28.10%	42%	\$ 169,869	\$ 56,235	
							\$ 56,235 check	

General Fund Shortfall	\$ 17,244
Water Shortfall	\$ 34,063
Sewer Shortfall	\$ 6,626
Airport Shortfall	\$ 954
	\$ 58,887
other	\$ 225
math check	\$ (2,877)
	\$ 56,235 check

c) Transient Occupancy Tax (TOT) Increase:

Now, for a bit of good news, (see the chart to the left) TOT receipts are up so far this year. We've projected about a \$36,000 increase over our 2014-15 Budget revenue amount of \$300,000. However, in keeping with our conservative budgeting approach, we've estimated a \$30,000 surplus for our General Fund Budget Summary.



2. General Fund Revenues Performing as Budgeted:

The following General Fund Revenues are essentially coming in as projected in the 2014-2015 Budget.

a) Property Tax:

Property Taxes are collected by the County and then sent on to the various jurisdictions. They make up about 10.7% of our General Funds and are projected to total \$488,500 this year. The taxes are billed to property owners and then paid to us in two installments. The first remittance is now in, totaling \$297,813. That's about 61.0% of the total, and ahead of the percentage that we regularly receive in the first remittance. We expect that property taxes will meet our budget projection.

b) Vehicle License Fees:

Vehicle License Fees (VLF) total about 11.4% of the General Funds for this fiscal year. That amounts to a budget projection of \$500,000. We typically receive two payments for VLF; in January and May, respectively. The January 2015 payment was \$257,469, 50.4% of that anticipated. So, we expect to achieve our VLF budgeted amount of \$510,000.

c) Other General Fund Revenues:

This is the broad General Fund category that everything else falls into. In total, this consists of about 12.3% of the General Fund. This fiscal year the total revenue anticipated is \$558,910. Included in this category are Franchise Fees from utility companies, funds from other agencies, fines and forfeitures, Building Permit and Plan Check fees and a myriad of other revenues that don't fit another category.

FRANCHISE FEES: We collect Franchise Fees from PG&E, Comcast Cable TV and Waste Management. To date, Franchise Fees from CATV (\$10,782 vs. \$16,000 Budget) and Waste Management (\$18,000 vs. \$36,000 Budget) are running as expected. We have no current information regarding the PG&E Franchise Fees that typically arrive in April, but expect they'll be as anticipated.

BUILDING PERMIT/PLAN CHECK FEES: At this point, we have exceeded the Building Permit revenue projection (\$20,761 vs. \$20,000 budget) and Plan Check Revenue projection (\$7,742 vs. \$5,000 budget) for the fiscal year.

3. Updated General Fund Information:

Of course all budgets are merely projections about revenues and expenditures until they are "closed out". Now that the Annual Audit for FY 2013-14 has been completed and accepted by the City Council (2/10/2015), we can update and compare the staff projections included in the adopted 2014-15 budget with the actual numbers.

Using those actual numbers, and projecting anticipated revenues and expenditures for the remaining year per the budget and the variations noted above, we now have a more precise picture of the General Fund standing at this point, and where we'll be at the end of the fiscal year. For ease of comparison, the General Fund Summary included in the 2014-15 Budget-is attached as Exhibit "B".

**GENERAL FUND SUMMARY
AND PROJECTIONS-MID-YEAR 2014-2015 BUDGET**

	<u>Available</u>	<u>Reserved</u>	<u>TOTAL</u>
Audit Balance, June 30, 2013	\$ 205,264	\$ 800,000	\$ 1,005,264
<u>2013-2014, ACTUAL</u>			
Revenues and Transfers In	\$ 4,771,443		
Available for Expenditure	\$ 4,976,707		
Expenditures and Transfers Out	\$ (4,491,474)		
Funds Transferred to Operating Reserve	\$ (30,000)	\$ 30,000	
Audit Balance, June 30, 2014	\$ 455,233	\$ 830,000	\$ 1,285,233
<u>2014-2015, BUDGET YEAR:</u>			
Revenues, Budgeted	\$ 4,547,410		
Estimated Decreases in Revenues over Budget (*)	\$ (70,000)		
Available for Expenditure	\$ 4,932,643		
Expenditures, Budgeted	\$ (4,891,456)		
Estimated Decreases in Expenditures over Budget (*)	\$ (59,500)		
Subtotal	\$ (18,313)	\$ 830,000	
Increase to Operating Reserve	\$ (80,000)	\$ 80,000	
<u>Projected Savings:</u>			
Vacant Communications Supervisor Position	\$ 79,600		
Projected Balance, June 30, 2015	\$ (18,713)	\$ 910,000	\$ 891,287

(*) Recap of Expected Adjustments, 2014-2015:

<u>Revenues:</u>		<u>Expenditures:</u>	
Projected decrease in sales tax	(100,000)	Council Approved Budget Adjustments	49,500
Projected Increase in TOT	30,000	Projected Increase in Utility Costs	17,000
		Actual Savings in Capital Outlay, Parking Lot	(7,000)
Total	(70,000)	Total	59,500

4. Summary of General Fund Budget Variations:

The effect of these adjustments; i.e. reduction in revenues, increase in energy expenditures, the previous Council Budget adjustments, when weighed against the Audited General Fund Balance, works out to be a projected deficit of \$18,713 at year's end as opposed to the \$34,503 surplus balance projected in the 2014-15 Budget. That's a \$53,216 negative swing from the projection presented as Page iv of the Budget Staff Report presented on June 10, 2014 as part of the 2014-15 Budget.

Of course, were it not for the anticipated \$100,000 loss to sales tax revenue resulting from lower fuel costs, the projected General Fund balance would be substantially increased (about \$47,000) over our Budget projection.

UTILITY (ENTERPRISE) FUND REVENUES:

A. Short term (This Fiscal year):

The Sewer and Water System accounts are regarded as "Enterprise Accounts". Those revenues may only be used for operating and maintaining the sewer and water system.

The revenue stream for these two utilities were reviewed at the mid-point in the budget year (December 31, 2014), the results are as follows:

SEWER FUND: The total Sewer Fees collected at mid-year is \$860,149. That's just over the mid-year budget target (actually 50.4%), the total fiscal year budget projection was \$1,707,000.

The electricity cost budget shortfall identified above will mean the Sewer Enterprise Fund will need to account for an additional \$7,000 this fiscal year. That's about 9.3% above what was budgeted for electricity costs for the Sewer Enterprise Fund (see electricity costs under "Long Term" below).

WATER FUND: The water fees collected through December 31, 2013 total \$875,728. That amount is 67.1% of the total fiscal year budget projection of \$1,305,500; well ahead at the halfway point in the fiscal year.

The electricity cost shortfall noted above means the Water Enterprise Fund will need to contribute an additional \$34,000 beyond the amount budgeted (\$171,800). That's an additional 19.8%; a significant amount that must be absorbed by the Water Fund. That matter is also addressed under "Long Term" below.

B. Long Term:

SEWER ENTERPRISE FUND: The City Council approved a series of five annual 3.5% increases to the sewer rates in 2014 (Resolution No. 05-27-2014-01). This was implemented to preserve the operating reserves while accounting for repayment of debt, anticipated inflation and maintenance cost increases. Now, if during that five year period development increases, sewer related Development Impact Fees (DIF) will be generated allowing a portion of those fees to be utilized to pay down the Wastewater Treatment Plant (WWTP) debt. Should this occur, the Council could chose not to implement one or more of the five rate increases.

Another factor that could affect WWTP operation costs is the Solar Power Purchase Agreement the City has recently approved. Once the solar panels are in, energy costs could decrease by as much as \$11,000. Like DIF, this is another factor that could justify not implementing one or more of the sewer rate increases authorized by Resolution 05-27-2014-01.

WATER ENTERPRISE FUND: Resolution No. 12-08-09-02 implemented a series of 3% annual water rate increases. The last 3% increase included in that Resolution occurred on April 1, 2014. The spreadsheet that we maintain for the Water Enterprise Fund shows that the Operating Reserves will diminish due to inflation, increased maintenance costs and debt repayment without continuing annual rate increases. Staff will prepare a rate increase for Council consideration in the Spring of 2015.

Electricity Costs to operate the water pumps are a significant cost component of the Water Enterprise Fund. It should be noted that the Solar Power Purchase Agreement could significantly reduce electricity costs for the Water Enterprise Fund as well as the Sewer Fund. Any savings incurred will need to be considered once the Solar Panels are installed and operating to determine whether or not automatic annual cost increases might be postponed.

EXPENDITURES:

We have completed reviews of Department expenditure reports at the mid-year point (Jan. 1st). In general terms, expenditures are about where we'd expect them to be, with the exception of the electrical costs noted above. We've made a few recommendations to Department Heads where we've noted expenditures above or below that 50% threshold.

PERSONNEL COSTS:

Our largest single expense is employee wages and benefits (personnel costs). For this fiscal year the budgeted overall personnel costs is \$4.257 million. The General Fund is the single greatest source of personnel cost funding, contributing \$3,395 million, or 79.7% of the total for this fiscal year. Our personnel costs are coming in as projected in the Budget.

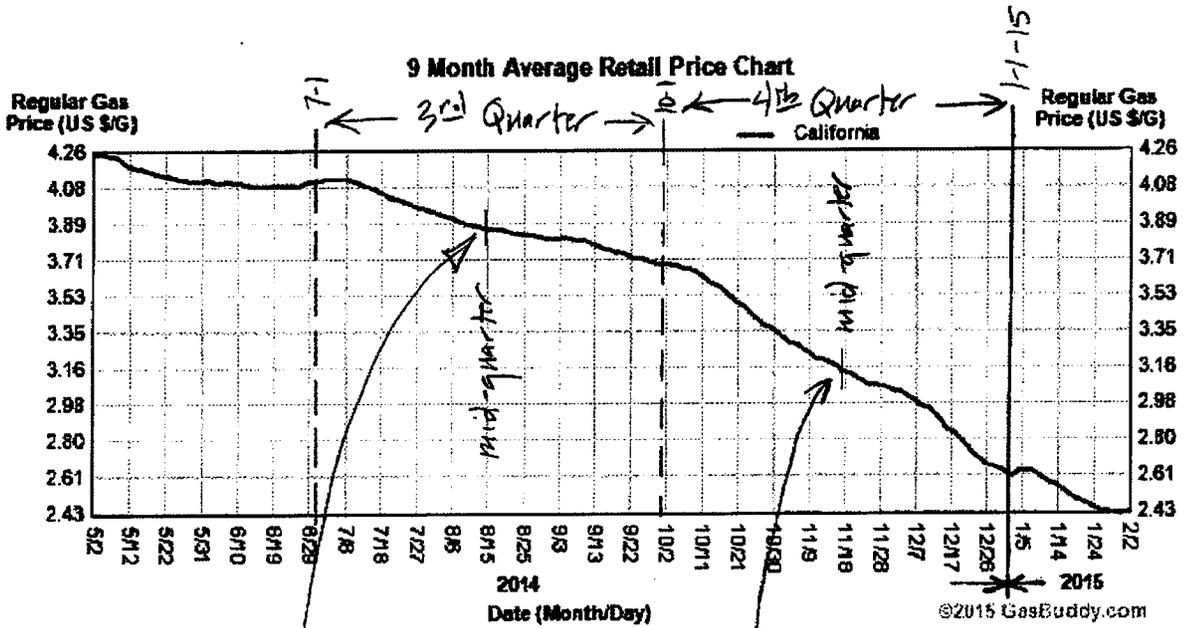
BOTTOM LINE:

- The net decrease in the projected General Fund balance (resulting largely from decreased Sales Tax Revenue) means that there will be no surplus funds available for expenditure for FY 2014-15.
- Staff expects to finish FY 2014-15 with a negative General Fund balance requiring use of some of the City's Operating Reserve (currently \$910,000) to balance the General Fund for the year.
- This is not the time to take on additional programs or personnel. In fact, we should "tighten our belt" (with respect to the General Fund) for the remainder of the fiscal year.

RECOMMENDATION:

- **MAYOR AND CITY COUNCIL RECEIVE THE MID-YEAR BUDGET REPORT FOR INFORMATION AND DISCUSSION.**

EXHIBIT "A"
FUEL COST WORKSHEET



8/15/2014
 ≈ 3.85/gallon

11/15/2014
 ≈ 3.15/gallon

$$\therefore 3.85 - 3.15 = \langle 0.70/\text{gallon} \rangle$$

$$\frac{0.70}{3.85} = \langle 18.2\% \rangle$$

EXHIBIT "B"
GEN. FUND SUMMARY FROM 2014-2015 BUDGET

**GENERAL FUND SUMMARY
AND PROJECTIONS**

	<u>Unreserved</u>	<u>Reserved</u>	<u>TOTAL</u>
Audit Balance, June 30, 2013	\$ 205,264	\$ 800,000	\$ 1,005,264
<u>2013-2014, PROJECTED:</u>			
Revenues, Budgeted	\$ 4,466,910		
Estimated Increases in Revenues over Budget (*)	\$ 200,000		
Available for Expenditure	\$ 4,872,174		
Expenditures, Budgeted	\$ (4,638,225)		
Estimated Decreases in Expenditures over Budget (*)	\$ 175,000		
Funds Transferred to Operating Reserve	\$ (30,000)	\$ 30,000	
Projected Balance June 30, 2014	\$ 378,949	\$ 830,000	\$ 1,208,949
<u>2014-2015, BUDGET YEAR:</u>			
Revenues, Budgeted	\$ 4,547,410		
Available for Expenditure	\$ 4,926,359		
Expenditures, Budgeted	\$ (4,891,456)		
Subtotal	\$ 34,903	\$ 830,000	
Proposed Increase to Operating Reserve	\$ (80,000)	\$ 80,000	
<u>Projected Savings:</u>			
Vacant Communications Supervisor Position	\$ 79,600		
Projected Balance, June 30, 2015, Adjusted for Savings	\$ 34,503	\$ 910,000	\$ 944,503

(*) Recap of Expected Savings, 2013-2014:

<u>Revenues:</u>		<u>Expenditures:</u>	
Projected increase in sales tax	200,000	Vacant CSO Position	55,000
Increase in one time revenues	25,000	Vacant Communications Supervision Position	75,000
Decrease in Police/School Programs	(25,000)	Other projected savings	45,000
Total	200,000	Total	175,000