



**CITY OF CORNING
SPECIAL COUNCIL MEETING MINUTES
MONDAY, JANUARY 18, 2016
CORNING UNION HIGH SCHOOL CAFETERIA
643 BLACKBURN AVENUE**

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: 6:00 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:

D. REGULAR AGENDA:

Mayor Strack and City Attorney Jody Burgess made a brief announcement stating that each individual would be allowed 3 minutes to speak and requested that each speaker come to the podium. Mayor Strack stated that we would be utilizing a lighted timer to ensure that everyone received their full three minutes. It was explained that in the interest of time and order, each recommendation will be presented for discussion and comment by the audience, once all comments had been received on that item, the public comment period would be closed. The City Council will then discuss and take action before moving on to the next recommendation.

1. Discussion and Action relating to the General Fund Ad-Hoc Committee Recommendations.

City Manager Kristina Miller thanked everyone for coming tonight. She stated that at the January 12th City Council meeting she presented information related to the Budget shortfall. She emphasized the new figures related to the shortfall and the balance of the City's Operating Reserves, which as of now are reduced to half of what it previously was. She introduced the four recommendations resulting from the General Fund Ad Hoc Committee stating that the meeting tonight is to allow the public to present their opinions related to these recommendations. Mrs. Miller then informed the Council Members that unfortunately the 7% reduction previously suggested as needed in Item 1-A has now risen to 11.6% and explained what this 11.6% cut reduction would mean to each of the Departments.

- **Item 1.A: Gather input from the Fire Chief, Police Chief, and Public Works Director regarding how they would modify their budgets to reduce General Fund spending by seven percent (7%). (Staff Recommendation Item 1.A: Staff recommends this option not be pursued as it does not achieve long-term financial stability for the City, threatens public safety, further reduces recreational services for residents, foregoes necessary fire equipment maintenance, reduces staffing levels to unacceptable levels, and cuts contributions to the Chamber and 3CORE.)**

Audience Discussion:

- Proposed that we work more traffic control on Solano Street.

- Addressed the Council regarding suggestions he had to help the City, such as community gardens, etc.
- Stated that he believes pursuing the General Tax is a good way to go, however he doesn't believe seeking funds for recreation and economic growth should be included.

With no further discussion, the public comment period for this item was closed. Following Council discussion Councilor Cardenas moved to not pursue this option as it does not achieve long-term financial stability for the City, threatens public safety, further reduces recreational services for residents, foregoes necessary fire equipment maintenance, reduces staffing levels to unacceptable levels, and cuts contributions to the Chamber and 3CORE. Council Dickison seconded the motion. **Ayes: Strack, Dickison, Linnet, Cardenas and Smith. Opposed/Abstain/Absent: None. Motion was approved by a 5-0 vote.**

- **Item 1.B.: Consolidate Dispatch Centers.** (Staff Recommendation Item 1.B: *Staff recommends this option not be pursued as implementation would be difficult because the option lacks employee buy-in and does not fully resolve the funding deficit.*)

With no discussion, Councilor Dickison moved to not pursue Item 1-B as implementation would be difficult because the option lacks employee buy-in and does not fully resolve the funding deficit. Councilor Cardenas seconded the motion. **Ayes: Strack, Dickison, Linnet, Cardenas and Smith. Opposed/Abstain/Absent: None. Motion was approved by a 5-0 vote.**

- **Item 1.C.: Initiate a ballot measure for supplemental sales tax or to form a Benefit Assessment District.** (Staff Recommendation Item 1.C: *Direct Staff and the City Attorney to draft and process the necessary Ordinance and Resolutions to place a ½ cent Sales Tax Initiative on the June 7th Presidential Primary ballot to support the Fire Department, Police Department, Street maintenance and Infrastructure to support economic development, and the Recreation Department.*) The estimated cost to place on the ballot is \$7,000 - \$11,000; the actual cost will not be known until after the election. Time Schedule if approved would be:

- **January 26, 2016:** Waive the first reading and introduce the Ordinance, review and consider adoption of Resolutions;
- **February 9, 2016:** Second Reading of Ordinance;
- **March 11, 2016:** Absolute County Deadline. All Sales Tax Measure Documents must be delivered to County Elections Department on or before this date.
- **June 7, 2016 Presidential Primary Election**
- **~October 1, 2016 "Operative Date":** If measure is approved by a majority of voters, first day sales tax is assessed. (By Law)
- **Late March 2017:** City receives first quarterly ½ cent sales tax payment for the fourth quarter of 2016.

City Manager Miller explained the differences between a General and Special Sales Tax in relation to the number of votes needed for approval. She stated that she proposes a General Sales Tax measure because it has a better chance of being approved and explained that if approved, it would raise our sales tax from 7.25% to 8%, equating to \$0.01 cent on every \$2 purchase.

Mayor Strack suggested removing the Advisory Measure from discussion tonight to allow City Department Heads to review and come back with a proposal. Councilor Cardenas suggested dropping Recreation from the Advisory Measure; the City Council by consensus unanimously agreed to drop Recreation from the Advisory Measure.

City Manager Miller then presented the schedule necessary for the ballot measure (listed above). She emphasized the March 11th deadline to present all the necessary documentation to the County Elections Department. She explained that if approved, the tax would go into effect October 1, 2016 (first day the tax would be assessed). She stated that the City would not receive the first benefits of the sales tax assessments until March 2017. She further stated the estimated cost to place on the ballot is \$7,000 - \$11, 000; the actual cost will not be known until after the election.

Audience:

- Staff can recommend, however it is the City Council that ultimately makes the decision. Individual also suggested finding a means for interim financing while awaiting the outcome of a sales tax if passed.
- Stated he would be willing to pay an additional half cent or even one cent sales tax if it means that it will provide the necessary funding for our Police and Fire and put an end to this budgetary problem.
- Asked if a sunset clause would be attached to the sales tax measure; City Attorney Jody Burgess stated that would be up to the City Council.
- Councilor Linnet stated that previously he was against new taxes, however he would be in favor of this item only if the budgets do not rise in the next few years, specifying not increasing staffing, etc.
- Was asked, if it does pass what is the plan?
- Councilor Dickison stated that she has enough faith in our Department Heads that they won't spend the money until we have it.
- Councilor Cardenas stated that he doesn't believe we should spend the money until received i.e. no new staffing.
- Statement from audience member that he was more in favor of a Special Tax however he understands that it is harder to pass. He said that he has no problem with paying the extra half cent tax and asked about a salary freeze.
- Asked if we know how much of the sales tax comes from outside the area, and how much comes from local residents; City Manager Miller stated that 58% of our sales tax comes from the Truckstops and stated that we don't have any other data to provide.
- Requested clarification regarding funding in relation to water and sewer; individual stated that previously the statement was made that you can't take funds from water and sewer. City Attorney Jody Burgess and City Manager Miller responded to question. City Manager Miller explained her methodology regarding the need for getting water and sewer within the City Limits on the west side of the Freeway which could grow our sales tax.
- Reminded Council that there are properties along Hwy. 99W that are undeveloped, he suggested that we should wait until those areas are developed before paying to get water/sewer on the west side of the Freeway.
- Stated that he tried to develop within the City but the Development Impact Fees in Corning were higher than the fees in the County. (City Manager Miller provided information relating to fees imposed by surrounding communities, of which the Cities were lower.)

Councilman Linnet moved to direct Staff and the City Attorney to draft and process the necessary Ordinance and Resolutions to place a ½ cent General Sales Tax Initiative on the June 7th Presidential Primary ballot. Councilor Smith seconded the motion. **Ayes: Strack, Dickison, Linnet, Cardenas and Smith. Opposed/Abstain/Absent: None. Motion was approved by a 5-0 vote.**

Item 1-D: Contracting out Police and/or Fire Dispatch. Staff Recommendation Item 1.D:

- *If the City Council provides direction to Staff to initiate a General Sales Tax Measure, Staff recommends the City Council direct Staff to also negotiate an Agreement with CalFire and the Tehama County Sheriff's Department that can be immediately brought forward in the event the voters do not approve the Sales Tax Measure at the June 7th election.*
- *If the City Council does not approve Items 1.A, 1.B. or 1.C, Staff recommends the City Council approve option 1.D.*

City Manager Miller stated that the former City Manager John Brewer reported the following cost estimates to contract out for Police and Fire Dispatch Services to the Tehama County Sheriff's Department and CalFire, respectively:

	Police Dispatch Service Details-TCSO	Annual Cost
Option A	24 hr./day/7 days a week	\$180,697
Option B	12 hr./day/7 days a week	\$120,464
Option C	12 hr./day/5 days a week, 24 hr./day on weekends	\$135,522

	Fire Dispatch Service Details-CalFire	Annual Cost
	24 hr./day/7 days a week	\$60,000 to \$65,000

City Manager Miller clarified that the above stated costs are **estimates only** at this time.

By contracting out Police Dispatch Services, the net annual savings would be approximately \$302,000. She stated that she has confirmed, if Police Dispatch is not operated 24/7, the City must repay the Dispatch Remodel grant funds received in the amount of \$197,989. In Year 1, the annual savings would be \$121,303.

By contracting out Fire Dispatch Services the net savings would be approximately \$289,013, less contract revenue it will no longer receive, for a total of approximately \$258,000.

By contracting out for both Police and Fire Dispatch, Year 1 savings would net approximately \$379,000, and each year thereafter approximately \$560,000 (less the cost of Staff to maintain fire equipment and provide customer service/records documentation at the Police Department). This would largely resolve the City's budget deficit, but would not provide much needed funding for street maintenance, the Recreation Department, and Infrastructure to support economic development. The City would also lose valued employees and local control of services.

She stated that in light of the fact that the City Council approved pursuing the General Tax Measure, we must have a back up plan ready to go in the event that the tax measure does not pass. She stated that she is recommending that the Council approve Staff pursuing contracting out **only in the event that the Tax measure does not pass.**

Audience:

- Stated that the cost could change and explained the process for obtaining approval.
- Art Frolli stated his concerns relating to meet and confer on the Dispatcher Jobs. He explained that this could possibly be considered unfair labor practices. He advised the Council to not move forward until the "Meet and Confer" at this time. City Attorney Jody Burgess stated that Council can still discuss this and have Staff explore this option to confirm what steps need to be made. Mr. Frolli stated his concern is with the way the recommendation is written; City Attorney Burgess clarified the statement.
- The concern was stated regarding, that when presented to the County Board of Supervisors (contracting with the Sheriff's Dept. for dispatch services), they would not approve by contract.

With no further comments from the audience, Councilor Linnet stated that it still appears that we are putting the budget cuts on the backs of Public Safety (Fire & Police). He would like to see it spread over all employees, not just public safety employees.

More audience comments:

- Stated salary cuts would have to be equitable.
- City Attorney Burgess clarified that tonight what is being asked is to start the process of contract negotiation, which is a lengthy process.
- Mayor Strack stated that in his experience it will come to layoffs, the salary reductions do not work.

Councilor Cardenas moved to give Staff direction to explore contract negotiations and the labor negotiation process in the event the Tax Measure doesn't pass. Councilor Dickison seconded the motion.

Councilor Linnet wanted to confirm that you are putting this all on Public Safety's back.

- Audience member asked for clarification regarding Council's direction to Staff to clarify that Staff is to explore contract negotiations in the event that the Sales Tax doesn't pass.

Ayes: Strack, Dickison, Cardenas and Smith. Opposed: Linnet. Abstain/Absent: None. Motion was approved by a 4-1 vote with Linnet opposing.

Mayor Strack provided a summary of the actions taken on all recommendations.

H. ADJOURNMENT!: 7:23 P.M.

Lisa M. Linnet, City Clerk