



**CITY OF CORNING
CITY COUNCIL MINUTES
TUESDAY, JUNE 12, 2012
CITY COUNCIL CHAMBERS
794 THIRD STREET**

A. CALL TO ORDER: 7:30 p.m.

B. ROLL CALL:

Council:

**Toni Parkins
John Leach
Darlene Dickison
Dave Linnet
Gary Strack**

Mayor:

All members of the Council were present.

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

D. INVOCATION: Led by Mayor 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. **Police Chief Don Atkins introduced and Council welcomed new Police Officer Heather Vance and new Police Dispatcher/Clerk Jennifer Goodwin.**
2. **Presentation of Business and Employer of the Month Awards by Councilman Dave Linnet:**

**BUSINESS OF THE MONTH:
Phil's Automotive**

**EMPLOYER OF THE MONTH:
Les Schwab Tire Center**

Councilor Linnet presented the Business of the Month Award to Phil's Automotive owner's Earl and Rose Peterson, and the Employer of the Month Award was to Les Schwab Tire Center Assistant Manager Chris Hoag.

F. BUSINESS FROM THE FLOOR:

A resident asked if the City had a law prohibiting parking on the sidewalk or blocking the sidewalk. Mayor Strack stated that there was and advised the individual to contact the Police Department if this is observed. The individual stated that on First Street between Walnut and South St. there is a problem such as this. This individual also stated that the City's sidewalks and public restrooms were better than those in Red Bluff.

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. **June 6, 2012 Claim Warrant - \$229,414.07.**
5. **June 6, 2012 Business License Report.**
6. **May 2012 Wages and Salaries - \$440,204.15.**
7. **May 2012 Building Permit Valuation Report - \$139,645.**
8. **May 2012 Treasurer's Report.**
9. **City of Corning Wastewater Operations Summary Report – May 2012.**

10. Approve Resolution No. 06-12-2012-01 Calling for the Municipal Election and requesting that it be consolidated with the November 2012 Statewide Election.

11. Approve Resolution No. 06-12-2012-02 Adopting the City's Conflict of Interest Code with no changes.

Councilor Leach moved to approve Consent Agenda Items 3-11. Councilor Dickison seconded the motion. **Ayes: Strack, Parkins, Leach, Dickison and Linnet. 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: None.

J. REGULAR AGENDA:

12. Introduction, presentation, discussion and action on the proposed 2012-2013 City Budget.

Mayor Strack introduced this item by title and City Manager Brewer stated he is happy to present the proposed City Budget and receive Council and the Public's comments and proposed changes. He stated that comments will be incorporated into the proposed final budget and will be scheduled to be brought back to the Council at the June 26th City Council meeting for final adoption. Mr. Brewer then outlined his Budget Staff Report summarizing the contents of the budget.

He stated that this budget will:

- End the Employee Furloughs by the end of December, putting employees back to full-time and going from a 90% staffing arrangement to 100% and restoring the 10% employee salary reduction currently in effect.
- Fill the vacant Public Works Maintenance Worker position in January 2013,
- Fill the Public Works Director position also at the first of the year (January 2013),
- Fund an Independent half-time Planning Consultant to fill the retiring Planning Directors position which will be discussed later in the meeting as a separate item,
- Replenish the Operating Reserve set aside to its pre-recession level of \$800,000, it is currently at \$500,000, we are going to restore that \$300,000 cushion,
- Repave over a mile of Solano Street and 2,000 feet of Blackburn Avenue in front of the High School, probably the worst section of paved street within the City,
- Fund many of the current Capital Improvement needs of the Departments as approved by the City Council in the Long Range Capital Improvement Program for 2012-2013.
- Although not included in the list, replenishing the Airport Improvement Grant Project cash match of \$125,000 borrowed from the Development Impact Fee fund. The balance to pay back this fund is now \$118,000, these funds could be utilized in the future to fund another traffic signal or widen a street.

Mr. Brewer stated that the "Executive Summary" talks about the anticipated revenues and recommended expenditures. The total anticipated revenues are \$13.6 million dollars, and estimated expenditures are \$13.4 million dollars. The General Fund Revenues are \$4.3 million, almost \$4.4 million dollars. The General Fund Expenditures will exceed what the revenues are which we will get why that is later. The General Fund Reserve balance at the end of this fiscal year (end of this month) is \$1,380,009 and the projected General Fund Reserve balance a year later is \$991,880.

Mr. Brewer then briefly outlined the other items listed in the proposed Budget such as projected and actual Sales Tax Revenue, misallocated Sales Tax Revenue, the detailed list entitled CIP Capital Improvement Projects 2012-2013 not included in the draft budget, one time only Triple Flip Funds, etc.

Councilor Leach complemented City Manager Brewer on the Budget stating it was very easy to read.

Ross Turner: Asked if there was a sunset clause on the \$800,000 grant for the Blackburn Avenue improvements; he was informed yes, Mr. Brewer stated that the grant expires at the end of this year and is contingent upon the construction of 12 low income single family houses. Mr. Brewer stated that he and Mr. Stoufer have sought interest from numerous developers, including SHHIP about this project; however it is a tough sale right now. Mr. Turner confirmed that the City could expend these funds before the conditional terms are met however not without risking having to pay it back. Mr. Brewer stated that he, Councilman Leach, and Planning Director Stoufer met with H&CD last month regarding this grant. They discussed possible alternatives in light of the current single-family housing market. HC&D stated that if we could encourage the multi-family Developer to construct the second phase of his project, we could potentially transfer the grant tie of the 12 Units to the Multi-family.

He then asked about the recovery of the \$210,000 misallocated to another community, he confirmed that we have not yet received this however we have included it in the Budget. Mr. Turner also asked about the possible cost effectiveness of utilizing Astro-turf in the new Park. He then asked about the construction timeline for the new Park questioning the need for a new Public Works Maintenance employee until the Park is completed.

Susan Price: Questioned the increase in employee salaries and benefits for the 2012 – 2013 Fiscal Year. Mayor Strack responded stating salaries would increase for six months of the 2012-2013 fiscal year by 10% in response to the end (in December 2012) of employee furloughs, and the return of the City Manager and Police Chief to full-time positions in March 2012. She then asked why benefits are not listed separately, asking if it is because of a software issue; she was informed yes. She then stated that she is requesting to have information about employee benefits. Mr. Kimbrough stated this information was available on the State Controller's website. She stated she had a question about the City Clerk's budget, but answered it herself. Mrs. Price asked about the Finance Department Budget, specifically the increase in salaries, the three line items for Professional services. She was informed that the Professional Services line items listed were to fund the costs of the contracts for City CPA Roy Seiler, proposed Budget Consultant Stephen Kimbrough, and independent auditor Donald Reynolds. She then asked if there was a percentage plan for the break out of the City Administration Salaries, specifically the General Fund and Water & Sewer Funds. Mrs. Price then questioned the line item listed under the Planning Department for Professional Services asking what the \$34,000 was; she was informed that would fund the part-time contract for Mr. Stoufer should Council approve the proposed contract.

Planning Director John Stoufer responded to Mr. Turner's question on the use of Astro-turf at the new Park explaining that City Staff did extensive research and was informed Astro-turf is not recommended in this area because of the extreme heat we experience; this explains why we are proposing to use the grasses selected. He further explained that Astro-Turf has a short life span, basically 10-12 years before needing to be replaced.

Following confirmation that the Council had familiarized themselves with the proposed budget and didn't need to go through it with each Department Head, Mayor Strack announced that he would like to add an expenditure to the proposed Budget. This expenditure would fund the purchase of a sign stating "Solano Street" to be placed at the Solano Street interchange on I-5 to the Budget. Mr. Brewer stated that we should be able to purchase a sign for approximately \$2,000.

Mayor Strack thanked the employees, former City Manager Kimbrough and former Police Chief Cardenas for their contributions to the budget presented tonight. Councilor Linnet also stated his appreciation to Mr. Kimbrough and Mr. Cardenas for their contributions as well as all City employees.

Councilor Linnet stated he had discussed with City Manager Brewer the possibility of postponing or breaking the Solano Street Improvement Projects into two phases to ensure that we have the funds. Mr. Brewer confirmed that this could be done.

Mayor Strack stated that rate increases will need to be considered in the future for sewer.

By Council consensus a Special Meeting was not warranted at this time. Also by Council consensus it was decided that it was not necessary to split the Solano Street project or delay it. Council, by consensus, approved funding all projects listed including the Solano Street sign and to have the Airport issue a promissory note for the borrowed grant cash match funds.

13. Approve a one year term Agreement for Part-Time Planning Consultant Service with John Stoufer.

Ross Turner: Asked if the City is going to seek RFP's (Requests for Proposals) for this position, has it been offered to anyone else, or are we going to continue to provide employment for retired former personnel? He was informed no.

Susan Price: Questioned the indemnification clause for an independent consultant, stating she is concerned that this could be construed as an employee and it clouds the issue, typically a contracted Independent Consultant indemnifies themselves. Mrs. Price stated that she shares Mr. Turner's opinion about seeking an RFP.

Mr. Stoufer responded to the questions related to the indemnification citing a specific instance during the course of his duties and stating that should the indemnification clause not be included in the contract he would not accept it. City Attorney Michael Fitzpatrick also clarified the issue.

Ross Turner: Stated that Mr. Stoufer was an employee of the County at the time of the situation he referenced.

Mr. Stoufer: Stated, not to argue with Mr. Turner, but he was not an employee of the County at that time, he was an employee of the City of Corning.

Others speaking on this issue were Stephen Kimbrough, Dean Cofer and City Manager John Brewer.

Councilor Leach stated as a former business owner and having worked with consultants, he had never provided indemnification. He also stated he would like to see a 30-day rather than a 60-day notice of termination requirement. Mr. Stoufer stated that was okay. Councilor Linnet stated that if we require Mr. Stoufer to obtain his own indemnification insurance, his rates would just go up and we are going to end up paying for it anyway, this way we only have to deal with one company. Councilor Leach then asked the total number of hours he could work; Mr. Stoufer stated he believed that it was a maximum of 960 hours and stated he is looking at 20 hours per week.

Councilor Parkins moved to approve the attached Agreement with John Stoufer as an Independent Contractor, DBA JBS Planning Consultant Services with the change of termination notice requirement of 30-days rather than 60-days, and authorize the City Manager to sign the Agreement on behalf of the City. Councilor Dickison seconded the motion. **Ayes: Strack, Parkins, Leach, Dickison and Linnet. Opposed/Absent/Abstain: None. Motion was approved by a 5-0 vote.**

14. Approve Agreement for "As Needed" Part-Time Budget Consultant Services with Stephen J. Kimbrough.

Mr. Turner: Stated that he had the same comments as those stated relating to the contract for a Part-time Planning Consultant.

Mrs. Price: Stated her concerns were the same as those of Mr. Turner and noted that Mr. Kimbrough's resume lists Mayor Strack as a reference, inferring a possible conflict should he vote on this item. She also cited that the proposed amendments stated in Mr. Kimbrough's letter dated May 9, 2012 states a proposed hourly rate of \$60 per hour for 150 hours for the next year. City Manager Brewer stated that Mrs. Price is correct. Mr. Kimbrough's letter cites 150 hours for the next year as a maximum. Mr. Brewer stated he doesn't feel that the full 150 hours will be utilized.

Councilor Leach asked City Manager Brewer if the City's Accountant Roy Seiler could answer the same budgetary questions presented to Mr. Kimbrough. Mr. Brewer responded stating that although Mr. Seiler could answer many of these questions, Mr. Kimbrough has many contacts and experience that Mr. Seiler does not.

Councilor Linnet moved to authorize the City Manager to appoint Stephen J. Kimbrough as an Independent Contractor Budget Consultant, and authorize the City Manager to sign the Agreement on behalf of the City. Councilor Parkins seconded the motion. **Ayes: Strack, Parkins, Dickison and Linnet. Opposed: Leach. Absent/Abstain: None. Motion was approved by a 4-1 vote with Leach opposing.**

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).

Parkins: None.

Leach: None.

Dickison: Informed the Council that the LAFCO meeting had been cancelled.

Linnet: Reported that the 3Core meeting is scheduled for next month and the "Pay it Forward" downtown improvement project had been postponed due to the wind and rescheduled for next Saturday. He informed the Council of more graffiti tagging in town, but the Police Department caught six individuals alleged to be responsible for this.

Strack: Stated that the Museum is seeking new updated items and announced that Janessa (Geer) Laudin is now Volunteering at the Museum electronically cataloging Museum inventory.

N. ADJOURNMENT!: 9:13 p.m.

Lisa M. Linnet, City Clerk