



**CITY OF CORNING
CITY COUNCIL MINUTES**

**THURSDAY, JUNE 21, 2007
CITY COUNCIL CHAMBERS
794 THIRD STREET**

A. CALL TO ORDER: 6:20 p.m.

Meeting was called to order at 6:20 p.m. to allow time for Recreation Ad Hoc Committee to set up for Power Point Presentation.

B. ROLL CALL:

Council:

**Hill
Dickison
Zuniga
Turner
Strack**

Mayor:

All Council members were present.

C. TUESDAY, JUNE 12, 2007 COUNCIL MEETING ADJOURNED TO THURSDAY, JUNE 21, 2007 FOR DISCUSSION OF THE 2007-2008 CITY BUDGET.

Public input will be accepted at this time.

Mayor Strack reconvened the meeting and asked the City Manager to brief the Council on the updated budget pages presented, stating that their were two key issues that the Council is to decide tonight which are:

1. The Funding of the Police Security Lot; and
2. A Recreation Program.

City Manager Kimbrough explained the General Fund Summary and asked the Council to take a quick note, the actual to date has increased since the last two weeks and has jumped up to \$4,500,000. He stated that we still don't have all of the funds in yet, but we can't just assume that next year will be the same amount. He stated that their were a number of anomalies and may not be something that continues every single year including an extra \$100,000 in property tax that comes way after an entire year following the increases from all of the home sales that were generated. He stated that he has used a conservative number for next year's Projected Revenue: \$4,382,000, even though our actual to date is \$4,500,000. We call it conservative budgeting. The uncommitted General Fund Reserve available for next year is \$661,386 (estimate), this is actually a savings account, it is money available to spend and the Council has allocated that for major projects, but it is not ongoing money that can be depended on each year. We have always carried over the leftover from the previous year, plus new revenue and applied it to projects the following year. He informed the Council that the proposed 2007-2008 annual budget, the projected revenue is \$4,382,750. The proposed operating expenditures are the minimal essential funding to maintain the programs that Council has already approved and stated that we still need another \$190,000 to balance our budget and that will come out of the available reserve for this year. This tells us that we have got to grow our revenues by a minimum of \$190,000 in the coming year just to meet this year's expenses.

Mr. Kimbrough then stated that if you take the projected revenue, plus the available reserve, plus the insurance dividend of \$98,000 that the City is receiving and that gives us General Funds available to allocate to the operating budget and projects in the amount of \$5,142,337. The proposed operating expenditures at \$4,573,499; at the last meeting the Council had allocated \$521,250 of the available reserve which brings us down to an available reserve of \$47,578 dollars that can be allocated. He stated that the funding for important projects he highlighted in red for the Council the decisions that the Council had already made at the last

Council meeting. Going down through the Police Department, the Council approved the addition of \$10,000 in General Fund to fund all of the Police Capital Projects, note that he shows the Police Security Lot is opposed even though Staff strongly recommends that. The Fire Department the funding there is an additional \$10,760 to cover the two key items that the Council added to the budget (automatic door openers and the personal safety alarms). City Clerk file cabinets at \$9,000 that were approved, Yost Field work (Parks) \$12,500 – approved. The rest of the items listed are deferred work, the Theatre Restoration is part of the Rodger's Theatre Trust; Curb, Gutter & Sidewalk (CG&S) Program the Council approved \$16,000 in General Funds to support the existing funds that are there because the City typically funded \$50,000 a year in CG&S replacement and that is a liability project. He stated that Council had approved the funding of the reconstruction of South Street from Marguerite Avenue to 5th Street dependent upon receipt of the \$400,000 in State Proposition 1B Funds which are due in this year (\$50,000). The Fig Lane overlay from the railroad to Clark Park \$248,000 – approved. Peach Street overlay from Fig Lane to Solano Street in the amount of \$165,000 – approved. Mr. Kimbrough stated that this leaves a remaining available reserve for allocation in the amount of \$47,578.

Mayor Strack asked about funding to repair the Railroad Crossing on Fig Lane stating that he felt this was really needed. Mayor Strack stated that at one time we had some funding for this, or it was looked at to be funded, he asked Public Works Director Tom Russ if this funding was still available from the State. He was informed no. He then asked what would be the cost to make these repairs; Mr. Russ estimated it would be \$40,000. Mayor Strack stated if we are going to do work on Fig Lane in this area, we should do the crossing also.

Councilor Turner asked if the expected delinquent TOT (Transient Occupancy Tax) Revenue was included in this budget, Mr. Kimbrough responded yes, in growing the "Operating Reserve". He also confirmed with the City Manager, based upon the Memo sent out with last Friday's Council Packet, that the sales tax revenue is \$71,919 higher than the previous years for the first quarter. He asked if that amount was included in the revenue listed; Mr. Kimbrough stated that it is included in the year-end guess.

Mayor Strack asked if the Council wanted to settle this part as to what they are going to do? Are there any other suggestions or thoughts, or is it the Council's wish to leave that \$47,000 there, or do you want to... Councilor Zuniga stated that she thought they were going to talk about the Recreation Program, and asked if this is where we would talk about it? Mayor Strack stated we could talk about that, but stated that his personal thought is this is extra money, its not going to definitely be there next year, and if we are going to fund a Recreation Program, we need to do it in a way that it is going to be funded past this year. Councilor Zuniga asked where we would discuss that part? Mayor Strack stated that Mr. Kimbrough kind of put his neck out there and made the statement quite a while back if the Council decided to have a program he would find the funding. Councilor Zuniga stated that the only reason she is asking is because at the last Council meeting Council requested that the Ad Hoc Committee do a presentation and they have prepared a presentation and she doesn't want to make them feel that they have wasted there time. She stated that she didn't know if this would be the appropriate time to talk about it or where that is going to go and what the plan is. Mayor Strack responded stating that he would think that again there, the Council would need to work that into the regular budget. As we go through that, seeing what those items are, and what the Council has projected. If the Council makes a decision he will find a way to make it work with the Council working with him. Councilor Turner asked with the funding and qualifications as recommended by the Council, are the funding source of \$27,146 as recommended by Mr. Kimbrough, which funding basis are you using? Mayor Strack stated if the Council wants to get into a discussion on and do that now, we can do that. Councilors Turner stated with a house full of Committee members, he thought we should and Councilor Zuniga agreed.

Mayor Strack stated that with the electricity going off at nine o'clock according to PG&E and most of the Council members will be losing power at that time, therefore he would like to get out of here by 8:30 p.m. tonight so we will try to keep it moving as fast as we can.

Garrett White, Recreation Director from the City of Orland addressed the Council stating the community benefits of a Recreation Department which are basically administers plans, organize, direct and promotes and evaluates the City's Recreation Programs under the supervision of the City Manager. A Recreation Director is going to have several different hours from 50 hours one week to 30 hours the next week depending on what programs are running at different times of the year. He stated that the experience and qualifications of a Recreation Director in his personal opinion, they should have a Recreation Degree or similar degree from a four-year College and two years of experience in a related field. He also suggested that it would be advantageous if the selected candidate were able to umpire adult softball games, (co-ed men, women's) umpire or officiate adult basketball and youth basketball, adult and youth flag football, be able to oversee an aerobics class, yoga class, etc. He stated that in his programs the instructor gets 80% of the proceeds and the department gets 20% which funds advertising, use of the facility, and personnel. Mr. White stated that he believes there are three keys to operating a successful recreation program and these are:

1. Public Works Department support;
2. Volunteers
3. A good working relationship with the School District.

Mr. White stated that what saves his department is that he is a salaried employee, so there is no overtime. He also umpires games so the Department doesn't have to pay for umpires.

Other benefits to the community are: Provides activities for youth and seniors giving them a healthier life, more opportunity to exercise. Provides the opportunity to obtain self-confidence, brings in revenue to local businesses, keeps the kids doing something in the community. Mr. White provided copies of his revenue sources and expenses from last year. He stated that this year he would not need to purchase any equipment because he has it from past purchases. He also provided the Council with a listing of his revenue sources from last year compared to this year stating his department is allotted \$141,000 a year, that is counting City Pool expenses and department expenses including he and his Staffs wages. He then informed the Council the revenues his department generates. Councilor Turner confirmed that the funding shortfalls between what is his gross receipts, the concessionary revenue and other fees to participate as a payee at the gate thing is provided by the City of Orland, in other words there is no other tax revenue (Recreation District, etc.). Mr. White stated that is correct.

Councilor Hill asked Mr. Garrett his wages with benefits; he stated \$32,000 and confirmed that he is a permanent full-time employee for the City of Orland. Councilor Hill asked Mr. Garrett how many programs the City of Orland had in place when he was hired; he responded stating approximately nine (9) and they currently have twenty-three (23). Council members asked various questions relating to department staff numbers, whether yard maintenance is included in these duties, whether there is a pool manager, etc. Councilor Turner asked if the breakdown for the pool summer operation costs (Staffing costs, etc.) were available. He was curious at to how the City of Orland revenues compare with the City's. Tom Russ stated he didn't have these figures at this time but could get for Council. Mayor Strack asked if the City of Orland charges a non-resident fee for his programs; Mr. White responded stating yes, for youth programs it is \$5 more and adult programs is \$15 more.

Debbie Mache asked Mr. White if a non-resident fee were charged if the individual attends Orland High School; Mr. White stated no. Mr. White stated that they needed a sphere of influence, therefore the resident fees were based upon the High School District, those outside the District sphere were charged the non-resident fee.

Recreation Commissioner Darlene Haskins provided a brief statement from the Recreation Ad-Hoc Committee and Sherry Peterson narrated the Ad Hoc Committee's power point presentation. This presentation outlined the some of the existing recreation opportunities; the gaps found making the existing programs not easily accessible; stating that these gaps stem from a lack of assessable program information and a contact person. The Committee presented some suggestions for additional future programs, possible sponsors and facilities that might be available for these programs.

Corrine Maday addressed the Council in response to things being said about the number of High School Teachers present and active on this committee, she stated they were involved because they hear so often from students that there is nothing to do in Corning. She then provided the Council with a packet of information relating to recreation and the benefits of a program to the citizens of Corning.

Shannon Boles addressed the Council reading a proposed referendum with the assistance of Debbie Mache and Mike Albee.

Sherry Peterson concluded the Recreation Ad-Hoc Committees presentation by thanking the Council for what the City Council has done to date.

Mayor Strack stated that he appreciates the members of the audience for their support and enthusiasm and that you recognize Corning as being your town, however he represents the taxpayers of the City of Corning. It is a political subdivision and he has to talk about how he is going to spend their money. He asked if some of the members of the audience had approached the County for Recreational Programs, stating that their property tax goes to the County, not the City of Corning. He was informed that they had, that a representative had been invited and attended a meeting of the Ad Hoc Committee. Mayor Strack then asked if they had received anything from them and will they help with funding. He stated that he first sought a Council appointment because he felt a need for recreation in Corning, because when he was in High School he complained that their was anything to do, however I feel that some of that goes back to the parents and the kids. He stated that he survived out there not having anything to do. When the kids turn 16 we are not going to do anything with them, he stated that the City has tried at least 4 times. He stated that he is for a program, however he is not for a program that he cannot see sustaining itself. The City doesn't have the money to sustain it.

Councilor Hill stated that her problem with this is, just listening to Garrett, he started out at \$32,000 not counting his benefits, and that doesn't count his program. At \$28,000 it would not be enough to start, that is \$16.67 per hour, not the \$14.00 and hour and that was four years ago for a college graduate. This is for a college graduate with experience which is what they are asking us for. This is not enough for us to be able to recruit someone. Garrett came in at \$16.67 plus benefits. Our \$27,146 that the City is allocating to this for this year is won't even cover that cost let alone the start up fees, Garrett's budget telling us that he has advertising fees, equipment fees, etc. Councilor Zuniga stated that this \$28,000 is reflected for just half a year beginning January 2008 for salary. Councilor Zuniga further stated that Councilor Hill is correct, that is not enough for a full year. Councilor Hill stated that \$16,000 of the \$27,000 was just the proposed persons salary plus benefits, and benefits are another how much Mr. Kimbrough for half a year? Councilor Zuniga stated that it would be a total of \$48,000 for the entire year including benefits, so half of that would be \$24,000. Councilor Hill stated that we are not even budgeting for half a year enough to cover that. City Manager Kimbrough stated that the benefits are listed down at the bottom in the footnotes on the Cost Detail Page for the Recreation Program in the new section that was presented to the Council tonight. He then stated the proposed two approaches for a program which are:

1. Utilize the existing Pool Manager at a cost of \$27,146; which Councilor Zuniga stated was unacceptable to the Ad Hoc Committee, or
2. A full-time accredited Recreation Coordinator at a cost of \$52,433.

Mr. Kimbrough stated that we probably want to look at the \$52,000 to do this and that will allow us to do the recruiting. Councilor Hill stated that Mr. Kimbrough thinks if the Council gives the City the \$52,000 a year you would find it in the budget (Mayor Strack stated that a decision would be made now) and commit for the next two years to find it. City Manager Kimbrough stated he couldn't make such a commitment. Mr. Kimbrough stated that we are \$192,000 short this years budget in having enough funds to operate, last year though we were \$294,000 short. We have actually more properly, or better funded our operations and we have dropped it to \$190,000 in the red. More expenses over revenue for the base; the theory is if we continue at that in another year or two we will have a balanced budget with new commercial we currently can't identify now coming on line. Mr. Kimbrough stated that what we would do is take \$52,000, or for this fiscal year half of that, \$25,000 - \$30,000, add to the \$190,000 revenues needed and it would simply tell us that we were adopting a budget that would be \$190,000 plus \$30,000, \$220,000 in the red, and covering it with our available revenues (one time money). That is what we have done each time the City has taken on really critical projects. The big question is, do we want to take that leap? The Council, Staff and I have always made this kind of bargain that we are going to go for it and see what we can do, but we know if the revenues don't come it we will have to cut back. Last year we had to cut back, we reduced the departments, pulled Police and Fire's Capital money by about \$25,000 each. This year we have refunded that money to both departments and added some additional money from the reserve. It is always a gamble.

Shannon Long asked what the "Mission Statement" was for the City of Corning; Mayor Strack informed her that it was "to provide for the services and public safety of the Citizens of Corning".

Mayor Strack stated that if we are going to include this proposal for a Recreation Program we are going to need to go back into the Police Department, Fire Department, Public Works Department and say hey, we'll do with one less employee here, or without a replacement vehicle, etc. Councilor Turner stated that the differential in funding according to his interpretation is only approximately \$27,000 to \$30,000 differential from the \$27,000 plus that the AD Hoc Committee and some of us sitting up here feel is warranted to be expended, is that correct? Councilor Hill stated but we have to find that three-year funding source, not just this year. She stated that based on the proposal sitting in front of me that states we will provide a year round program for three years under the stipulation that the Ad Hoc Committee is going to pursue a Recreation District. Councilor Turner stated that we are discussing \$90,000 to \$100,000 spread over three years, is that correct? Mr. Kimbrough stated that it would be just the \$55,000 would be the budget amount and would be funded for three years and by the end of three years the Ad Hoc Committee and a group citizens would produce a Recreation District about the size of our High School District that would then take over this budget completely. Corning would maintain it's Parks and the swimming pool program that it currently has and the District would fund the programs from Paskenta to the River. Mayor Strack stated that the problem with that is the citizens are not going to pay for something that they are already paying for. They are not going to vote for a District.

Councilor Zuniga stated that she is a little confused. She stated that we are looking at funding sources and we will need to reevaluate the proposed budget and areas we will need to reduce in order to fund this program, however she stated that she keeps getting memos and information stating the City is doing well, we are increasing our revenues. She stated that there is some money left over here, I know it is not guaranteed for future years, however the City makes do, it survives and does what it has to do, it adjusts. So, we have the "What ifs" (Corning Ford leaves, Bell Carter leaves), the money is there. I believe this decision is more of a value, a life style. Councilor Dickison stated that the City should leave some money available in case of emergencies that occur during the year. Councilor Zuniga countered stating that after funding a half a year program in Recreation, it still leaves a balance of \$20,000 for emergencies.

Councilor Turner asked if a year ago this week when the budget was being put together were you, or were you not aware of the potential shortfall of the TOT, and was that built into the

budget. Mr. Kimbrough stated yes. Councilor Turner stated that the TOT delinquency is equivalent to one time money. Mr. Kimbrough stated yes. Councilor Turner asked if the TOT tax money is holding steady to what is projected? Mr. Kimbrough stated it is fairly steady.

Councilor Hill stated that she believed City Manager Kimbrough should revisit the budget, look at these positions and see how upside down we are going to be before she can say yes I'll adopt this budget. Councilor Hill then motioned to continue this Budget Meeting to the June 26, 2007 City Council meeting. After some discussion Councilor Hill rescinded her motion. Councilor Hill then asked how upside down are we; Mr. Kimbrough stated \$190,179.

Councilor Turner motioned to take action to approve the addition of \$52,000 with the City Manager/Financial Director finding the funding sources to take affect so that we can advertise and have a qualified employee on board in January. Councilor Zuniga seconded the motion. Councilor Hill stated that she would not be able to vote to approve the \$52,000 budget addition. Councilor Zuniga then rescinded her second to the motion. Councilor Turner then clarified that if a motion was made at this time to approve \$27,146 for a Recreation Coordinator position it could be reviewed and possibly increased at the mid year budget review for a year round position. He then motioned to approve the addition to the City Budget in the amount of \$27,146 now for a full time Recreation Director to be employed by January 1, 2008 and pursue full funding in the amount of \$52,433 for a full-time Recreation Director position at the mid year budget review. Councilor Zuniga seconded the motion. **Ayes: Hill, Zuniga and Turner. Opposed: Strack and Dickison. Absent/Abstain: None. Motion was approved by a vote of 3-2.**

Mayor Strack stated that in the Ad Hoc presentation to the Council, the Committee stated that they want an Advisory Committee for setting the fees along with the Recreation Committee. Mayor Strack stated no, the Council and the Recreation Commission are the two that set the fees. He then stated that the Ad Hoc Committee, no longer exists as they have completed the task assigned by the Council.

Mayor Strack asked if the Council just spent the funds for the proposed railroad crossing at Fig Lane and asked Public Works Director Tom Russ to prepare the specifications for this. Councilor Turner asked who picks up that tab; Public Works Director Tom Russ stated that the City provides the funds. Mayor Strack suggested a need to fund Community Events in the budget.

City Manager Kimbrough stated that beginning July 1st a fund for the Swimming Pool is being created that would provide a more accurate cost/revenue figure. He also informed the Council that a \$300,000 home in the City of Corning only provides \$390 in tax revenues to the City.

Mayor Strack asked Tom Russ about the contract change with the janitorial service in relation to opening and closing the restrooms in the parks. Tom Russ stated that under the new contract the janitorial service would be opening and closing the restrooms on a fixed schedule. This is less expensive than the current overtime.

D. **ADJOURNED! 8:25 p.m.**

Lisa M. Linnet, City Clerk