



**CITY OF CORNING  
CLOSED SESSION MINUTES  
TUESDAY, OCTOBER 9, 2012  
CITY COUNCIL CHAMBERS  
794 THIRD STREET**

**A. CALL TO ORDER: 6:34 p.m.**

**B. ROLL CALL:**

**Council:**

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

**Mayor:**

All members of the Council were present except Councilor Linnet.

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 COMMENTS: None.**

**D. ADJOURN TO CLOSED SESSION: 6:34 p.m.**

**1. CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO SECTION 54957.6:**

**Agency Negotiator: William May, Labor Relations Consultant  
Management, Dispatch, Public Safety and Miscellaneous Employee Bargaining  
Units.**

**E. RECONVENE SPECIAL MEETING AND REPORT ON CLOSED SESSION: 7:30 p.m.**

Mayor Strack reported that Council met with the City's Labor Negotiator and gave him direction.

**F. ADJOURN TO REGULAR MEETING OF THE CITY COUNCIL: 7:30 p.m.**

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**Lisa M. Linnet, City Clerk**



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**Mayor:**

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**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. **Proclamation – October 20 - 27, 2012 as “City of Corning Red Ribbon Week”.** Tehama County Young Marines GySgt. Giancarlo Nandino, Cpl. Logan Wilkinson, Cpl. Joshua Campbell, PFC’s. Noah Fleharty and Sean White, and Pvt. Hannah White were present to accept the Proclamation.
2. **Proclamation – October 25 – 27, 2012 as “Western Open Fiddle Week”.** Co-Chairman Tex Ash, Pat Scott and Rich Reynolds were present to accept the Proclamation and played three tunes for the Council and audience. Mr. Ash stated that they will be at the Tehama County Fairgrounds on October 25<sup>th</sup>, and he announced that they will be holding a fundraiser on Saturday, October 13<sup>th</sup> at Round Table Pizza in Red Bluff and they will receive 20% of what is taken in.
3. **Proclamation – October 18, 2012 “Lights on After School Day”.** Present to accept the Proclamation was Beth Birk, Tehama County Department of Education Recreation Specialist. She informed the Council that SERRF stood for “Safe Education and Recreation for Rural Families” and stated that this year’s theme is “Super Hero’s”. Ms. Birk also informed the Council and audience of the upcoming events that will be held at the various schools this year for “Lights on After School”.

**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.**

4. **Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.**
5. **Waive the reading and approve the Minutes of the September 25, 2012 meeting with any necessary corrections.**
6. **October 3, 2012 Claim Warrant - \$363,335.71.**
7. **October 3, 2012 Business License Report.**

8. **September 2012 Wages and Salaries - \$321,146.03.**
9. **September 2012 Building Permit Valuation Report - \$652,809.25.**
10. **September 2012 Treasurer's Report.**
11. **City of Corning Wastewater Operations Summary Report – September 2012.**
12. **Approve the Annual Statement of Investment Policy for Fiscal Year 2012-2013.**
13. **Accept Letter of Withdrawal from Ken Vaughan & Son and Award Contract for pruning 514 City Palm Trees to George Salinas Tree Preservation for the amount of \$48 per tree (\$24,672 total).**

With little discussion, Councilor Leach moved to approve Consent Agenda Items 4-13 and Councilor Dickison seconded the motion. **Ayes: Strack, Parkins, Leach, and Dickison. Opposed/Abstain: None. Absent: Linnet. Motion was approved by a vote of 4-0 with Linnet absent.**

**H. ITEMS REMOVED FROM THE CONSENT AGENDA: None.**

**I. PUBLIC HEARINGS AND MEETINGS: None.**

**J. REGULAR AGENDA:**

14. **Presentation regarding possible refinancing of Public Employees Retirement System (PERS) Side Fund obligations; possible Placement Agent Services Agreement with Brandis Tallman, LLC.**

Mayor Strack introduced this item by title. City Manager John Brewer stated that the City of Corning participates in the California Public Employees Retirement System (PERS) of which one component of that participation is an obligation in a "risk sharing pool" known as the PERS "Side Fund". He informed Council that the City's Side Fund obligation currently totals over \$2.5 million, we make annual payments to cover this debt and the payments include an interest rate of 7.75% (reducing to 7.5% in 2013-2014) which totals over \$360,000 per year. He stated that under the current arrangement that debt would be paid off in 2023.

Mr. Brewer then introduced Jeffrey Land and Rick Brandis from Brandis Tallman, LLC who provided additional information associated with the proposal being presented to the Council tonight. He stated that they will explain how we can refinance this Side Fund obligation at a much lower interest rate and thereby save over \$35,000 per year for the same term.

Mr. Land stated that his firm is an investment banking firm that specializes in municipal underwriting and work specifically with municipal entities in the State of California. We provide them with financing options for public improvement and provide loans to refinance outstanding obligations. Part of that process is we do an analysis, consult and advise.

**Councilman Linnet entered the meeting at 8:04 p.m. and then left at 8:06 p.m.**

Mr. Brandis explained that in 2003, California legislation mandated that all CalPERS member agencies with less than 100 employees be enrolled in a risk-sharing pool, in order to establish less volatile employer contribution rates for smaller agencies. He then briefed the Council on how the CalPERS Side Fund was initiated (California State legislation mandated in 2003), the benefits of refinancing explaining that the annual fiscal savings would be \$35,651 should the City refinance at this time, and the total savings over the term of the loan would be \$374,046. Mr. Land then provided the Council with information related to the refinance and validation process, which generally takes between 90-120 days.

Councilor Leach asked how AB 340 will affect savings in the Side Fund and what CalPERS plans to do. Mr. Land stated that at this time, they do not know, they are not getting any information out of CalPERS. He also stated that the City would have no financial obligation to his company until closing of the loan...in other words; the City would have no financial obligation to his company unless the loan closed.

City Manager Brewer asked about the contract with the City of Red Bluff and their reaction to AB 340.

Councilor Leach asked the Mayor if it would benefit the Council to act now or wait until December. Mayor Strack stated that by starting now it moves us closer to a closing date, however he did confirm that it could be stopped at any time prior to closing without any cost to the City. City Manager Brewer asked if the Bond Rate will change. He was informed that these rates are tracked more with a ten-year treasury rate and are a fixed rate.

Ross Turner asked what fees would be accrued with this loan, and was informed by Mr. Land that there would be no additional fees other than what has already been presented.

Councilor Parkins moved to authorize the Mayor or the City Manager to sign the attached "Agreement for Placement Agent Services" with Brandis Tallman, LLC. Councilor Dickison seconded the motion. **Ayes: Strack, Parkins, Leach and Dickison. Opposed/Abstain: None. Absent: Linnet. Motion was approved by a 4-0 vote with Linnet absent.**

**15. Request for water service; occupation without owner's authority: Sandra Beck; 1791 Colusa Street.**

Mayor Strack introduced this item by title. Assistant City Attorney Jody Burgess provided the Council with a legal definition of Adverse Possession and stated that according to the information provided by Ms. Beck, she does not comply and she is by legal definition trespassing. Councilor Parkins stated that she believes that Ms. Beck believes she is complying with the law. Mr. Burgess stated, "to be as blunt as I can be, she is wrong".

Mark Noda, resident of 1755 Colusa Street (located right next door) stated that the house was never abandoned it was broken into and he is currently attempting to contact the heirs, as the legal owners have passed away. He further stated that he is looking into purchasing the property and hopes that the City does not grant Ms. Beck's request. He then submitted a letter written by his wife for Council's consideration.

Mayor Strack asked Police Chief Atkins if he had received any information related to this property. Chief Atkins stated that he has spoken with the Sheriff's Department and the District Attorney who advised that it was not a criminal issue, but more of a civil issue.

Mr. Brewer stated that he had spoken with, and received an email today, from City Attorney Michael Fitzpatrick who informed him that he was having an ongoing conversation with the District Attorney Mr. Cohen regarding the issue of whether or not the process in this instance would be a civil eviction, or something else like a trespass and eviction situation. He suggested that a civil eviction is necessary when a relationship has been established between the landlord and a tenant; that is not the case here.

Assistant City Attorney Jody Burgess informed the Council that Mr. Fitzpatrick has recently met with the District Attorney and showed him the letter from Ms. Beck that really is an admission of trespass and squatting. He thinks he has shown interest to potentially pursue that however, he is not definitive at this point, but there is interest there.

Mayor Strack stated that if we turn the water on then we are validating her claim. It was stated that there are other related issues such as potential liability should water be left on in the residence by this individual and it floods.

Councilor Dickison stated that she has contacted Ms. Beck by phone and informed her that this issue would be discussed at tonight's meeting and she is not in attendance.

Councilor Parkins made the motion to deny service. Councilor Leach seconded the motion. **Ayes: Strack, Parkins, Leach and Dickison. Opposed/Abstain: None. Absent: Linnet. Motion was approved by a 4-0 vote with Linnet absent.** Council directed that a letter from them be sent to Ms. Beck advising her of their decision, Assistant City Attorney Jody Burgess stated he would draft a letter for signature by the Mayor.

**K. ITEMS PLACED ON THE AGENDA FROM THE FLOOR:**

**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:** Reported on two upcoming events sponsored by the Community Action Agency; the October 19<sup>th</sup> Food Give Away at New Life Assembly Church in Corning, and on November 2<sup>nd</sup> the "Lift Tehama" at the Tehama County Fairgrounds.

**Dickison:** Nothing.

**Councilor Linnet re-entered the meeting at 8:37 p.m.**

**Linnet:** Reported on the Pay it Forward Committee.

**Strack:** None.

**N. ADJOURNMENT!: 8:39 p.m,**

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**Lisa M. Linnet, City Clerk**