

**CITY OF CORNING
CITY COUNCIL AGENDA
TUESDAY, MAY 24, 2011
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:

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:

Presentation by Dewey Lucero: Branding and Marketing Corning, a progress report.

F. BUSINESS FROM THE FLOOR: If there is anyone in the audience wishing to speak on items not already set on the Agenda, please come to the podium, and briefly identify the matter you wish to have placed on the Agenda. The Council will then determine if such matter will be placed on the Agenda for this meeting, scheduled for a subsequent meeting, or recommend other appropriate action. If the matter is placed on tonight's Agenda, you will have the opportunity later in the meeting to return to the podium to discuss the issue. The law prohibits the Council from taking formal action on the issue, however, unless it is placed on the Agenda for a later meeting so that interested members of the public will have a chance to appear and speak on the subject.

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.

- 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 May 10, 2011 Closed Session and Regular City Council Meeting with any necessary corrections:**
- 3. May 18, 2011 Claim Warrant - \$148,243.13.**
- 4. May 18, 2011 Business License Report.**
- 5. Recommend the appointment of Blaine Smith to the Corning Recreation Commission.**
- 6. Approve Contract Change Order #4 increasing the Solano St./Marguerite Avenue Traffic Signal Installation Project by \$5,115.90 for a total project cost of \$289,955.47.**

H. ITEMS REMOVED FROM THE CONSENT AGENDA:

I. PUBLIC HEARINGS AND MEETINGS:

7. Adopt Resolution No. 05-24-2011-02 accepting the Housing Element Update and preparation of a "Mixed Use Ordinance" resulting from a grant allocation from Planning and Technical Assistance funds for the State Community Development Block Grant Program (CDBG).

J. REGULAR AGENDA:

8. Ordinance No. 646; an Ordinance amending Chapter 15.32 of the Corning Municipal Code regarding the Informal Bid Limit of the "Contract and Bidding Procedures for Public Projects".
9. Solano Street Tree Pruning and Temporary U.S. Flags – Discussion and Possible Action.
10. Approve annual Agreement with 3CORE Economic Development District at a cost of \$3,500.
11. One Year Comprehensive Economic Development Strategy Update: Comprehensive Economic Development Strategy (CEDS) – 1-year Plan Update. Establish Priority Projects to be included in the 3CORE Economic Development District's Comprehensive Economic Development Strategy.
12. Approve Agreement for the provision of Half-time Interim Planning Director Services by City to County of Tehama.
13. Adopt Resolution No. 05-24-2011-01 setting every other Friday from July 1, 2011 to June 30, 2012 as closure dates for City Hall and the City Yard, and Ratify Furlough Sideletters for the Dispatchers Association and the Public Safety Unit to continue Furloughs through December 31, 2011.
14. Award Bid for the Clark Park Municipal Water Well and related work in the amount of \$594,089 to Trent Construction; approve Change Order No. 1 in the amount of \$7,619 for a revised contract price of \$601,708; set the Budget Appropriation for the Well Project Fund 346 at \$640,000 and transfer \$27,000 from the Water Enterprise Fund 630 Reserve to Fund 346.
15. Set study session date and approve Calendar for the 2011-2012 City Budget discussion, final presentation and adoption.
16. Corning Municipal Airport Improvement Project: Approve \$118,421 Loan from the City's Traffic Mitigation Fund 116.

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).

Parkins:
Leach:
Dickison:
Linnet:
Strack:

N. ADJOURNMENT!:

POSTED: THURSDAY, MAY 19, 2011

THE CITY OF CORNING IS AN EQUAL OPPORTUNITY EMPLOYER



**CITY OF CORNING
CLOSED SESSION MINUTES**

**TUESDAY, MAY 10, 2011
CITY COUNCIL CHAMBERS
794 THIRD STREET**

A. CALL TO ORDER: 7:00 p.m.

B. ROLL CALL:

Council:

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

Mayor:

All members of the City Council were present.

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: 7:01 p.m.

**CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO SECTION 54957.6:
Agency Negotiator: William May, Labor Relations Consultant
Public Safety and Dispatch Units**

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

Council met and reviewed direction from the City's Labor Negotiator William May and then directed Staff to prepare a report for the next City Council Meeting.

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



**CITY OF CORNING
CITY COUNCIL MINUTES**

**TUESDAY, MAY 10, 2011
CITY COUNCIL CHAMBERS
794 THIRD STREET**

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

H. ROLL CALL:

Council:

**Toni Parkins
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Mayor:

All members of the City Council were present.

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

THE CITY OF CORNING IS AN EQUAL OPPORTUNITY EMPLOYER

J. INVOCATION: Led by John Leach.

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.

K. PROCLAMATIONS, RECOGNITION'S, APPOINTMENTS, PRESENTATIONS:

1. Proclamation: May 2011 Mental Health Month.

City Clerk Lisa Linnet read the Proclamation and Mayor Strack presented it to Connie Webber, representative of the National Alliance on Mental Illness (NAMI).

2. Proclamation: May 15th – May 21st 2011 as “Poppy Days” in the City of Corning.

City Clerk Lisa Linnet read the Proclamation and Mayor Strack presented it to American Legion Auxiliary representative Delores May.

L. BUSINESS FROM THE FLOOR:

Ross Turner: Commended the Chamber on the recent Car Show. He then addressed the Council about the City's contribution to the Chamber of Commerce. Mr. Turner emphasized that in addition to the City's monthly contribution of \$1,000 and the yearly donation match up to \$4,000, the City additionally contributes financially to the Chamber via paid employee wages for City employees providing assistance during Chamber events.

Chamber Manager Valanne Cardenas: Thanked the City for the assistance provided during the recent Car Show.

M. 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 April 26, 2011 Closed Session and City Council Meeting with any necessary corrections:**
- 5. May 5, 2011 Claim Warrant - \$158,345.13.**
- 6. May 5, 2011 Business License Report.**
- 7. April 2011 Building Permit Valuation - \$1,654,991.96.**
- 8. April 2011 Wages and Salaries - \$310,397.26.**
- 9. April 2011 – Treasurer's Report.**
- 10. City of Corning Wastewater Operation Summary Report – April 2011.**
- 11. Recommend Appointment of Ross Turner as Trustee of Tehama County Mosquito and Vector Control District.**
- 12. Award Bid for the Three-Year Concrete Service Agreement to Ward's Concrete, Inc. for Curb, Gutter and Sidewalk Installation.**
- 13. Resolution 05-10-2011-01 Authorizing the Tehama County Sanitary Landfill Agency Submittal of a CalRecycle Application for FY 2010/2011 19th Cycle Household Hazardous Waste Grant.**
- 14. Approve Progress Pay Estimate No. 4 in the amount of \$21,566 to Franklin Construction for the 2010 Traffic Signal Installation Project.**

Julie Johnson (Corning Observer Reporter) asked if there is an estimated completion date for the Traffic Signal Project. Public Works Director John Brewer stated that originally it was expected to be completed by June 15th but we are now looking at the end of June due to the necessity of moving an underground gas line.

With no further questions, Councilor Leach moved to approve Consent Agenda Items 3-14. Councilor Parkins seconded the motion. **Ayes: Strack, Parkins, Leach, Dickison and Linnet. Opposed: None. Absent/Abstain: None. Motion was approved by a 5-0 vote.**

N. ITEMS REMOVED FROM THE CONSENT AGENDA: None.

O. PUBLIC HEARINGS AND MEETINGS: None.

P. REGULAR AGENDA:

15. Approve Use of Library Parking Lot for Weekly Farmers Market.

Mayor Strack introduced this item by title and City Manager Kimbrough briefed the Council on the proposal. Councilor Leach asked about liability and was informed by the City Manager that the Chamber provides the liability insurance. He also stated that Staff had discussed concerns about children running into Third St./Highway 99W during the Farmers Market and proposed utilizing the K-rails as a barricade.

A member of the audience asked about interference with Library Use.

Councilor Linnet stated that he had contacted both Grocery Stores and they had no objections to the proposed Market. He also stated that he had spoken with the Police Department and they were okay with the location as long as the alley was left unobstructed and they could get out. Councilor Linnet stated he has spoken with the County Librarian Jessica Hudson who stated that she was unaware of the proposed event. Councilor Linnet stated that he has Ms. Hudson's card and presented it to Sonja Akers, Chamber Board Director/New Life Church Events Coordinator so that she could contact her to seek her support of the event.

Councilor Parkins moved to approve the use of the Third Street Library Parking Lot by the Corning Chamber of Commerce for the Friday Night Farmers' Market. Councilor Dickison seconded the motion. **Ayes: Strack, Parkins, Leach, Dickison and Linnet. Opposed: None. Absent/Abstain: None. Motion was approved by a 5-0 vote.**

Mayor Strack asked that City Staff and Chamber work together to finalize the program and bring back to Council.

16. Solano Street Tree Pruning and Temporary U.S. Flags.

Mayor Strack introduced this item by title and providing a background on the issue. Dave Demo addressed the Council stating that he could get by with pruning less than 10 trees. He also stated that the flags are up now more as a tribute to Gene May. He then stated that he wanted them up for the Car Show Event. Mr. Demo informed the Council that he has just spent \$1,200 on new poles to help prevent the flags tangling; however a few are still tangling and getting caught in the tree branches.

Mayor Strack stated that one of the concerns with trimming the trees was the fact that these trees are highly susceptible to fire blight. Mayor Strack informed the Council that these trees are trimmed every other year by a certified arborist in order to properly shape the trees and reduce the possibility of fire blight. He suggested, as did Councilman Linnet that the flags be removed from a couple of light posts due to the close proximity of the trees.

After much discussion, Councilor Leach requested that this be brought back to Council at the next meeting as an action item. Councilor Dickison requested that Public Works obtain a cost estimate

from a certified Arborists for trimming the problem trees. This was approved by consensus of the Council.

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

R. COMMUNICATIONS, CORRESPONDENCE AND INFORMATION: None.

S. 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: Stated she had attended the JPA 1 Meeting. She then informed the Council that the Agency plans to purchase with grant funds a Cargo Trailer that will be utilized to collect reuseable items such as paint, etc. This trailer will be taken to events throughout Tehama County.

Leach: Announced that on May 20th there will be a 3CORE Meeting at the Supervisors Chambers in Red Bluff from 9:30 a.m. to 12:00 p.m.

Dickison: Announced that LAFCO has cancelled the monthly meeting once again.

Linnet: Stated he is staying ahead of the graffiti. The Police Department is now contacting him and informing him of areas tagged which allows him to more quickly respond.

Strack: Nothing.

T. ADJOURNMENT!: 8:18 p.m.

Lisa M. Linnet, City Clerk



MEMORANDUM

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: LORI SIMS
ACCOUNTING ASSISTANT

DATE: May 18, 2011

SUBJECT: Cash Disbursement Detail Report for the
Tuesday, May 24, 2011 Council Meeting

PROPOSED CASH DISBURSEMENTS FOR YOUR APPROVAL CONSIST OF THE FOLLOWING:

A.	Cash Disbursements	Ending	05-10-11	\$	2,791.63
B.	Cash Disbursements	Ending	05-12-11	\$	73,682.37
C.	Cash Disbursements	Ending	05-16-11	\$	12,473.54
D.	Cash Disbursements	Ending	05-17-11	\$	12,866.32
E.	Cash Disbursements	Ending	05-18-11	\$	5,609.48
F.	Payroll Disbursements	Ending	05-17-11	\$	40,819.79
GRAND TOTAL				\$	<u>148,243.13</u>

REPORT.: May 10 11 Tuesday
 RUN....: May 10 11 Time: 10:44
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 05-11 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
012426	05/10/11	ARA02	ARAMARK UNIFORM SRV.INC.	34.79	.00	34.79	1074368	Mat/Supplies-
				37.87	.00	37.87	1084200	Mat/Supplies-
				33.56	.00	33.56	1093973	Mat/Supplies-
			Check Total.....:	106.22	.00	106.22		
012427	05/10/11	FIR00	FIRST NATIONAL BANK	763.40	.00	763.40	110428	CONF/MTGS-
012428	05/10/11	FIR02	FIRST NATIONAL BANK	190.82	.00	190.82	090428	TRAINING/ED-POLICE
012429	05/10/11	OFF01	OFFICE DEPOT	313.54	.00	313.54	133871942	EQUIP MAINT-POLICE
012430	05/10/11	PGE04	PG&E	391.22	.00	391.22	110503	TranspFacility-
012431	05/10/11	PGE2A	PG&E	116.15	.00	116.15	110502	ELECT-MARTINI, MCDONALD &
				37.36	.00	37.36	110503	ELECT-CLELAND PROP
			Check Total.....:	153.51	.00	153.51		
012432	05/10/11	STR12	STROING, KYLEE	872.92	.00	872.92	110509	TRAINING/ED-POLICE
			Cash Account Total.....:	2791.63	.00	2791.63		
			Total Disbursements.....:	2791.63	.00	2791.63		

REPORT.: May 13 11 Friday
 RUN....: May 13 11 Time: 08:41
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
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012433	05/12/11	BAS01	BASIC LABORATORY, INC	86.00	.00	86.00	1104317	ProfServices Water Dept
012434	05/12/11	BEN04	BEN TOILET RENTALS, INC.	271.09	.00	271.09	238998	MAT & SUPPLIES-PARKS
012435	05/12/11	CCM01	CA CITY MANAGEMENT FOUNDA	400.00	.00	400.00	2011-12	ASSOC DUES/ADMIN
012436	05/12/11	CHE02	CHEM QUIP, INC.	322.72	.00	322.72	5082469	MAT & SUPPLIES-POOL
012437	05/12/11	DEP12	DEPT OF JUSTICE	318.00	.00	318.00	845937	PROF SVCS-
012438	05/12/11	FOR01	FOREMOST PROMOTIONS	142.00	.00	142.00	124048	MAT & SUPPLIES-POLICE
012439	05/12/11	FRA03	FRANKLIN CONSTRUCTION, IN	19409.40	.00	19409.40	11-0511	SIGNAL IMPROVEMENTS-STR P
012440	05/12/11	HOL04	HOLIDAY MARKET #32	21.06	.00	21.06	37746	TRAINING/ED-POLICE
012441	05/12/11	ICM02	ICMA MEMBERSHIP RENEWALS	360.00	.00	360.00	206005A	Assoc.Dues City Admin.
012442	05/12/11	IMA01	IMAGE SALES, INC.	16.16	.00	16.16	26918	PROF SVCS-POLICE
012443	05/12/11	KOE01	KOEFRAN	250.00	.00	250.00	597550	PROF SVCS-ACO
012444	05/12/11	LIN01	LINCOLN EQUIPMENT, INC.	568.98	.00	568.98	SI158873	MAT & SUPPLIES-POOL
012445	05/12/11	NOR01	NORTH VALLEY BARRICADE	142.89	.00	142.89	14147	SIGN REPLAC-STR
012446	05/12/11	NOR10	NICOLINO CLEMENTE	152.62	.00	152.62	1895	CERT OF EXTNG-BLD MAINT
012447	05/12/11	NOR32	NORTHSTATE CARDIOLOGY	660.00	.00	660.00	37805	PROF SVCS-POLICE
012448	05/12/11	PAT02	PATTERSON ELECTRIC, INC.	39.49	.00	39.49	2344	EQUIP MAINT-POLICE
012449	05/12/11	PGE03	PG&E	35.11	.00	35.11	110503	Mat/Supplies PoliceServic
012450	05/12/11	POW04	POWER UP ELECTRIC	758.96	.00	758.96	51002	MAT & SUPPLIES-WTR
012451	05/12/11	QUI02	QUILL CORPORATION	198.49	.00	198.49	4056400	Office Supplies-FINANCE
				57.26	.00	57.26	4057049	Office Supplies-
				503.27	.00	503.27	4088058	Office Supplies-
			Check Total.....	759.02	.00	759.02		
012452	05/12/11	SWW00	SWWC SERVICES, INC.	45087.79	.00	45087.79	17818	PROF SVCS-WWTP
				2696.38	.00	2696.38	17819	PRETREATMENT PRORAM-SWR
			Check Total.....	47784.17	.00	47784.17		
012453	05/12/11	TEH15	TEHAMA CO SHERIFF'S DEPT	147.00	.00	147.00	110503	PROF SVCS-

REPORT.: May 13 11 Friday
 RUN....: May 13 11 Time: 08:41
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 05-11 Bank Account.: 1020

PAGE: 002
 ID #: PY-DP
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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
012454	05/12/11	TEH20	TEHAMA CO DISTRICT ATTY	334.50	.00	334.50	110503	ProfServices PoliceServic
012455	05/12/11	TRI02	TRI-COUNTY NEWSPAPERS	97.92	.00	97.92	117576	PROF SVCS-BLACKBURN IMPRO
				138.37	.00	138.37	117810	PROF SVCS-BLACKBURN IMPRO
				59.24	.00	59.24	117874	CONSULTANT-FLOOD MITIGATI
Check Total.....:				295.53	.00	295.53		
012456	05/12/11	UNI02	UNIFORMS, TUXEDOS & MORE	368.70	.00	368.70	106133	UNIFORM/CLOTH-POLICE
				38.97	.00	38.97	106134	EQUIP MAINT-POLICE
Check Total.....:				407.67	.00	407.67		
Cash Account Total.....:				73682.37	.00	73682.37		
Total Disbursements.....:				73682.37	.00	73682.37		
				=====	=====	=====		

REPORT.: May 16 11 Monday
 RUN....: May 16 11 Time: 12:39
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
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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
012457	05/16/11	ACI01	ACI SPECIALTY BENEFITS	324.00	.00	324.00	11713	WorkmensComp. General Cit
012458	05/16/11	AIR00	AIRGAS NCN	51.21	.00	51.21	102060500	MAT & SUPPLIES-FIRE
012459	05/16/11	APP01	APPLY-A-LINE INC.	5996.00	.00	5996.00	46568	Thermo Plastic Streets
012460	05/16/11	BAS01	BASIC LABORATORY, INC	86.00	.00	86.00	1104592	ProfServices Water Dept
012461	05/16/11	CAL16	CALIFORNIA SAFETY COMPANY	255.00	.00	255.00	180827	EQUIP MAINT-POLICE
				897.99	.00	897.99	180828	EQUIP MAINT-POLICE
			Check Total.....:	1152.99	.00	1152.99		
012462	05/16/11	CAR12	CARREL'S OFFICE MACHINES	3.13	.00	3.13	100204	MAT & SUPPLIES-LIBRARY
012463	05/16/11	CHE02	CHEM QUIP, INC.	2906.94	.00	2906.94	5078894	MAT & SUPPLIES-POOL
012464	05/16/11	DIA04	DIAZ ASSOCIATES	600.00	.00	600.00	050311-06	PROF SVCS-HOUSING ELEMENT
012465	05/16/11	LOC03	LOCAL GOVERNMENT PUBLICAT	119.56	.00	119.56	110512	BOOKS/PERIODICS-LEGAL SVC
012466	05/16/11	MUN02	MUNICIPAL CODE CORPORATIO	227.33	.00	227.33	00206209	PROF SVCS-CITY CLERK
012467	05/16/11	NOR10	NICOLINO CLEMENTE	137.62	.00	137.62	1718	CERT OF EXTNG-BLD MAINT
012468	05/16/11	PGE05	PG&E	826.75	.00	826.75	110503	FIRE-ELECT & GAS
012469	05/16/11	WES02	WESTERN BUSINESS PRODUCTS	42.01	.00	42.01	028797	EQUIP MAINT-FIRE DISPATCH
			Cash Account Total.....:	12473.54	.00	12473.54		
			Total Disbursements.....:	12473.54	.00	12473.54		

REPORT.: May 17 11 Tuesday
 RUN...: May 17 11 Time: 14:41
 Run By.: LORI

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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
012470	05/17/11	BAT01	BATTERIES PLUS	432.98	.00	432.98	137260	EQUIP MAINT-POLICE
012471	05/17/11	CAM02	CAMELLIA VALLEY SUPPLY	502.80	.00	502.80	0769399	MAT & SUPPLIES-WTR
012472	05/17/11	CHE02	CHEM QUIP, INC.	1087.24	.00	1087.24	5084086	MAT & SUPPLIES-WTR
012473	05/17/11	COR03	CORNING RENTALS	550.00	.00	550.00	33771	MAT & SUPPLIES-
				20.00	.00	20.00	33838	ADA FOUNTAINS-PARKS
Check Total.....				570.00	.00	570.00		
012474	05/17/11	DEP12	DEPT OF JUSTICE	17.00	.00	17.00	850329	PROF SVCS-POLICE
012475	05/17/11	FIT01	FITZPATRICK LAW OFFICES	768.00	.00	768.00	28623	GEN CITY SVCS(GARY PRICE)
				1440.00	.00	1440.00	28624	GEN CITY SVCS-
				552.00	.00	552.00	28625	GEN CITY SVCS(MARIJUANA) -
Check Total.....				2760.00	.00	2760.00		
012476	05/17/11	GOL03	GSEF / WFM	1844.06	.00	1844.06	I-031822	Mat/Supplies-WTR
012477	05/17/11	GRA02	GRAINGER, W.W., INC	1354.68	.00	1354.68	953414788	MAT & SUPPLIES-
012478	05/17/11	JON02	JONES INSURANCE	1450.00	.00	1450.00	110517	USDA BOND ANN.-GEN CITY
012479	05/17/11	LIN01	LINCOLN EQUIPMENT, INC.	1622.87	.00	1622.87	SI161362	MAT & SUPPLIES-POOL
012480	05/17/11	MAI00	MAIRE & BURGESS	286.00	.00	286.00	41870	PROF SVCS-LGL
012481	05/17/11	NOR01	NORTH VALLEY BARRICADE	270.63	.00	270.63	14173	MAT & SUPPLIES-COMM EVENT
012482	05/17/11	NOR18	NORTH VALLEY DISTRIBUTING	389.70	.00	389.70	S10733780	MAT & SUPPLIES-AIRPORT
012483	05/17/11	OFF01	OFFICE DEPOT	219.10	.00	219.10	564002372	Office Supplies PoliceDis
012484	05/17/11	QUI02	QUILL CORPORATION	27.05	.00	27.05	4205910	Office Supplies-DISPATCH
				32.21	.00	32.21	4235413	Office Supplies-
Check Total.....				59.26	.00	59.26		
Cash Account Total.....				12866.32	.00	12866.32		
Total Disbursements.....				12866.32	.00	12866.32		

REPORT.: May 18 11 Wednesday
 RUN...: May 18 11 Time: 15:12
 Run By.: LORI

CITY OF CORNING
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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
012485	05/18/11	ALL05	ALL METALS SUPPLY	122.72	.00	122.72	264708	MAT & SUPPLIES-SWR
012486	05/18/11	ATT13	AT&T	719.51	.00	719.51	110511	COMMUNICATIONS-
012487	05/18/11	CON07	CONEXIS	30.00	.00	30.00	0411OR348	MEDICAL INS-COBRA
012488	05/18/11	CRE01	CR ENGINEERING	3800.00	.00	3800.00	11-0517	CLARK PARK WELL-WTR
012489	05/18/11	SUN01	SUNRISE ENVIRONMENTAL	242.18	.00	242.18	6540	MAT & SUPPLIES-STR
				509.82	.00	509.82	6572	VEH OP/MAINT-
Check Total.....:				752.00	.00	752.00		
012490	05/18/11	SWW00	SWWC SERVICES, INC.	185.25	.00	185.25	17804	PROF SVCS-WWTP
Cash Account Total.....:				5609.48	.00	5609.48		
Total Disbursements.....:				5609.48	.00	5609.48		
Cash Account Total.....:				.00	.00	.00		

REPORT.: May 18 11 Wednesday
 RUN...: May 18 11 Time: 15:12
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report - Payroll Vendor Payment(s)
 Check Listing for 05-11 Bank Account.: 1025

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
5005	05/17/11	BAN03	POLICE OFFICER ASSOC.	350.00	.00	350.00	B10517	POLICE OFFICER ASSOC
5006	05/17/11	CAL37	CALIFORNIA STATE DISBURSE	138.46	.00	138.46	B10517	WITHHOLDING ORDER
5007	05/17/11	EDD01	EMPLOYMENT DEVELOPMENT	3475.17	.00	3475.17	B10517	STATE INCOME TAX
				1177.90	.00	1177.90	1B10517	SDI
			Check Total.....:	4653.07	.00	4653.07		
5008	05/17/11	ICM01	ICMA RETIREMENT TRUST-457	2577.32	.00	2577.32	B10517	ICMA DEF. COMP
5009	05/17/11	OEU03	OPERATING ENGINEERS	500.00	.00	500.00	B10517	CREDIT UNION SAVINGS
5010	05/17/11	PERS1	PUBLIC EMPLOYEES RETIRE	25460.63	.00	25460.63	B10517	PERS PAYROLL REMITTANCE
5011	05/17/11	PERS4	Cal Pers 457 Def. Comp	371.46	.00	371.46	B10517	PERS DEF. COMP.
5012	05/17/11	PRE03	PREMIER WEST BANK	4812.73	.00	4812.73	B10517	HSA DEDUCTIBLE
5013	05/17/11	STA04	STATE OF CALIFORNIA	231.77	.00	231.77	B10517	WAGE ASSN 553605213
5014	05/17/11	TEH15	TEHAMA CO SHERIFF'S DEPT	589.71	.00	589.71	B10517	WAGE ASSN # 43462
5015	05/17/11	VAL06	VALIC	1134.64	.00	1134.64	B10517	AIG VALIC P TAX
			Cash Account Total.....:	40819.79	.00	40819.79		
			Total Disbursements.....:	40819.79	.00	40819.79		
				=====	=====	=====		

Date.: May 18, 2011
Time.: 3:28 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
COFFEE CLUB	1313 SOLANO ST	CORNING, CA 96021	HENSON	ROBIN & COFFEE, PASTRIES, & LUNCHES	05/05/11	(530) 520-7603
DUVANE BLDG SPECIA	6613 ESCALLONIA WAY	ROCKLIN, CA 95765	DUVANE	CHAD CONTRACTOR	05/05/11	(916) 847-1164
LEDBETTER SERVICES	1312.5 SOLANO ST	CORNING, CA 96021	LEDBETTER	JAKE COMPUTER REPAIR, WEBSITE DESIGN, TRAININ	05/10/11	(530) 586-1513
MIKE'S SERVICE	1315 COLUSA ST	CORNING, CA 96021	KELLEY	MIKE BACKHOE WORK, CLEAN UP, DIGGING, REMOVIN	05/05/11	(530) 838-0562
MUSE CONCRETE CONTRA	8599 COMMERCIAL WAY	REDDING, CA 96002	----	CHRISTI CONTRACTOR	05/05/11	(530) 226-5151
RESTAURANTE EL MANA	1510 SOLANO ST	CORNING, CA 96021	MADRIGAL	OCTAVIO RESTAURANT	05/10/11	(530) 824-2033
ROLLING HILLS CLINIC	740 SOLANO ST	CORNING, CA 96021		CLINIC MEDICAL & DENTAL CLINIC	05/05/11	(530) 690-2827
SANDOVAL, THOMAS	512 MARIN ST	CORNING, CA 96021	SANDOVAL	THOMAS AUTOMOBILE DELIVERY	05/05/11	(530) 586-2655
ST. ELIZABETH - BLOO	702 SOLANO ST	CORNING, CA 96021	HALFHIDE	JON BLOOD DRAW STATION (NON-TESTING SITE)	05/10/11	(530) 529-8010

ITEM NO: G-5
RECOMMEND APPOINTMENT OF
BLAINE SMITH TO THE CORNING
RECREATION COMMISSION
MAY 24, 2011

TO: HONORABLE MAYOR AND COUNCILMEMBERS
OF THE CITY OF CORNING

FROM: GARY R. STRACK, MAYOR 
LISA M. LINNET, CITY CLERK 

SUMMARY:

Following an interview with Mr. Smith, Mayor Strack recommends his appointment to the Corning Recreation Commission.

BACKGROUND:

At the April 5, 2011 Recreation Commission Meeting, Commissioner Allen Turner officially resigned his position on the Recreation Commission. This resignation created one of the vacancies on this Commission, the other resulted from the previous resignation of Commission Chairperson Loretta Price.

Local resident Blaine Smith submitted an application for appointment to the Corning Recreation Commission on May 11, 2011. Mr. Smith is an active member of the Community. As a volunteer, he has offered his assistance to City Planning Director John Stoufer with plans and design for the new Park in relation to the Prop. 84 Park Grant.

RECOMMENDATION:

MAYOR AND COUNCIL REVIEW THE ATTACHED APPLICATION AND APPOINT BLAINE SMITH TO COMPLETE THE COMMISSION TERM OF FORMER COMMISSIONER ALLEN TURNER. THIS WAS A FOUR-YEAR TERM SCHEDULED TO END JUNE 30, 2011.



RECEIVED

CITY OF CORNING

MAY 11 2011

APPLICATION FOR COMMISSION APPOINTMENT CITY OF CORNING

Date: May 10, 2011

- Commission: Planning Commission
 Recreation Commission
 Library Commission
 Airport Commission

Name: Blaine Smith

Home Address: 5280 Toomes Ave
Corning, CA 96021

Phone No.: (951) 500-5553

Business Address: 1607 Solano Street
Corning, CA 96021

Phone No.: (530) 824-4101

Occupation: _____

Do you reside within the City of Corning? Yes No _____

What qualifications do you have that will assist the Commission of your choice in fulfilling its functions? I have obtained a B.S. and M.A. in sports and recreation. I have been exposed to many management, organization and planning experiences. I think that with this experience could help the commission for the future. Please see my attach Resume for more explanation of my skills and abilities.

Have you served on other Boards, Committees, or Commissions? Yes No _____

If so, please list them:

ASB treasure; Corning High School, HESA club planning and treasure; La Sierra Univ, SAAC committee NCAA/LSU, Athletic director interview committee; LSU, Athletic Fields Planning Committee; LSU

Have you researched the time and travel commitments associated with serving on this

Commission? Yes No _____

Can you meet those commitments? Yes No _____

Please comment on your reasons for seeking this appointment. I was born and

raised in Corning and now with my college education, I would like to give back to the community

Signature

STATE LAW REQUIRES THAT APPOINTMENTS TO BOARDS AND COMMISSIONS BE CONSIDERED BY THE CITY COUNCIL IN OPEN SESSION AND YOU MAY BE ASKED TO BE PRESENT FOR AN INTERVIEW.

Objective:

To obtain a position on the recreation commission so I can provide outstanding service to support the commission in any way I can.

Education:

Master of Arts Degree, Sport Management
University of San Francisco, Orange County, CA – May 2010

Bachelor of Science Degree, Exercise Science:
Scientific Basis, Minor in Physical Education
La Sierra University, Riverside, CA – June 2007

Related Work Experience:

California State University Fullerton, Marketing & Promotions – VIP hospitality and game-day promotions manager

- Performed in-game promotions for men's and women's basketball, baseball and softball events.
- Coordinated music, half time shows and entertainment at games.
- Responsible for supervision of workers for in-game marketing promotions.
- Monitored the VIP hospitality room for sponsors, box seat holders, coaches and athletic directors.
- Assistant in fundraising with sign-up to set-up and completion.

La Sierra University, Athletics – Assistant Men's Basketball Coach and Sports Information Manager

- Coordinated operations for set-up, in-game, and tear-down duties for all intercollegiate sporting events.
- Managed ten student employees to keep accurate statistics for all ten sponsored athletic sports.
- Reported statistics to the Sports Information Director, NCAA and updated the athletic web site.
- Developed and maintained video recording and copying system for all sport competitions.

La Sierra University, Center for Student Academic Success - Academic Coach

- Organized and maintained summer orientations for all incoming freshman.
- Conducted weekly meetings one-on-one with 40 incoming freshman for their entire first-year.
- Computer savvy in Microsoft word, excel, powerpoint, access, outlook and other useful platforms.
- Responsible for creating print, copy and electronic paperwork for office and student use.
- Kept accurate reports on each individual student on a weekly and annual basis for my supervisor.
- Research, input and developed databases for school official and supervisors.

La Sierra University, Facilities and special events /Recreational Sports Intramural Director

- Large crowd event set up, tear down and supervision duties.
- Developed paperwork tracking and yearly calendars for future activities.
- Accountable for product inventory and ordering and scheduler and coordinator of six recreational sports.
- Managed student employees as my crew for events and intramural referees.
- Establish effective relationships with athletic directors, staff, students and community members.

Playing Experience:

- Six sport athlete in high school. Football, Basketball, Baseball, Golf, Track & Field and Cross Country.
- Three sport athlete NCAA Division III; Basketball, Baseball, and Golf
- Three plus years of coaching at the high school and College level; men's basketball and High school Track & Field

Related Skills:

- Knowledge in developing large event lay-outs and facility safety.
- Very skilled at working office equipment; printers, scanners, faxes, copiers.
- Skilled at building rapport and understanding the needs of others.
- Trained and experienced in researching and presenting information to upper management and board members.
- Above average ability to communicate efficiently and effectively.
- Knowledgeable in preparing budgets and controlling important fiscal operating materials.

ITEM NO: G-6
APPROVE CONTRACT CHANGE
ORDER #4 INCREASING THE
SOLANO/MARGUERITE AVENUE
TRAFFIC SIGNAL INSTALLATION
PROJECT BY \$5,115.90 FOR A TOTAL
PROJECT COST OF \$289,955.47

MAY 24, 2011

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: STEPHEN J. KIMBROUGH, CITY MANAGER
ED ANDERSON, CITY ENGINEER
JOHN L. BREWER, AICP, DIRECTOR OF PUBLIC WORKS

Steve
JD

SUMMARY:

Staff recommends the City Council approve the attached Change Order No. 4 in the amount of \$5,115.90. The Change Order is attached for Council review and approval. City Engineer Ed Anderson has provided the justification for the additional work and cost within the requested Change Order document. The revised contract total for this traffic signal improvement project, including this Change Order will be \$289,955.47.

Original Construction Contract	\$ 252,242.00
Contract Change Order No. 1	\$ 28,225.37
Contract CCO No. 2	\$ 4,372.20
Contract Change Order No. 3 (contract extension)	\$ 0.00
Adjusted Contract Amount	\$ 284,839.57
Proposed CCO No. 4	\$ 5,115.90
Total Adjusted Contract Amount	\$ 289,955.47

To summarize, Contract Change Order No. 4 provides for labor and material expenses that Franklin Construction encountered to excavate and place aggregate base rock resulting from subgrade saturation from a leaking fire hydrant. Oddly, no prior evidence of the leak was visible at the ground surface. The fire hydrant leak has since been repaired.

RECOMMENDATION:

**MAYOR AND COUNCIL APPROVE CONTRACT CHANGE ORDER #4
INCREASING THE TRAFFIC SIGNAL INSTALLATION PROJECT CONTRACT BY
\$5,115.90.**

CONTRACT CHANGE ORDER

Order No. 4

Date: May 9, 2011

Contract for: Traffic Signal Installation and Related Work at Marguerite and Solano St.

Owner: City of Corning, 794 Third Street, Corning, CA 96021

To: Franklin Construction, Inc. 217 Flume St., Suite 200, Chico, CA 95928

You are hereby requested to comply with the following changes from the contract plans and specifications.

Description of Changes	DECREASE In Contract Price	INCREASE In Contract Price
1. Over excavation and placement of aggregate base rock as a result of subgrade saturation, caused as the result of a water leak near the existing fire hydrant at the Marguerite/Solano intersection.	0	\$ 5,115.90
Net Change in Contract Price:	0	\$ 5,115.90

JUSTIFICATIONS:

1. When the Contractor resumed work, following the suspension of the project because of inclement weather, upon excavation of the sidewalk on the east side of Marguerite Ave. the sub-grade was super saturated to the degree that it was not feasible to compact. It was necessary to over excavate the existing soil approximately one-foot deeper than initially required, and place and compact aggregate base rock in the over excavated area in order to achieve adequate compaction to support the new sidewalk. The saturated condition was the result of a water leak near the fire hydrant. The water had seeped underground down Marguerite Ave. almost the entire length of the project limits. A breakdown of the Contractor's labor, equipment and materials costs is attached. The leak had gone undetected because the seepage was under the sidewalk and not in the traveled way.

The contract total including this and previous change orders will be: \$ 289,955.47

The contract completion date will remain at: June 30, 2011

This document will become a supplement to the Contract and all provisions will apply hereto.

Requested: _____	Date: _____
Franklin Construction, Inc.	
Recommended: _____	Date: _____
J.E. (Ed) Anderson, City Engr	
Accepted: _____	Date: _____
City of Corning	



Change Order Request #4

Date: May 4, 2011

To: Ed Anderson
City Engineer
P.O. Box 839
Chico, CA 95927
(530) 570-3996
edandersn@sbcglobal.net

From: Myles MacColl
Project Engineer
Franklin Construction, Inc.
217 Flume Street, Suite 200
Chico, CA 95928
Phone (530) 343-9600 Fax (530) 343-4245

PROJECT: Marguerite Ave/ Solano Street Traffic Signal Installation
DESCRIPTION: CCO#4 - Over Excavation for Hydrant Leak

Item 1 - Over Excavate for Hydrant Leak \$5,115.90

Franklin Construction \$5,115.90

Breakdown:

Delivered Baserock 12TN/LD = 7.5 Loads @ \$225.00/LD
Off Haul Excavated Material 8cy/LD = 8 Loads @ \$126.50/LD
Operated Backhoe 8 Hours @ \$150.50/HR
Operated Roller 4 Hours @ \$120.00/HR
Foreman 8 Hours @ \$91.55/HR

TOTAL NOTICE OF POTENTIAL CLAIM \$5,115.90

This Contract Change Order Request is for the work required to over excavate 1,168 SF of unsuitable material due to the relocation of the existing fire hydrant that, when relocated, created a leak causing the soil to be saturated. The over excavation and additional aggregate baserock was completed to eliminate any delays in the work that would be required to dry out the soils. The location of the over excavation was originally thought to be only located near the fire hydrant, however, once the concrete was demolished and we started to make subgrade, we encountered the saturated soil all the way down to our project limits on Marguerite Avenue.

1. Item #1 is based on over-excavating 1168 square feet at a depth of 12" (64 CY). This price includes all the labor, equipment and material required to excavate, load and off haul the material to an offsite location. This item also includes the placement of 89 TN of aggregate baserock at a finish compacted sectional thickness of 12" below the originally proposed dirt subgrade. The additional aggregate baserock was placed to bridge the saturated soil to allow for proper compaction.

Please let me know if you have any questions or comments.

Thank You,

A handwritten signature in black ink, appearing to read "Myles MacColl".

Myles MacColl
Project Engineer

Proposal for:
Marguerite Ave - Over Excavation For Hydrant Leak

Bid Date: 4/27/2011
 Time: 11:00AM

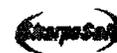
From
 Franklin Construction, Inc.
 217 Flume Street Suite 200 Chico, CA 959285427
 LN: 567469 Type: A
 (530) 343-9600 Fax: (530) 343-4245

City Of Corning
 794 Third Street
 Corning, CA

Bid-Item	Description	Quantity	Unit	Unit Price	Total Price
01	Delivered Baserock	7.50	LD	225.0000	1,687.50
02	Off Haul Excavated Material	8.00	LD	126.5000	1,012.00
03	Operated Backhoe	8.00	HR	150.5000	1,204.00
04	Operated Roller	4.00	HR	120.0000	480.00
05	Foreman	8.00	HR	91.5500	732.40
				Total:	5,115.90

Estimator: Myles MacColl

For Job: Marguerite Ave - Over Excavation For Hydrant Leak



Generated by a SharpeSoft Product

**ITEM NO. I-7
ADOPT RESOLUTION NO. 05-24-2011-02, A
RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF CORNING ACCEPTING THE HOUSING
ELEMENT UPDATE AND PREPARATION OF A
MIXED USE ORDINANCE RESULTING FROM A
GRANT ALLOCATION FROM PLANNING AND
TECHNICAL ASSISTANCE FUNDS OF THE
STATE COMMUNITY DEVELOPMENT BLOCK
GRANT PROGRAM.**

MAY 24, 2011

**TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS
FROM: STEPHEN J. KIMBROUGH, CITY MANAGER
JOHN STOUFER; PLANNING DIRECTOR**



SUMMARY

The Housing Element is a State mandated General Plan Element that describes housing needs of residents of all income levels, and includes discussion of housing needs of specific groups as well, such as seniors, owner-builders, disabled persons and the homeless. The Housing Element contains policies that affect the kinds, locations and intensities of land uses and new development within the City limits and the City's Sphere of Influence which are lands in Tehama County that may be annexed to the City in the future.

The City of Corning commissioned the services of a consultant, Diaz Associates, to update the Housing Element and prepare a "Mixed Use Ordinance" through funding provided by a Community Development Block Grant Planning and Technical Assistance grant 08-STBG-5345. The City Council adopted the Housing Element Update on July 13, 2010. The California Department of Housing and Community Development (H&CD) has certified the Housing Element Update.

Mr. Diaz has completed the preparation of a draft "Mixed Use Ordinance" that is currently being reviewed by staff and will be reviewed at a public hearing by the Planning Commission prior to public hearings before the City Council for potential adoption. The "Mixed Use" land use classification allows for a greater variety of uses and flexibility in land uses and site planning than is generally permitted in other land use classifications. The intent of the Mixed Use Overlay (Mixed Use – MU) classification is to allow the creation of a mix of land uses in a compact pattern that will: assist to reduce dependency on the automobile; assist in the reduction of air quality impacts, particularly those associated with automobile emissions; and, promote high-quality, interactive neighborhoods.

The purpose of this final hearing is to notify the public about accomplishments funded by the grant and for the governing body to accept the final product. The public meeting gives citizens an opportunity to make their comments known regarding the products produced by the grant funds.

RECOMMENDATION:

MAYOR AND COUNCIL ADOPT RESOLUTION NO. 05-24-2011-02; THE RESOLUTION TO DETERMINE THAT THE UPDATE OF THE CITY OF CORNING HOUSING ELEMENT AND PREPARATION OF A "MIXED USE ORDINANCE" WAS IN ACCORDANCE WITH THE PLANNING AND TECHNICAL ASSISTANCE FUNDS THAT PROVIDED FUNDING FOR THIS WORK AND HEREBY ACCEPTS THE UPDATE FOR THE PURPOSES OF THE GRANT.

RESOLUTION NO. 05-24-2011-02

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORNING
ACCEPTING THE HOUSING ELEMENT UPDATE AND PREPARATION OF A
"MIXED USE ORDINANCE" RESULTING FROM A
GRANT ALLOCATION FROM PLANNING AND TECHNICAL ASSISTANCE FUNDS
OF THE STATE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

WHEREAS, Government Code Section 65300 requires that Cities adopt comprehensive, long-term general plans for their physical development, and,

WHEREAS, Government Code Section 65302 requires the General Plan to contain at least seven elements, including a Housing Element, and,

WHEREAS, Government Code Section 65588 requires periodic updates to the Housing Element, and

WHEREAS, the City Council of the City of Corning commissioned the Housing Element Update; and

WHEREAS, the City of Corning received Community Development Block Grant Planning and Technical Assistance grant funds to fund this Update; and

WHEREAS, Policy HP-3 was adopted as one of several policies to assist the City to attain Goal HP and calls to: "Support the development of mixed-use projects encompassing residential and commercial development."

WHEREAS, the notice for a public hearing was duly published in accordance with State regulations and a public hearing was held on May 24, 2011.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORNING that the City Council has reviewed and considered public comment related to the Housing Element Update. The Council hereby determines that the update and preparation of a "Mixed Use Ordinance" has been created in accordance with the Planning and Technical Assistance funds that provided funding for this Update and hereby accepts the Update for the purposes of the Grant.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Corning City Council on May 24, 2011 by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

Gary R. Strack, Mayor

ATTEST:

Lisa M. Linnet, City Clerk

ITEM NO.: J-8
PUBLIC HEARING; ORDINANCE NO. 646; AN
ORDINANCE AMENDING CHAPTER 15.32 OF
THE CORNING MUNICIPAL CODE REGARDING
THE INFORMAL BID LIMIT OF THE "CONTRACT
AND BIDDING PROCEDURES FOR PUBLIC
PROJECTS"

May 24, 2011

TO: CITY COUNCIL OF THE CITY OF CORNING, CALIFORNIA
FROM: STEPHEN J. KIMBROUGH; CITY MANAGER
JOHN L. BREWER, AICP; PUBLIC WORKS DIRECTOR



SUMMARY:

Staff recommends amending the City Code to reflect the increased public project informal bid threshold included in City Code Chapter 15.32. Attached Ordinance No. 646 is offered to accomplish that. The revised thresholds are in accordance with the most current thresholds of Section 22032 of the State Public Contract Code.

BACKGROUND:

In an effort to standardize contracting procedures, the state adopted the Public Contracts Code (hereafter PCC). That code includes regulations that describe the process for which public construction projects can be completed by City employees, or "put out to bid" by private contractors. Included among the regulations is a section permitting an "alternative bidding process" for agencies that adopt the "statewide costs accounting standards". The City of Corning adopted those standards as Ordinance No. 601 in 2003. The ordinance was incorporated into the Municipal Code as Chapter 15.32.

The alternative bid procedures include bid "thresholds" codified within PCC Section 22032 and locally as "dollar amount limits" within Section 15.32.010 (attached). Those PCC thresholds were amended in 2005. We last updated our City Code to address these thresholds in 2009 (Ord. No. 636).

State Controller John Chiang sent the attached letter to all public agencies advising of a recent increase to the "informal bid limit" that becomes effective July 1, 2011. The threshold for the informal process has been increased from \$125,000 to \$175,000. Projects costing over \$175,000 must be bid in accordance with the formal bidding procedure.

It is now appropriate to amend our City Code to reflect the updated threshold for consistency with the PCC (State Law). Those revisions will specifically amend Sections 15.32.010.B & 15.32.010.C. Proposed Ordinance No. 646 is offered for that purpose.

STAFF RECOMMENDATION:

That the Mayor and City Council:

- **At the May 24, 2011 meeting; waive the first reading and introduce Ordinance No. 646, an Ordinance to amend the "dollar amount limits" of Corning Municipal Code Section 15.32.010.**

Attached: Ordinance 646
State Controller's letter
Current CMC Chapter 15.32

ORDINANCE NO. 646

**AN ORDINANCE OF THE CITY OF CORNING
AMENDING CHAPTER 15.32 OF THE CORNING MUNICIPAL CODE
REGARDING THE INFORMAL BID LIMIT OF THE "CONTRACT AND BIDDING
PROCEDURES FOR PUBLIC PROJECTS"**

The City Council of the City of Corning, having conducted a hearing in accordance with State Law on May 10, 2011, does hereby ordain as follows:

To amend Sections 15.32.010(B) and 15.32.010(C) of Title 15 (Building and Construction) of the City of Corning to read as follows:

Section 1. Section 15.32.010(B) of the Corning Municipal Code is amended to read as follows:

"Public projects of one hundred seventy five thousand dollars (\$175,000) or less may be let to contract by informal procedures as set forth below."

Section 2. Section 15.32.010(C) of the Corning Municipal Code is amended to read as follows:

"Public projects of more than one hundred seventy five thousand dollars shall, except as otherwise provided herein or within the Uniform Public Construction Cost Accounting Act, be let to contract by formal bidding procedures."

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Corning, held on May 10, 2011 and adopted at a regular meeting of the City Council of the City of Corning, held _____ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Gary R. Strack, Mayor

ATTEST:

Lisa M. Linnet, City Clerk

Published:

cc: John B.



JOHN CHIANG
California State Controller

April 25, 2011

To: ALL PUBLIC AGENCIES SUBJECT TO THE TERMS OF THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

Re: Increase In The Informal Bid Limit Pursuant To Public Contract Code Section 22032

This letter is to inform you that the informal bid limit prescribed by section 22032 of the Public Contract Code will be increased to \$175,000 effective for the fiscal year beginning July 1, 2011. This increase is pursuant to the terms of the Uniform Public Construction Cost Accounting Act (Act) and is at the recommendation of the California Uniform Construction Cost Accounting Commission (CUCCAC).

The Act provides public agencies economic benefits and greater freedom in expediting public works projects. Agencies electing to follow the cost accounting procedures set forth in the *Cost Accounting Policies and Procedures Manual*, prescribed by the CUCCAC, will have the advantages of an increased force account limit, an increased bid limit, and an alternative informal bidding procedure.

Any city, county, redevelopment agency, special district, school district, and community college district can voluntarily elect to become a participant of the Act. After opting into the Uniform Public Construction Cost Accounting Act, by resolution of its governing board, participants enjoy the advantage of the streamlined awards process, as well as reductions in paperwork related to advertising and report filing. In return, the signatory agency agrees to provide cost accounting information in the format prescribed in the *Cost Accounting Policies and Procedure Manual* and to adhere to the terms of the Act until the agency formally opts out. For more details or contact information, please visit our website at <http://www.sco.ca.gov/ard/local/cuccac>.

Sincerely,


JOHN CHIANG
California State Controller

Ord. 6416

Chapter 15.32CONTRACT AND BIDDING PROCEDURES FOR PUBLIC PROJECTSSections:

- 15.32.010 Contract procedures--Dollar amount limits.
- 15.32.020 Informal bid procedures.
- 15.32.030 Contractors list.
- 15.32.040 Notice inviting informal bids.
- 15.32.050 All bids over seventy-five thousand dollars.
- 15.32.060 Award of contracts.

15.32.010 Contract procedures--Dollar amount limits.

The city of Corning elects to become subject to and adopts and incorporates into its Municipal Code the Uniform Public Construction Cost Accounting Act (California Public Contract Code Sections 22000 et seq.) and, including but not limited to, its "alternative procedures" as specifically set forth in Public Contract Code Section 22032 and adopts the following contract procedures for the dollar limitations set forth below:

A. Public projects of thirty thousand dollars or less may be performed by the employees of the City of Corning by force account, by negotiated contract or by purchase order.

B. Public projects of one hundred twenty-five thousand dollars or less may be let to contract by informal procedures as set forth below.

C. Public projects of more than one hundred twenty-five thousand dollars (shall, except as otherwise provided herein or within the Uniform Public Construction Cost Accounting Act, be let to contract by formal bidding procedures. (Ord. 601 §1(part), 2003).
(Ord. No. 636, §§ 1--3, 8-11-2009)

15.32.020 Informal bid procedures.

Public projects, as defined by the act, of seventy-five thousand dollars or less may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code. (Ord. 601 §1(part), 2003).

15.32.030 Contractors list.

A list of contractors shall be developed and maintained in accordance with the

**ITEM NO. J-9
SOLANO STREET TREE PRUNING AND
TEMPORARY U.S. FLAGS-DISCUSSION
AND POSSIBLE ACTION**

MAY 24, 2011

TO: CITY COUNCIL OF THE CITY OF CORNING, CALIFORNIA

**FROM: STEPHEN J. KIMBROUGH, CITY MANAGER
JOHN L. BREWER, AICP; PUBLIC WORKS DIRECTOR**

Steve
JLB

SUMMARY:

After discussing this matter at the May 10, 2011 meeting, the City Council directed staff to re-agendize this matter. Council also requested staff contact a certified arborist to determine the cost to prune the street trees that were most affecting the temporary flags.

Staff understood Mr. Demo was to mark the specific trees that he thought most critical for pruning, with flagging or ribbon. Staff was awaiting his marking before scheduling an arborist inspection and estimate. However, since the week of May 16th was a furlough shortened, four day workweek, staff opted to identify the most critical trees on Wednesday, May 18th. See the attached photo showing four (4) Solano Street trees with limbs that are affecting the flags.

Also on Wednesday May 18th, staff contacted North Valley Tree Service, the certified arborist that previously trimmed the Solano Street trees. They were not available to view the trees and/or provide an estimate until Tuesday, May 24th. So, while we are unable to provide cost information, we do hope to have that estimate available for your consideration at the Council meeting.

Also noted while taking stock of the flag/tree issue were several flags that were wrapped around their staffs, as well as two or three that were snagged on other streetlight mounted hardware.

TIMING:

As staff, we are not experts regarding tree pruning. However, our experience is that deciduous trees are best pruned in the winter, while the trees are barren and the sap is down. So, in addition to the cost estimate, we expect the arborist will also weigh in regarding the best season to prune the trees.

FINANCIAL:

Funds for street tree trimming normally come from Gas Tax funds. We're told not to expect gas Tax finding for FY 2011-2012. Absent those funds, it must come from the General Fund.

OPTIONS:

Some, but certainly not all of the possible options include:

1. Await the next round of street tree trimming (next winter) by a certified arborist, and advise the arborist to prune with flag placement in mind, and ask Mr. Demo to remove the four conflicting flags until then, or,
2. Direct staff to hire North Valley Tree Service to immediately prune the four trees, or,
3. Direct staff to immediately and minimally prune the four trees, using care to "sterilize" equipment to minimize the potential for spread of disease.

STAFF RECOMMENDATION:

That the City Council,

- **Consider all information presented regarding this matter, including this staff report, the May 10th staff report, the letter to Dave Demo dated April 29, 2011, and all public testimony, and,**
- **Direct Staff regarding how to address this matter.**

**Flag and Street Tree Conflicts-Solano Street
May, 2011**



1113 Solano Street



1401 Solano Street

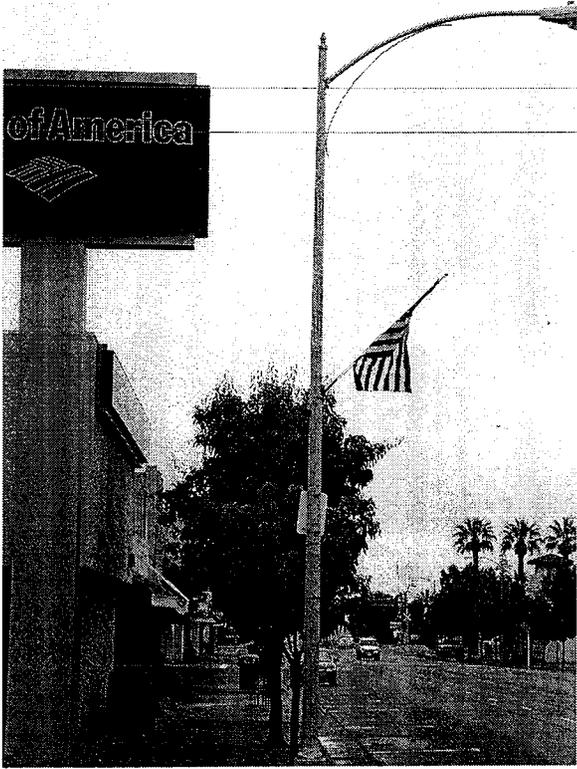


1417 Solano Street



1517 Solano Street

Flag and Street Tree Conflicts-Solano Street
May, 2011



Bank of America

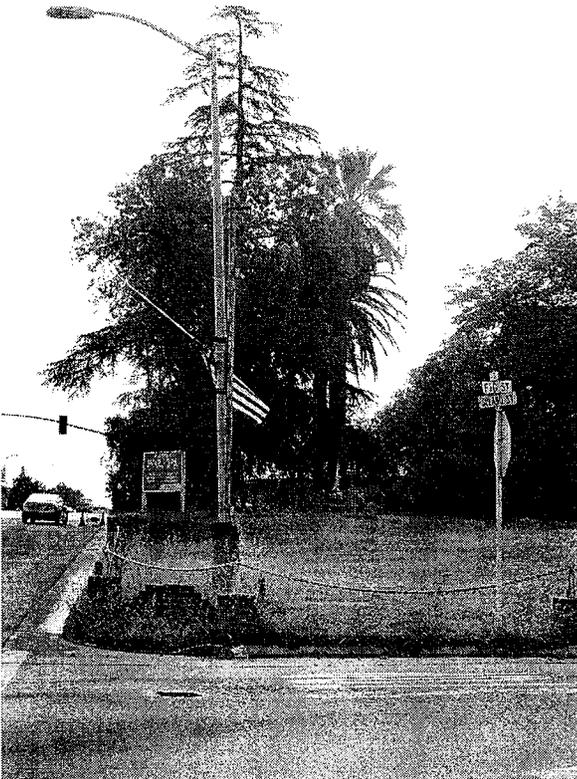


Fig at Solano

ITEM NO.: J-10
APPROVE ANNUAL AGREEMENT WITH
3CORE ECONOMIC DEVELOPMENT
DISTRICT AT A COST OF \$3,500.
MAY 24, 2011

TO: CITY COUNCIL OF THE CITY OF CORNING
FROM: STEPHEN J. KIMBROUGH, CITY MANAGER
LISA M. LINNET, CITY CLERK LML



SUMMARY:

3CORE, formerly known as Tri-County Economic Development Corporation (EDC) is the federally recognized Regional EDC for the Counties of Tehama, Glenn and Butte. 3CORE works with the City of Corning by including Corning's economic development priorities in the Regional strategy, by soliciting federal grant financing for planning purposes and actual economic development projects.

This year, the adjusted cash match for Fiscal Year 2011-2012 for the City of Corning is \$3,500. This is the minimal match; no member is paying less than this.

FINANCIAL BACKGROUND:

In 2010-2011 the City's adjusted cash match was \$3,000. Recognizing the economic difficulties facing District Members, in 2009-2010 the Tri-County EDC Board of Directors agreed to an across the board 5% decrease to the cash match fees for 2009-2010 making Corning's adjusted cash match \$2,850 for Fiscal Year 2009-2010. This was \$150 less than was charged in Fiscal Year 2008-2009 which was \$3,000 (the \$3,000 paid in FY 2008-2009 was \$700 less than the 2007-2008 FY which was \$3,700).

BACKGROUND:

3CORE is a key part of Corning's economic development team. To help cover operating costs, 3CORE receives a federal grant which will total \$77,000. The feds now require a 92% local match.

3CORE helps find "gap" financing for commercial and industrial development ventures. In the past their Staff prepared and submitted most of the City of Corning's Planning and Technical Assistance Grant at no additional cost to the City. They continue to be available for planning grant development for any future projects.

3CORE does not compete with the Tehama Economic Development Corporation. They limit their efforts to planning and financial services, whereas Tehama EDC focuses on business retention and development.

3CORE comes to the City each year in April for a review of the City's commitment because they must comply with federal and state application requirements.

RECOMMENDATION:

MAYOR AND CITY COUNCIL APPROVE THE ANNUAL PARTICIPATION IN 3CORE, FORMERLY KNOWN AS TRI-COUNTY ECONOMIC DEVELOPMENT CORPORATION AND COMMIT \$3,500 FROM THE CITY'S GENERAL FUND AS THE CITY'S SHARE OF THE LOCAL GRANT MATCH.



FINANCING • MENTORING • PERSPECTIVE

May 3, 2011

Steve Kimbrough
City of Corning
794 Third Street
Corning, CA 96021

RE: 3CORE Economic Development District – Membership Cash Match 2011-12

Dear Steve:

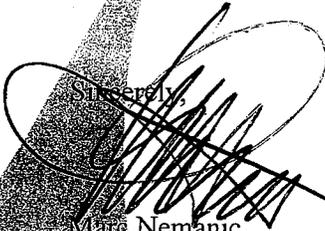
As required by the Economic Development Administration, the 3CORE Board of Directors and staff have established the final figures for the fiscal year 2011-2012 District member cash match contributions.

Last year you paid \$3,000. **This year, the adjusted cash match for Fiscal Year 2011-2012 for the City of Corning is \$3,500.**

Enclosed is a copy of the 2011-2012 cash match invoice and agreement for your review and signature. The agreement outlines the variety of services available to members of the 3CORE Economic Development District as well as those available on a fee-for-service basis. ***Please return one signed copy of the cash match agreement, along with the cash match payment to 3CORE.***

If you have any questions, please contact me at (530) 893-8732, ext. 204. Thank you for your continued support!

Sincerely,


Mira Nemanic
Executive Director

Cultivating Healthy Businesses Because People Matter

3120 Cohasset Road, Suite 5, Chico, CA 95973 voice 530.893.8732 fax 530.893.0820 www.3coreedc.org



May 10, 2011

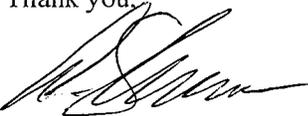
Steve Kimbrough
City of Corning
794 Third Street
Corning, CA 96021

RE: 3CORE Economic Development District – Membership Cash Match 2011-12

Dear Steve:

In accordance with our recent correspondence, enclosed please find a revised Cash Match Agreement for the City of Corning. ***Please return one signed copy of the cash match agreement, along with the cash match payment to 3CORE.***

Thank you,



Amanda Sherman
Executive Assistant

**CONTRACT FOR SERVICES BETWEEN THE
3CORE, Inc.
AND THE CITY OF CORNING FOR ECONOMIC PLANNING AND COORDINATION
ACTIVITIES**

In consideration of the provisions of the Economic Development Administration Planning Grant Program, the City of Corning hereby agrees to provide \$3,500 as consideration to the 3CORE, Inc. for the City of Corning annual District Membership, and to match any planning grant funds received by 3CORE from the Economic Development Administration.

As a District Member, the City of Corning shall have access to and may receive services through their district membership and cash match as described in Attachment A. The City of Corning shall also have access to and may receive additional services as those described in Attachment B on a Fee-for-Service basis or Attachment C through the execution of a Sub-recipient Agreement. Members may leave the District subject to the conditions in Attachment D.

IN WITNESS WHEREOF, the parties hereto have executed this instrument or caused this Agreement to be executed by their duly authorized agent(s) this _____ day of _____, 2011.

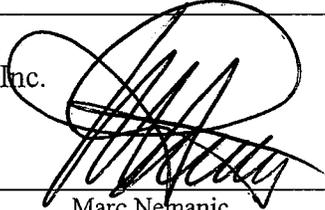
CITY OF CORNING

Name: _____ Date: _____

Title: _____

3CORE, Inc.

Name: _____ Date: 5/10/11


Marc Nemanic

Title: Executive Director

AGREEMENT TO PROVIDE ECONOMIC DEVELOPMENT AND PLANNING SERVICES

ATTACHMENT A – SERVICES PROVIDED TO JURISDICTIONS WITH ANNUAL SUSTAINING DISTRICT MEMBERSHIP AND CASH MATCH

3CORE is to help implement activities necessary or appropriate for the City of Corning.

- ◆ Development and annual update of the Comprehensive Economic Development Strategy (CEDS) for the District and related priority projects.
- ◆ Participation in the CEDS Advisory Board.
- ◆ Planning and execution of at least two (2) meetings held with your jurisdiction annually to update priorities and provide status reports of pending activities within the District.
- ◆ Assistance with the identification of funding sources for various public sector projects identified as priorities within the CEDS.
- ◆ Assistance with the identification of funding sources for various private sector projects requested by the member jurisdiction and related to identified priorities within the CEDS.
- ◆ Development of grant applications to the Economic Development Administration, the Community Development Block Grant Program, U.S. Department of Agriculture, or other agency or organization for specific projects identified as priorities within the CEDS. 3CORE will invest time calculated by the local cash match divided by \$60 per hour less 20 hours noted below ($\text{\$match}/\text{\$60@ hour} - 20 \text{ hours}$). Hours in excess of this allocation will be handled under Attachment B of this agreement.
- ◆ Staff hours spent managing the Economic Development Administration Planning District as required by EDA.
- ◆ Allocating up to twenty (20) hours annually working with your jurisdiction and local economic development partners on business retention or expansion tasks
- ◆ Maintaining key memberships in national, state, and regional organization representing the tri-county region including but not limited to the National Association of Development Organizations, the California Association for Local Economic Development, the California Reinvestment Coalition, the California Association for Microenterprise Opportunity, the Upstate California Economic Development Council, and Team California.
- ◆ By special arrangement, the Upstate California Economic Development Council and 3CORE offer a combined membership in each organization with the calculated base cash match for 3CORE plus \$2,000 add on for the Upstate California EDC—a 33% discount over a \$3,000 membership if purchased separately.

AGREEMENT TO PROVIDE ECONOMIC DEVELOPMENT AND PLANNING SERVICES

ATTACHMENT B – SERVICES PROVIDED TO JURISDICTIONS ON A FEE-FOR-SERVICE BASIS

Fee-for-Service Contracts – Jurisdictions who decide to execute Fee-for-Service contracts are typically required to go through a competitive procurement process.

The Fee-For-Service rates, reviewed and updated on an annual basis, are as follows effective January 1, 2011:

Clerical	= \$75/hr
Technical	= \$95/hr
Professional	= \$125/hr
Executive	= \$150/hr

3core may provide the City of Corning with the subsequent services on a **Fee-for-Service** basis that may include but not be limited to the following:

- ◆ Assistance with identification of funding sources for various public sector projects that have not been specifically identified as priorities within the Comprehensive Economic Development Strategy (CEDs).
- ◆ Planning, organization, writing, and submittal of State Community Development Block Grant (CDBG) Over-the-Counter (OTC) grants, General/Native American Allocation grants, or Enterprise Grants.
- ◆ Development of grant applications to various State and Federal Agencies other than the Economic Development Administration for projects identified as priorities within the CEDs.
- ◆ Development of grant applications to various State and Federal Agencies **not** identified as priorities within the CEDs.
- ◆ Contract economic development staff.
- ◆ Grant/Project Management and/or Administration. Tasks could include such items as: overseeing subcontractors, tracking project budget, ensuring that project timelines are adhered to, preparation and submittal of various reporting documents, acting as a conduit between local jurisdiction and project consultants or project subcontractors, other project management related items.
- ◆ Grant/Project Implementation. Implementation of various grants including those related to community visioning, business needs assessments, general plan revisions, economic development plan preparation/implementation, various feasibility studies, and community development.
- ◆ Business Retention/Expansion Program planning, implementation, and management.

- ◆ Loan portfolio management including, but not limited to the following:
 - Loan payment billings and collections,
 - On-going portfolio management and periodic review of loan portfolio,
 - Remittance of all loan payments to the city or county,
 - Managing delinquencies, workouts and modifications,
 - Sending appropriate late notices to the borrower according to 3CORE guidelines,
 - Collecting financial statements and tax returns,
 - Verification that the borrower maintains the appropriate insurance covering the collateral property throughout the life of the loan,
 - Notifying the city or county of any delinquencies beyond 45 days,
 - Foreclosure and liquidation activities,
 - Utilizing the 3CORE Loan Administration Board as an advisory body for action to be taken on any delinquencies and notifying the city or county as to the Board's recommended action,
 - Job creation/retention monitoring.

- ◆ Loan pre-qualification and underwriting including, but not limited to the following:
 - Eligibility review includes preliminary eligibility for available loan programs, credit worthiness, background checks, and appropriate financing structure to maximize public benefit and repayment.
 - Loan pre-qualification services include document gathering, review, and recommendation of specific financing through available public and private funding sources.
 - Loan Underwriting includes all phases of financial due diligence including loan structuring, cash flow analysis, collateral review and valuation, credit worthiness, guarantor validation, and debt service assessment. Loan closing and documentation includes all necessary loan documents and security-related actions needed to properly close and secure a loan made by a requesting jurisdiction. Cost is determined on a case-by-case basis based on the quality of underwriting documentation.
 - Loan monitoring includes covenant compliance reviews, quarterly financial assessment to determine financial trends, and long-term repayment ability of loans.

AGREEMENT TO PROVIDE ECONOMIC DEVELOPMENT AND PLANNING SERVICES

ATTACHMENT C – SERVICES PROVIDED TO JURISDICTIONS UNDER AN EXECUTED SUBRECIPIENT AGREEMENT

Sub-recipient Agreements – a Sub-recipient Agreement has a limited use and is used to carry out agreed-upon, eligible activities usually under CDBG funding. Sub-recipient agreements are typically used to contract with a consultant to implement a grant project that was created or written by the consultant. Sub-recipients are viewed as an extension of County or City staff and are therefore not subject to procurement procedures.

The Sub-recipient bill rate is at-cost which ranges from \$45 to \$80 per hour. The at-cost basis will be reviewed and adjusted annually.

3CORE may provide the City of Corning with the subsequent services executed through a **Sub-recipient Agreement** that may include but not be limited to the following:

- ◆ Grant/Project Implementation and/or Administration. Implementation of various grants including those related to community visioning, business needs assessments, general plan revisions, economic development plan preparation/implementation, various feasibility studies, and community development.

It will be the sole discretion of 3CORE to determine which contractual method is best suited for potential projects.

AGREEMENT TO PROVIDE ECONOMIC DEVELOPMENT AND PLANNING SERVICES

ATTACHMENT D—MEMBERSHIP OPT-OUT POLICY

The 3CORE Board of Directors has approved a membership opt-out policy for cities or counties who may consider leaving the District.

Any member may leave the District. If a member leaves the District, then no services will be provided to the departing city or county as outlined in this agreement nor will the city or county priority projects be included in the current or any subsequent CEDS.

A city or county may re-enter the District if:

- ◆ The city or county pays back what cash match obligations they would have paid during the opt-out period up to two (2) years;
- ◆ Pay a 50% re-entry fee based on the unpaid cash match obligation in #1 above; and,
- ◆ Pay the current year cash match obligation.

The 3CORE Board of Directors, in their sole discretion, may modify the terms of re-entry for any member to encourage full participation by all eligible members, and to maintain reasonable and proportional member cost sharing based on objective standards established by the Board from time-to-time.

**ITEM NO.: J-11
COMPREHENSIVE ECONOMIC
DEVELOPMENT STRATEGY
(CEDS) "1-YEAR CEDS UPDATE".
MAY 24, 2011**

TO: HONORABLE MAYOR AND CITY OF CORNING COUNCIL MEMBERS
FROM: STEPHEN J. KIMBROUGH, CITY MANAGER
JOHN STOUFER, PLANNING DIRECTOR



SUMMARY:

Last year pursuant to the Economic Development Administration's guidelines, a five (5) year Comprehensive Economic Development Strategy (CEDS) planning process was established. Through this process 3CORE established priority projects for the City of Corning to be included in the 3CORE Economic Development District's Comprehensive Economic Development Strategy (CEDS) which was submitted to the Economic Development Administration for the 2010/11 – 2014/15 fiscal years. This report, along with Priority Projects is updated on an annual basis and submitted to EDA for their approval.

The 3CORE Planning Division utilizes the CEDS Priority Project lists as an effective method for identifying and prioritizing public works and other economic development projects within the District for the purpose of preparing member funded applications to State and Federal agencies. In addition, the Economic Development Administration Reform Act of 1988 identifies CEDS as a requirement to apply for assistance under the Economic Development Administration's public works and economic adjustment programs. During this 5-year planning process 3CORE is requesting that its members place special emphasis on aligning priority projects with real funding sources.

With a limited funding through all State and Federal agencies, it's more critical then ever to make sure the Priority Projects accurately reflect the City of Corning's needs. The EDA currently looks for innovative, results-driven economic development projects that meet certain investment criteria and are regional in scope. Additionally, EDA is looking for projects that leverage other public and private investment in addition to the traditional emphasis on job creation.

The Priority Project lists are split into three distinct levels. The first is "Priority A" projects, or projects that the community would like to see move forward with in the near term. The second level is "Priority B" projects, or projects the community would like to see implemented within the next 5 – years. The final category is "Priority C" projects, or projects that the community would like to see move forward sometime in the future. This year the planning process will be somewhat more involved as EDA's requirements have been revised to include Goals and Objectives, with strategic projects, programs, and activities to support the implementation of the goals and objectives. They are also requiring that we provide a "rough" projection of job creation as a result of the implementation. In light of these changes and the fact that funding availability for priority projects is extremely competitive, 3CORE is asking its District Members to only identify 2 or 3 priority projects in each level.

In 2010 Planning Director John Stoufer attended a Comprehensive Economic Development Strategy Workshop held by 3CORE. At this workshop the 2010 Goal Topics and Objectives discusses projects with the best chance of receiving any type of funding in this area would be infrastructure projects costing less then 1 million dollars. Therefore staff has identified the following priority projects for the Council to consider:

Priority “A”:

1. Extend City water and sewer to the west side of I-5 at South Avenue.
2. Extend City water and sewer to the west side of I-5 at Solano Street and interchange improvements at Solano St./Hwy 99W/Edith Ave. intersection including widening of Solano St. to I-5.
3. Hwy 99W road improvements north of South Ave. including turn lanes, curb and gutter, undergrounding utilities for commercial and light industrial development.

Priority “B”:

1. Rehabilitate and reopen Rodgers Theater.
2. Extend City water and sewer to Airport property for Commercial/Industrial Park creation.
3. Improvements to Marguerite Avenue north of Blackburn to serve potential commercial development at Airport.

Priority “C”:

1. Identify opportunities for reuse and infill development for vacant buildings in downtown area.
2. Improvement and expansion of municipal water system.
3. Seek funding for the extension of Fig Lane from Toomes Avenue to Houghton Avenue.

These priorities again are just recommendations from Staff for projects that have the best chance of getting funded and will help create economic development within the City of Corning.

RECOMMENDATION:

Staff offers the following the following actions for consideration by the Council:

1. **Approve the CEDS Priority Project List as recommended by Staff.**
2. **Modify the CEDS Priority Project List as agreed upon by the Council and approve the modified list.**

ITEM NO: J-12
APPROVE AGREEMENT FOR THE
PROVISION OF HALF-TIME INTERIM
PLANNING DIRECTOR SERVICES BY
CITY TO COUNTY OF TEHAMA
May 24, 2011

TO: HONORABLE MAYOR AND COUNCIL MEMBERS
OF THE CITY OF CORNING

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER



SUMMARY:

Tehama County has contacted the City seeking the continuation of our agreement to share the planning services of John Stoufer, City Planning Director. The new contract document is a Memorandum of between the County of Tehama and the City of Corning for Interim Planning Director Services. The County will pay \$2,209 per two week City pay period.

The agreement allows the County to continue to purchase one-half of Mr. Stoufer's time for the coming budget year beginning July 1, 2011 and ending June 30, 2012.

The agreement can be terminated earlier by either party. During the term of the agreement, the County would pay the City of Corning monthly for one half of the costs of Mr. Stoufer's salary and benefits. This could return as much as \$57,439 to the City next year.

The City of Corning does not want to lose John Stoufer's talent, and we have a number of projects to keep him busy full-time in Corning, however this continues to provide a way to offset the cost of our Planning Director during the recession and to help the County at the same time.

RECOMMENDATION:

MAYOR AND COUNCIL APPROVE THE MEMORANDUM OF UNDERSTANDING WITH THE COUNTY OF TEHAMA FOR THE PROVISION OF HALF-TIME PLANNING DIRECTOR SERVICES TO THE COUNTY AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT

EMPLOYEE	**Weighted Avg. Salary	Incentive Increase	Total Yrly Wages	FICA/ MEDICARE	ER Pers	EE Pers	Health	Life	SDI	ANNUAL BENEFITS	YRLY WRK COMP	Total W/ WC
Stoufer	\$6,364.00		\$76,368.00	\$5,842.15	\$10,480.74	\$6,873.12	\$13,002.00	\$294.00	\$79.20	\$36,571.22	\$1,939.75	\$114,878.96

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
COUNTY OF TEHAMA
AND THE
CITY OF CORNING
FOR
INTERIM PLANNING DIRECTOR SERVICES

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is dated May 24, 2011 and made between the **COUNTY OF TEHAMA** (“Tehama”) and the **CITY OF CORNING** (“Corning”). This MOU is made in reference to the following facts:

RECITALS:

- (a) Tehama temporarily requires the continued services of an interim Planning Director to perform the duties set forth in the Tehama County Code and any additional germane duties assigned by the Tehama County Board of Supervisors.
- (b) Corning presently employs a Planning Director with the expertise and capability to provide the necessary services to Tehama.
- (c) The positions of Planning Director in both Tehama and Corning are components of each party's respective planning agency, with common powers and duties, and it is the purpose of this MOU to authorize these agencies to coordinate their work and jointly exercise these powers and duties as set forth herein.

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The above recitals are hereby incorporated into this Agreement.
2. This MOU is authorized by Government Code sections 65101, subdivision (b)(2) and 6500 et seq. This MOU shall be administered by Corning, and does not create a public agency separate from the parties hereto.
3. During the term of this agreement, Corning shall assign its present Planning Director, as of the effective date of this MOU, to perform the services of interim Planning Director for the County of Tehama as follows:
 - The interim Planning Director shall perform services for Tehama on a one-half time basis (i.e., 0.5 Full Time Equivalent). During each “pay period” hereunder, each party shall be entitled to one-half of the assigned Planning Director's work time (i.e., 40 working hours). In the event that any pay period includes holiday(s), vacation day(s), or sick day(s), the parties' respective shares of the Planning Director's work time during that pay period shall each

be reduced by an equal amount.

- The interim Planning Director shall perform all functions, duties, and services and exercise all powers of the Tehama County Planning Director, as set forth in the Tehama County Code and as otherwise assigned by the Tehama County Board of Supervisors.
 - The interim Planning Director shall remain an employee of Corning, and shall not be considered an employee of the County of Tehama.
 - While performing services for Tehama hereunder, the interim Planning Director shall act solely in the public interest of the County of Tehama, as directed by the Tehama County Board of Supervisors. In the event that the public interest of the County of Tehama and the interests of Corning potentially conflict in any manner, the assigned Planning Director shall report the potential conflict to County's Chief Administrator, who shall determine whether a genuine conflict exists, and may direct the assigned Planning Director to abstain from participation in such matter.
4. Tehama shall pay Corning an all-inclusive flat fee of \$2,209 per "pay period," as defined herein, in full compensation for all services rendered under this MOU. For purposes of this MOU, a "pay period" is defined as the City's customary two-week work period of eighty (80) working hours total.

In addition to the foregoing, Tehama shall reimburse Corning for any Tehama authorized use by the Planning Director of his private vehicle in performance of service to the County, provided that no reimbursement will be due for the Planning Director's ordinary commute to and from the County's planning department office. Such reimbursement shall be in an amount equal to the then-current IRS rate. Tehama shall further reimburse Corning for the Planning Director's actual and necessary expenses for travel and training on County business, if approved in advance by Tehama's Chief Administrator. The Chief Administrator and Corning's City Manager may agree that certain travel or training provides mutual benefit to Tehama and Corning, in which case they may agree, in writing, that the actual and necessary expenses for such travel or training shall be divided between Tehama and Corning in an agreed upon proportion.

Except as expressly provided in this Section, Corning agrees that Tehama has no obligation, whatsoever, to compensate or reimburse Corning for any expenses, direct or indirect costs, expenditures, or charges of any nature by Corning that exceed the flat fee amount set forth above.

5. At the end of each calendar month during the term of this MOU, Corning shall invoice Tehama for services rendered during that month. Tehama shall make payment of all undisputed amounts within 30 days of receipt of Corning's invoice.

6. This MOU shall commence upon July 1, 2011 and terminate on June 30, 2012, unless terminated earlier due to the conditions set forth herein or extended by mutual agreement of the parties.
7. Either party may terminate this MOU on 30 days' written notice. Additionally, either party may terminate this agreement immediately upon oral notice should their respective legislative body decline to appropriate funding or reduce any funding previously appropriated for this agreement or any activity hereunder in any fiscal year. Tehama shall pay Corning the prorated portion of the flat fee earned prior to the effective date of termination.
8. In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the parties hereto pursuant to Government Code section 895.6, the parties agree that all losses or liabilities incurred by a party shall not be shared pro rata but instead the parties agree, pursuant to Government Code section 895.4, as follows:

Tehama shall hold harmless, defend, and indemnify Corning, its agents, officers, and employees, against all claims, suits, actions, costs, expenses (including but not limited to reasonable attorney's fees, expert fees, litigation costs, and investigation costs), damages, judgments or decrees by reason of any person's or persons' bodily injury, including death, or property (including property of Corning) being damaged by the negligent acts, willful acts, or errors or omissions of Tehama, or any person employed by or under Tehama in any capacity, during the provision of services provided for herein, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of Corning.

Corning shall hold harmless, defend, and indemnify Tehama, its agents, officers, and employees, against all claims, suits, actions, costs, expenses (including but not limited to reasonable attorney's fees, expert fees, litigation costs, and investigation costs), damages, judgments or decrees by reason of any person's or persons' bodily injury, including death, or property (including property of Tehama) being damaged by the negligent acts, willful acts, or errors or omissions of Corning, or any person employed by or under Corning in any capacity, during the provision of services provided for herein, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of Tehama.

The assigned Planning Director shall be considered an employee of Corning for purposes of this Section, provided that if a claim or lawsuit is filed against Corning arising from an official decision made by the assigned Planning Director while acting in the capacity of Tehama County Planning Director, County will hold harmless, defend, and indemnify Corning with regard thereto.

9. Tehama and Corning shall each secure and maintain in full force and effect during the full term of this agreement commercial general liability insurance or participation in a self-insurance program, including coverage for owned and non-owned automobiles and other insurance necessary to protect the public, with limits of liability of not less than \$1 million combined single limit bodily injury and property damage. Policies shall be written by carriers reasonably satisfactory to each party. On request, a certificate evidencing the insurance requirements of this paragraph shall be provided.
10. Each party executing this MOU and each person executing this Agreement in any representative capacity, hereby fully and completely warrants to all other parties that he or she has full and complete authority to bind the person or entity on whose behalf the signing party is purporting to act.
11. All services to be performed pursuant to this MOU shall be performed in accordance with all applicable federal, state, county, district, and municipal laws, ordinances, regulations, and rules.
12. This MOU supersedes all previous agreements or understandings, and constitutes the entire understanding between the parties with respect to the above referenced services, terms of compensation, and otherwise. This MOU shall not be amended, except in a writing that is executed by authorized representatives of both parties.
13. This MOU may be executed in counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument.
14. Corning shall, during the entire term of this MOU, be construed to be an independent contractor and nothing in this contract is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow Tehama to exercise discretion or control over the professional manner in which Corning performs the services which are the subject matter of this contract. Corning's assigned Planning Director and any other Corning staff performing services under this MOU shall at all times remain employees of Corning, and shall not be deemed employees of Tehama for any purpose. Corning shall be solely responsible for any and all compensation, payroll taxes, withholdings, workers' compensation and any other insurance or benefits of any kind for any Corning employee providing services under this MOU.
15. Any notice required to be given pursuant to the terms and conditions of this MOU shall be in writing and shall be sent first-class mail to the following addresses:

Tehama: Williams Goodwin
Chief Administrator
County of Tehama
727 Oak St.
Red Bluff, CA 96080

Corning: Lisa Linnet, City Clerk
City of Corning
794 Third Street
Corning, CA 96021

IN WITNESS WHEREOF, Tehama and Corning have executed this Memorandum of Understanding on the day and year set forth below.

Date: _____

COUNTY OF TEHAMA

By: _____

**RON WARNER, Chairperson,
Tehama County Board of Supervisors**

Date: _____

CITY OF CORNING

By: _____

**STEPHEN J. KIMBROUGH, City Manager
City of Corning**

APPROVED AS TO FORM:

**Arthur J. Wylene
Assistant County Counsel
County of Tehama**

**Michael Fitzpatrick
City Attorney
City of Corning**

ITEM NO.: J-13

RESOLUTION NO.: 05-24-2011-01 SETTING EVERY OTHER FRIDAY FROM JULY 1, 2011 TO JUNE 30, 2012 AS CLOSURE DATES FOR CITY HALL AND CITY YARD AND; RATIFY FURLOUGH SIDELETTERS FOR THE DISPATCHERS ASSOCIATION AND PUBLIC SAFETY UNIT TO CONTINUE FURLOUGHS THROUGH DECEMBER 31, 2011.
MAY 24, 2011

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER
LISA M. LINNET, CITY CLERK



SUMMARY:

Included for City Council Ratification are Sideletters with the two remaining Employee Bargaining Units, specifically the Dispatchers Association and the Public Safety Unit. The terms of the Sideletters explain the process for implementing a ten percent (10%) reduction in employee compensation through an eight (8) hour furlough in every eighty (80) hour pay period (two-weeks).

There will be no change in the public office hours for either the Police or Fire Departments.

BACKGROUND:

Continuation of the Employee Furlough Plan for these two Units will continue the savings to the City's General Fund.

These proposed Sideletter Agreements are scheduled to sunset on December 31, 2011.

RESOLUTION NO.: 05-24-2011-01:

City Code Chapter 2.28 provides the City Council with the ability to set the public office hours through a Resolution of the Council. This Resolution implements the Furlough Plan by closing City Hall and Public Offices every other Friday during the period July 1, 2011 through June 30, 2012.

At City Council direction, Staff developed a notification of City Hall closure that is posted and easily understood by City Customers. Currently City Staff posts a two-month calendar showing the days of closure and include any coming City Holidays on the same schedule. A brief explanation of the reason for the closure of City Hall is included.

RECOMMENDATION:

MAYOR AND COUNCIL:

- a. RATIFY THE SIDELETTERS TO THE MEMORANDUMS OF UNDERSTANDING TO CONTINUE FURLOUGHS WITH THE CITY OF CORNING DISPATCHER'S ASSOCIATION AND PUBLIC SAFETY UNIT THROUGH JUNE 30, 2011 AND;
- b. ADOPT RESOLUTION NO. 05-24-2011-01 SETTING EVERY OTHER FRIDAY AS CLOSURE DATES FOR CITY HALL AND THE CITY YARD DURING THE PERIOD OF JULY 1, 2011 THROUGH JUNE 30, 2012.

RESOLUTION NO.: 05-24-2011-01

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORNING
PROVIDING FOR THE CLOSURE OF CITY HALL AND THE CITY YARD
EVERY OTHER FRIDAY DURING THE PERIOD OF
JULY 1, 2011 THROUGH JUNE 30, 2012**

WHEREAS, the City of Corning is faced with a decline in City revenues of over \$1,000,000 per year as a result of the current economic recession; and

WHEREAS, the City, working with its Employees, has devised a plan which will reduce all employee compensation by ten percent (10%) per year through reducing employees hours of work by eight (8) hours in every 80 hour payperiod; and

WHEREAS, the City of Corning has already reduced staffing by four (4) public works positions, leaving a total of 47 full-time City Employees; and

WHEREAS, attempting to keep City Hall and the City Yard Offices and Services operating with an additional reduction in worker hours of ten percent (10%) will adversely affect the ability to provide service to the public; and

WHEREAS, Corning Municipal code Section 2.28 requires Public Office hours be set by Resolution.

NOW, THEREFORE BE IT RESOLVED, that in accordance with Corning Municipal Code Section 2.28, the City Council of the City of Corning does hereby establish public office hours for City Hall and City Yard, closing the offices every other Friday during the period July 1, 2011 through June 30, 2012 as indicated on the following dates:

July 1, 2011	July 15, 2011	July 29, 2011
August 12, 2011	August 26, 2011	September 9, 2011
September 23, 2011	October 7, 2011	October 21, 2011
November 4, 2011	November 18, 2011	December 2, 2011
December 16, 2011	December 30, 2010	January 13, 2012
January 27, 2012	February 10, 2012	February 24, 2012
March 9, 2012	March 23, 2012	April 6, 2012
April 20, 2012	May 4, 2012	May 18, 2012
June 1, 2012	June 15, 2012	June 29, 2012

BE IT FURTHER RESOLVED that the City Council recognizes that this serious reduction in service to the public results from the economic recession forcing a reduction by ten percent (10%) in employee compensation.

PASSED AND ADOPTED by the City Council of the City of Corning on this 24th day of May 2011 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Gary R. Strack, Mayor

ATTEST:

Lisa M. Linnet, City Clerk



City of Corning

794 Third St. Corning, CA.96021 (530) 824-7020 Fax (530) 824-2489

**TENTATIVE AGREEMENT
CONTINUATION OF SIDE LETTER OF AGREEMENT
BETWEEN
CITY OF CORNING
AND
PUBLIC SAFETY UNIT
Re: Furloughs
May 10, 2011**

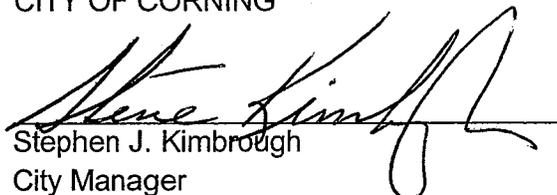
Furloughs began on October 4, 2009 and would have ended June 30, 2010. The parties met and agreed to continue the furloughs through June 30, 2011. Prior to expiration the parties met and agreed to continue the furloughs through December 31, 2011. The City and the Public Safety Unit agree to staff furloughs as follows:

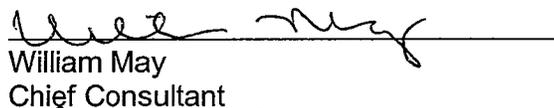
1. All regular full-time members of the Public Safety Unit shall be furloughed eight (8) hours each pay period with a corresponding loss of pay.
2. Furloughs will continue beginning July 1, 2011 and run through December 31, 2011.
3. Should the City lay off any regular full time City employee, furloughs will be discontinued and hours and salaries will be adjusted back to their normal pre-furlough hours and salaries effective the start of the pay period closest to the date the lay off(s) actually occur.

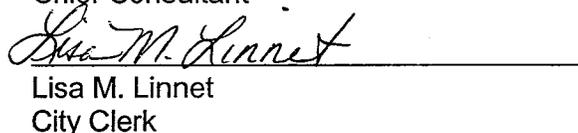
Regular full time City employees who are actually laid off shall receive one month's severance pay at their normal pre-furlough rate.

4. All hours worked over seventy-two (72) hours in a pay period will be compensated at the time and one half (1.5) rate.
5. The current Public Safety Unit schedule will continue during the term of this side letter.
6. All contractual obligations not addressed in this side letter agreement remain in force.

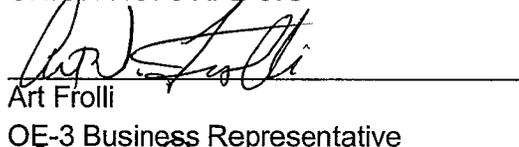
CITY OF CORNING

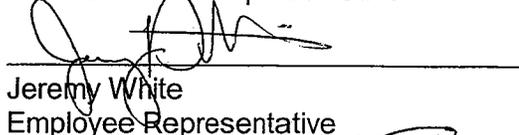

Stephen J. Kimbrough
City Manager

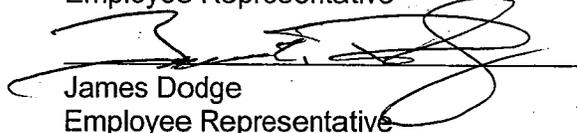

William May
Chief Consultant


Lisa M. Linnet
City Clerk

OPERATING ENGINEERS LOCAL
UNION NO. 3 AFL-CIO


Art Froli
OE-3 Business Representative


Jeremy White
Employee Representative


James Dodge
Employee Representative



City of Corning

794 Third St. Corning, CA 96021 (530) 824-7020 Fax (530) 824-2489

**TENTATIVE AGREEMENT
CONTINUATION OF SIDE LETTER OF AGREEMENT
BETWEEN
CITY OF CORNING
AND
DISPATCHER UNIT
Re: Furloughs
May 10, 2011**

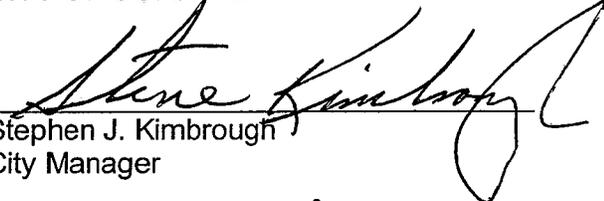
Furloughs began on October 4, 2009 and would have ended June 30, 2010. The parties met and agreed to continue the furloughs through June 30, 2011. Prior to expiration the parties met and agreed to continue the furloughs through December 31, 2011. The City and the Dispatcher Unit agree to staff furloughs as follows:

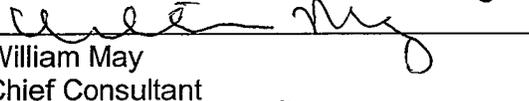
1. All regular full-time members of the Dispatcher Unit shall be furloughed eight (8) hours each pay period with a corresponding loss of pay.
2. Furloughs will continue beginning July 1, 2011 and run through December 31, 2011.
3. Should the City lay off any regular full time City employee, furloughs will be discontinued and hours and salaries will be adjusted back to their normal pre-furlough hours and salaries effective the start of the pay period closest to the date the lay off(s) actually occur.

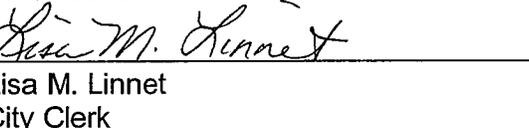
Regular full time City employees who are actually laid off shall receive one month's severance pay at their normal pre-furlough rate.

4. All hours worked over seventy-two (72) hours in a pay period will be compensated at the time and one half (1.5) rate.
5. Current Police Dispatcher and Fire Dispatcher schedules will continue during the term of this side letter.
6. All contractual obligations not addressed in this side letter agreement remain in force.

CITY OF CORNING


Stephen J. Kimbrough
City Manager

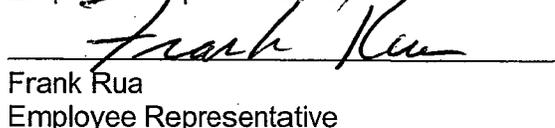

William May
Chief Consultant


Lisa M. Linnet
City Clerk

OPERATING ENGINEERS LOCAL
UNION NO. 3 AFL-CIO

 5/10/2011
Art Froli
OE-3 Business Representative


Carla Schutter
Employee Representative


Frank Rua
Employee Representative

ITEM NO: J-14

AWARD BID FOR THE CLARK PARK MUNICIPAL WATER WELL AND RELATED WORK IN THE AMOUNT OF \$594,089, TO TRENT CONSTRUCTION; APPROVE CHANGE ORDER NO. 1 IN THE AMOUNT OF \$7,619 FOR A REVISED CONTRACT PRICE OF \$601,708; SET THE BUDGET APPROPRIATION FOR WELL PROJECT FUND 346 AT \$640,000; TRANSFER \$27,000 FROM THE WATER ENTERPRISE FUND 630 RESERVE TO FUND 346.

MAY 24, 2011

**TO: HONORABLE MAYOR AND COUNCILMEMBERS
OF THE CITY OF CORNING**

**FROM: STEPHEN J. KIMBROGH, CITY MANAGER
JOHN L. BREWER, AICP; PUBLIC WORKS DIRECTOR
ED ANDERSON, CITY ENGINEER**



SUMMARY:

On March 30, 2011, the City received and opened seven (7) formal bids for construction of the Estil Clark Park Municipal Water Well, Pump Station, Water Line Installation and related Work Project. City Engineer Ed Anderson, Hydro-geologist Bill Bergman and City Staff have reviewed the bids and recommend the bid be awarded to Trent Construction, of Gerber California, who submitted the low bid of \$594,089 (see attached Bid Summary).

USDA has given us the go-ahead to award the bid (attached letter dated May 13, 2011).

BACKGROUND:

Staff has been working for some time to add a new water well to insure that greater water system capacity is available during summer months. .

The plans and specifications were prepared by City Engineer Ed Anderson, with input from Bill Bergman, the Principal Hydrologist of Geo-Plus, Inc of Anderson, Win Benbow of EBC Systems, Consulting and Integration, and Mike Jensen of Jensen Electrical. The City Council approved the plans and specifications and authorized collection of the construction bids on January 11, 2011.

Seven (7) bids were submitted and opened on March 30, 2011. The lowest bidder was determined to be Trent Construction of Gerber. Note that Mr. Trent's bid did contain a mathematical error when he summed one bid item quantity. However, correcting that error did not affect his "lowest bidder" position.

CHANGE ORDER NO. 1:

While reviewing the bid, your staff and consultants met with Mr. Trent and his subcontractors at City Hall. The point of the meeting was to possibly identify some cost-cutting project amendments. However, during those discussions the well driller recommended that we utilize a stainless steel screen instead of the low carbon steel that was included in the specifications. The stainless steel screen will ensure a much longer life without rusting.

The City Engineer and consultants have also recommended some other minor project changes. All proposed Contract revisions are described and justified in the attached Change Order No. 1. The net increase in cost for the changes is \$7,619.00. The bid amount plus Change Order No. 1 total \$601,708.00.

FINANCIAL:

A separate accounting fund, Fund 346, and project department, 7420, have been created for this project. The principal funding will come from a \$613,000 loan from USDA Rural Development with contingency funds coming from the Water Enterprise Fund 630 where Council has already saving funds for this project.

USDA will not provide the loan as a lump sum. Instead, they will reimburse the City as we expend our funds. Upon completion, the City will have received all \$613,000, but the Project funding must be cash flowed by the City; sufficient City "pooled funds" are available during the short duration of the well construction.

Source of Funds:			
USDA Rural Utilities Service Loan:		\$613,000	
Corning Water Enterprise Fund 630		<u>27,000</u>	
			\$640,000
Project Cost:			
Franklin Construction low Bid:		\$594,089	
Change Order #1 (Stainless Steel Screen, etc.)		7,619	
Contingency		<u>38,292</u>	
			\$640,000

To accomplish this project, City Council must set the budget appropriation for Project Fund 346 at \$640,000, and transfer \$27,000 from the Water Enterprise Fund 630 reserve to Fund 346. Upon Project completion, a final accounting will be done and any unneeded City funds will be returned to the Water Enterprise

DEVELOPMENT IMPACT FEES:

The Development Impact Fee Nexus Study in 2005, recommended the construction of seven (7) additional water wells as development warrants. The study anticipated a cost of \$300,000 per wellsite. From this bid solicitation we see that a \$300,000 estimate is well below the actual cost. However, this project includes a waterline extension in Marguerite that is unique. So a better estimate, exclusive of the 930 foot waterline extension and related work, would be about \$500,000 per wellsite.

For that reason, City Staff needs to prepare a report for Council consideration to update and possibly increase the "Water Capital Improvement Fee" to ensure enough capital is generated to add the water system facilities necessary to accommodate the anticipated growth.

RECOMMENDATION:

MAYOR AND CITY COUNCIL:

- **AWARD THE BID FOR THE CLARK PARK MUNICIPAL WATER WELL AND WATERLINE EXTENSION AND RELATED WORK IN THE AMOUNT OF \$594,089 TO TRENT CONSTRUCTION, AND**
- **APPROVE CHANGE ORDER NO. 1 IN THE AMOUNT OF \$7,619 FOR A REVISED CONTRACT PRICE OF \$601,708, AND**
- **SET THE BUDGET APPROPRIATION FOR THE CLARK PARK WELL PROJECT FUND 346 AT \$640,000, AND TRANSFER \$27,000 FROM THE WATER ENTERPRISE FUND 630 RESERVE TO FUND 346.**

BID SUMMARY
March 30, 2011 at 11am

ITEM	DESCRIPTION	QUANTITY	UNIT	#1 Trent Construction		#2 DML Construction		#3 Wright Brothers		#4 TTS Construction		#5 Walberg Inc	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
BASE BID													
1	Mobilization	1	LS	\$27,045.00	\$ 27,045.00	\$ 40,000.00	\$ 40,000.00	\$57,000.00	\$ 57,000.00	\$51,811.00	\$ 51,811.00	\$67,609.00	\$ 67,609.00
2	Drilling test bore	400	LF	\$41.30	\$ 16,520.00	\$ 20.00	\$ 8,000.00	\$20.00	\$ 8,000.00	\$28.67	\$ 11,468.00	\$69.41	\$ 27,764.00
3	Reaming test bore	400	LF	\$73.16	\$ 29,264.00	\$ 105.00	\$ 42,000.00	\$100.00	\$ 40,000.00	\$62.54	\$ 25,016.00	\$43.76	\$ 17,504.00
4	Install 14" casing	300	LF	\$35.20	\$ 10,560.00	\$ 75.00	\$ 22,500.00	\$70.00	\$ 21,000.00	\$45.03	\$ 13,509.00	\$98.09	\$ 29,427.00
5	Install 14" well screen	100	LF	\$117.60	\$ 11,760.00	\$ 100.00	\$ 10,000.00	\$100.00	\$ 10,000.00	\$84.53	\$ 8,453.00	\$86.52	\$ 8,652.00
6	Install cement grout seal	50	LF	\$60.00	\$ 3,000.00	\$ 46.00	\$ 2,300.00	\$50.00	\$ 2,500.00	\$126.55	\$ 6,327.50	\$44.94	\$ 2,247.00
7	Install continuous pour gravel	350	LF	\$29.50	\$ 10,325.00	\$ 30.00	\$ 10,500.00	\$30.00	\$ 10,500.00	\$20.84	\$ 7,294.00	\$21.72	\$ 7,602.00
8	Install & remove test pump	1	LS	\$7,200.00	\$ 7,200.00	\$ 5,175.00	\$ 5,175.00	\$11,000.00	\$ 11,000.00	\$10,491.00	\$ 10,491.00	\$9,177.00	\$ 9,177.00
9	Operate test pump	24	HR	\$210.00	\$ 5,040.00	\$ 175.00	\$ 4,200.00	\$150.00	\$ 3,600.00	\$457.58	\$ 10,981.92	\$273.00	\$ 6,552.00
10	Water sample per DHS	1	LS	\$1,800.00	\$ 1,800.00	\$ 1,150.00	\$ 1,150.00	\$900.00	\$ 900.00	\$3,796.00	\$ 3,796.00	\$5,082.00	\$ 5,082.00
11	Disinfect & cap well	1	LS	\$1,320.00	\$ 1,320.00	\$ 1,150.00	\$ 1,150.00	\$400.00	\$ 400.00	\$613.00	\$ 613.00	\$1,407.00	\$ 1,407.00
12	Abandonment test bore	1	LS	\$1,200.00	\$ 1,200.00	\$ 2,300.00	\$ 2,300.00	\$1.00	\$ 1.00	\$1,063.00	\$ 1,063.00	\$6,027.00	\$ 6,027.00
13	Install pumping unit	1	LS	\$125,410.00	\$ 125,410.00	\$ 86,570.00	\$ 86,570.00	\$142,000.00	\$ 142,000.00	\$200,750.00	\$ 200,750.00	\$180,584.00	\$ 180,584.00
14	Install generator	1	LS	\$95,993.00	\$ 95,993.00	\$ 81,834.00	\$ 81,834.00	\$85,000.00	\$ 85,000.00	\$77,838.00	\$ 77,838.00	\$68,496.00	\$ 68,496.00
15	Construct building	1	LS	\$143,746.00	\$ 143,746.00	\$ 191,346.00	\$ 191,346.00	\$122,000.00	\$ 122,000.00	\$73,027.00	\$ 73,027.00	\$129,292.00	\$ 129,292.00
16	Install 10" PVC water main	60	LF	\$118.00	\$ 7,080.00	\$ 90.00	\$ 5,400.00	\$80.00	\$ 4,800.00	\$199.66	\$ 11,979.60	\$197.95	\$ 11,877.00
17	Install 10" gate valve	1	EA	\$4,344.00	\$ 4,344.00	\$ 3,022.00	\$ 3,022.00	\$2,600.00	\$ 2,600.00	\$2,648.00	\$ 2,648.00	\$4,765.00	\$ 4,765.00
18	Connect 10" pvc to existing 8"pvc	1	EA	\$3,300.00	\$ 3,300.00	\$ 3,595.00	\$ 3,595.00	\$4,000.00	\$ 4,000.00	\$2,018.00	\$ 2,018.00	\$2,586.00	\$ 2,586.00
19	Install 8"pvc (water main)	930	LF	\$67.30	\$ 62,589.00	\$ 75.00	\$ 69,750.00	\$67.00	\$ 62,310.00	\$91.97	\$ 85,532.10	\$51.60	\$ 47,988.00
20	Connect 8" pvc water main to existing 8" pvc water main	4	EA	\$1,450.00	\$ 5,800.00	\$ 2,156.00	\$ 8,624.00	\$4,000.00	\$ 16,000.00	\$132.00	\$ 528.00	\$1,595.75	\$ 6,383.00
21	Install 8" gate valve	3	EA	\$2,870.00	\$ 8,610.00	\$ 2,926.00	\$ 8,778.00	\$2,500.00	\$ 7,500.00	\$1,560.66	\$ 4,681.98	\$3,073.00	\$ 9,219.00
22	Culvert crossing on Marg Ave	1	LS	\$4,328.00	\$ 4,328.00	\$ 2,597.00	\$ 2,597.00	\$2,000.00	\$ 2,000.00	\$3,648.00	\$ 3,648.00	\$9,372.00	\$ 9,372.00
23	Install 8" double saddle	8	EA	\$285.00	\$ 2,280.00	\$ 358.00	\$ 2,864.00	\$400.00	\$ 3,200.00	\$351.00	\$ 2,808.00	\$1,239.00	\$ 9,912.00
24	Traffic Control	1	LS	\$3,000.00	\$ 3,000.00	\$ 4,235.00	\$ 4,235.00	\$2,000.00	\$ 2,000.00	\$14,818.00	\$ 14,818.00	\$6,832.00	\$ 6,832.00
25	SWPPP	1	LS	\$2,000.00	\$ 2,000.00	\$ 2,378.00	\$ 2,378.00	\$3,000.00	\$ 3,000.00	\$4,049.00	\$ 4,049.00	\$12,407.00	\$ 12,407.00
26	Install Project Sign	1	LS	\$575.00	\$ 575.00	\$ 1,200.00	\$ 1,200.00	\$1,000.00	\$ 1,000.00	\$1,080.00	\$ 1,080.00	\$727.00	\$ 727.00
BASE BID TOTAL					\$ 594,089.00		\$ 621,468.00		\$ 622,311.00		\$ 636,229.10		\$ 689,490.00

BOLD numbers indicate a calculation error on contractors proposal

Pg. 1

City of Corning
Clark Park Well

BID SUMMARY
March 30, 2011 at 11am

ITEM	DESCRIPTION	QUANTITY	UNIT	#6 Aldrich Construction		#7 Converse Construction	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
BASE BID							
1	Mobilization	1	LS	\$51,000.00	\$ 51,000.00	\$ 44,088.00	\$ 44,088.00
2	Drilling test bore	400	LF	\$35.15	\$ 14,060.00	\$ 37.80	\$ 15,120.00
3	Reaming test bore	400	LF	\$110.95	\$ 44,380.00	\$ 66.95	\$ 26,780.00
4	Install 14" casing	300	LF	\$131.00	\$ 39,300.00	\$ 49.70	\$ 14,910.00
5	Install 14" well screen	100	LF	\$195.00	\$ 19,500.00	\$ 105.80	\$ 10,580.00
6	Install cement grout seal	50	LF	\$142.00	\$ 7,100.00	\$ 54.00	\$ 2,700.00
7	Install continuous pour gravel	350	LF	\$33.50	\$ 11,725.00	\$ 27.00	\$ 9,450.00
8	Install & remove test pump	1	LS	\$6,850.00	\$ 6,850.00	\$ 6,480.00	\$ 6,480.00
9	Operate test pump	24	HR	\$550.00	\$ 13,200.00	\$ 189.00	\$ 4,536.00
10	Water sample per DHS	1	LS	\$2,499.00	\$ 2,499.00	\$ 311.00	\$ 311.00
11	Disinfect & cap well	1	LS	\$3,210.00	\$ 3,210.00	\$ 3,780.00	\$ 3,780.00
12	Abandonment test bore	1	LS	\$7,690.00	\$ 7,690.00	\$ 1,080.00	\$ 1,080.00
13	Install pumping unit	1	LS	\$55,127.15	\$ 55,127.15	\$ 204,319.00	\$ 204,319.00
14	Install generator	1	LS	\$84,150.00	\$ 84,150.00	\$ 85,800.00	\$ 85,800.00
15	Construct building	1	LS	\$230,320.00	\$ 230,320.00	\$ 206,273.00	\$ 206,273.00
16	Install 10" PVC water main	60	LF	\$91.21	\$ 5,472.60	\$ 92.00	\$ 5,520.00
17	Install 10" gate valve	1	EA	\$4,272.00	\$ 4,272.00	\$ 5,982.00	\$ 5,982.00
18	Connect 10" pvc to existing 8"pvc	1	EA	\$3,483.00	\$ 3,483.00	\$ 2,694.00	\$ 2,694.00
19	Install 8"pvc (water main)	930	LF	\$57.80	\$ 53,754.00	\$ 74.00	\$ 68,820.00
20	Connect 8" pvc water main to existing 8" pvc water main	4	EA	\$2,992.00	\$ 11,968.00	\$ 620.00	\$ 2,480.00
21	Install 8" gate valve	3	EA	\$5,215.00	\$ 15,645.00	\$ 2,760.00	\$ 8,280.00
22	Culvert crossing on Marg Ave	1	LS	\$4,889.00	\$ 4,889.00	\$ 5,073.00	\$ 5,073.00
23	Install 8" double saddle	8	EA	\$422.25	\$ 3,378.00	\$ 2,370.00	\$ 18,960.00
24	Traffic Control	1	LS	\$7,433.00	\$ 7,433.00	\$ 12,480.00	\$ 12,480.00
25	SWPPP	1	LS	\$4,841.00	\$ 4,841.00	\$ 2,255.00	\$ 2,255.00
26	Install Project Sign	1	LS	\$1,799.00	\$ 1,799.00	\$ 685.00	\$ 685.00
	BASE BID TOTAL				\$ 707,045.75		\$ 769,436.00

BOLD numbers indicate a calculation error on contractors proposal

CONTRACT CHANGE ORDER

Order No. 1

Date: May 18, 2011

Contract for: Clark Park Water Well, Pump Station, Water Line, and related work

Owner: City of Corning, 794 Third Street, Corning, CA 96021

To: Trent Construction, 8270 Truckee Avenue, Gerber, CA 96035

You are hereby requested to comply with the following changes from the contract plans and specifications.

Description of Changes	DECREASE In Contract Price	INCREASE In Contract Price
1. Change mild steel casing to stainless steel; change mild Steel wire wrap well screen to stainless; extend the sanitary Seal depth; eliminate the 2" gravel feed pipe; reduce gravel Pack from 350-feet to 130-feet. Reduce casing length from 300-feet to 260-feet.		\$ 20,180.00
2. Delete motorized louvers in the generator room and their control panel and install gravity type louvers.	\$ 3,961.00	
3. Delete the Radio Frequency Filter unit in the electrical panel.	\$ 1,800.00	
4. Change the 10-inch meter brand from Sensus to Endress Hauser.	\$ 5,300.00	
5. Eliminate the 3-Party annual testing of the generator	\$ 1,500.00	
6. Delete requirement for annual generator oil changes by the generator vendor.	0	0
Subtotals:	- \$ 12,561.00	+ \$ 20,180.00
Net Change in Contract Price:		+ \$ 7,619. 00

JUSTIFICATIONS:

1. It was the suggestion of the well driller, and the Hydrogeologist, GeoPlus, that utilizing a stainless steel well casing and well screen will extend the life of the well significantly, reducing the tendency for the screen to rust and/or corrode. City staff concurred that although the Agri-Screen is less expensive, it is in the City's best interest, and also cost effective over the long term, to install a stainless steel casing and screen in the well.

CCO #1 (continued)

2. The need for motorized louvers in the Sacramento Valley is not necessary. Motorized louvers are necessary in mountain areas wherein snow build-up adjacent to the building is a problem. Gravity louvers operate on intake and exhaust pressure from fans inside the building. Gravity louvers exist in the other pump stations throughout the city.

3. The Radio Frequency Filter unit is determined not to be necessary for this particular installation and is deleted from the contract.

4. The Sensus brand meter, as originally specified, has been recently determined not to meet the new California requirement for reduced lead content. The Endress Hauser brand meter is an equal product, complying with the new state regulation, and is considerably less expensive than the Sensus brand.

5. Third-party testing of the generator is not necessary for the City. City staff is qualified and experienced in the testing, and operation of the existing generators within the City and can assume the responsibility to test the new generator.

6. The City maintenance staff is fully qualified to maintain the generator including routine oil changes and other minor maintenance. The generator supplier is not expected to make visits to Corning for simple maintenance; however, the required 5-year warranty will remain in effect, following completion of the work.

The contract total including this and previous change orders will be: \$ 601,708.00

The contract completion duration will remain at: 210 days, (Jan. 03, 2012)

This document will become a supplement to the Contract and all provisions will apply hereto.

Requested: _____
City of Corning

Date: _____

Recommended: _____
J.E. (Ed) Anderson, City Engr.

Date: _____

Accepted: _____
Trent Construction

Date: _____



Committed to the future of rural communities.

**United States Department of Agriculture
Rural Development
California
www.rurdev.usda.gov/ca**

RECEIVED
MAY 17 2011
CITY OF CORNING

May 13, 2011

Mr. Ed Anderson
Civil Engineer
P.O. Box 839
Chico, CA 95927

Dear Mr. Anderson:

Subject: City of Corning
Clark Park Municipal Water Well Project

USDA Rural Development has reviewed the bid information and concurs with your recommendation to award the contract to Trent Construction in the amount of \$594,089. (This agency's concurrence in the award is based on the documentation provided that indicates that the City will be contributing the additional funding needed to cover the cost overrun.) The City is now authorized to issue the Notice of Award. At this time, you will need to prepare the construction contract documents for execution by all parties following the format outlined in this letter.

Five copies of the contract agreement needs to be executed by the contractor and the City. The contractor must also obtain performance and payment bonds utilizing the bond forms found in the contract documents. The surety company writing the bonds must be listed on the Treasury Department's most current revision of Circular 570. (The surety for the bid bond is acceptable.) The City's attorney must then review the contract documents and execute the attached "Certificate of Owner's Attorney". You will then need to prepare five sets of contract documents that contain one copy of each of the following items, and submit all sets to this office for approval. Three sets of approved documents will be returned to your office for your records and for distribution to the contractor and the City.

1. Contract Agreement The agreement needs to be signed by the City and the contractor prior to submission to this agency.
2. Notice of Contract Award
3. Performance and Payment Bonds The bond forms contained in the contract documents must be utilized and valid Powers-of-Attorney need to be attached.

430 G Street • Agency 4169 • Davis, CA 95616
Phone: (530) 792-5800 • Fax: (530) 792-5837 • TDD: (530) 792-5848

Committed to the future of rural communities

Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to USDA, Director, Office of Civil Rights, Washington, D. C. 20250-9410

Mr. Ed Anderson
City of Corning Water Well Project

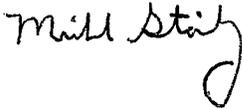
Page 2 of 2
May 13, 2011

4. Contractor's Certificate of Insurance.
5. Certificate of Owner's Attorney

Please ensure that our Alturas office has been provided with a set of the final "as-bid" plans and specifications. Also, please contact our Alturas office when you schedule the preconstruction conference since a representative from this agency must attend the meeting. You are reminded that the Notice to Proceed cannot be issued until this agency has approved the construction contract agreement.

If you have any questions pertaining to this letter, please contact me at (530) 792-5814.

Sincerely,



MICHAEL STARINSKY
State Engineer
USDA Rural Development

Attachment

cc: USDA Rural Development, Alturas ATTN: Mike Colbert (with attachment)
John Brewer, City of Corning

CERTIFICATE OF OWNER'S ATTORNEY

I, the undersigned, _____ the duly authorized and acting
(Please Type)
legal representative of _____, do hereby certify as follows:

I have examined the attached Contract(s), Performance and Payment Bonds and insurance certificates and the manner of execution thereof, and I am of the opinion that each of the aforesaid agreements has been duly executed by the proper parties thereto acting through their duly authorized representatives; that said representatives have full power and authority to execute said agreements on behalf of the respective parties named thereon; and that the foregoing agreements constitute valid and legally binding obligations upon the parties executing the same in accordance with terms, conditions, and provisions thereof. I also am of the opinion that the Contractor's insurance coverage complies with the requirements of the Contract.

(Attorney's Signature)

DATE: _____

OUTLAY REPORT AND REQUEST FOR REIMBURSEMENT FOR CONSTRUCTION PROGRAMS (See Instructions on Back)		OMB Approval No. 0348-0002		Page 1 of 1	
3. Federal Sponsoring Agency USDA Rural Development		1. Type of Request Final _____ Partial <u>x</u>		2. Basis of Request <u>x</u> Cash _____ Accrual	
		4. Federal ID Number 04-052-793055965		5. Partial Payment Request No. _____	
6. Employer ID Number		PERIOD COVERED BY THIS REQUEST			
9. Recipient Organization <i>Name:</i> City of Corning <i>No. and Street:</i> 794 Third Street <i>City, State and Zip Code:</i> Corning, CA 96021-2517		10. Payee <i>Name:</i> City of Corning <i>No. and Street:</i> 794 Third Street <i>City, State and Zip Code:</i> Corning, CA 96021-2517			
11. STATUS OF FUNDS					
CLASSIFICATION	PROGRAMS	FUNCTIONS	ACTIVITIES		BALANCE REMAINING
	BUDGET		COSTS THIS PERIOD	ACCUM TO DATE	
a. Administrative & Legal Expense	\$ 2,826.62		\$ -	\$ 2,826.62	\$ -
b. Bond Counsel	\$ 18,500.00		\$ -	\$ -	\$ 18,500.00
c. Land, structures, right-of-way					\$ -
d. Engineering - PER	\$ 10,000.00		\$ -	\$ 10,000.00	\$ -
e. Engineering - Design & Bidding	\$ 26,375.22		\$ -	\$ 26,375.22	\$ -
f. Engineering - Additional Services	\$ 11,715.00		\$ -	\$ 11,715.00	\$ -
g. Engineering - Construction Mgmt	\$ 30,713.00				\$ 30,713.00
h. Relocation expenses					\$ -
i. Demolition and removal					\$ -
j. Construction Contract	\$ 614,272.00		\$ -	\$ -	\$ 614,272.00
k. Equipment					\$ -
l. Contingency* <small>*(Additional costs to be coverd by the City)</small>	\$ -		\$ -	\$ -	\$ -
m. Total cumulative cost	\$ 714,401.84		\$ -	\$ 50,916.84	\$ 663,485.00
n. Applicant Contributions	\$ 101,401.84		\$ -	\$ 50,916.84	\$ 50,485.00
o. Net cumulative to date	\$ 613,000.00		\$ -	\$ -	\$ 613,000.00
p. Federal loan to date	\$ 613,000.00		\$ -	\$ -	\$ 613,000.00
q. Federal grant to date	\$ -		\$ -	\$ -	\$ -
r. Total Federal share to date	\$ 613,000.00		\$ -	\$ -	\$ 613,000.00
s. Federal payments previously requested				\$ -	
t. Amount requested for reimbursement	\$ 613,000.00		\$ -	\$ -	\$ 613,000.00
u. Percentage of physical completion	100%		0.00%	0.00%	
12. CERTIFICATION I certify that to the best of my knowledge and belief the billed costs or disbursements are in accordance with the terms of the project and that the reimbursement represents the Federal share due which has not been previously requested and that an inspection has been performed and all work is in accordance with the terms of the award.		a. RECIPIENT		Signature of Authorized Certifying Official _____ Date _____ Typed or Printed Name and Title _____ Telephone (530) 824-7029	
		B. REPRESENTATIVE CERTIFYING TO LINE 11U		Signature of Authorized Certifying Official _____ Date _____ Typed or Printed Name and Title _____ Telephone _____	

ITEM NO: J-15
APPROVE CALENDAR FOR 2011-2012
CITY BUDGET DISCUSSION, FINAL
PRESENTATION, AND ADOPTION
MAY 24, 2011

TO: HONORABLE MAYOR AND COUNCIL MEMBERS
OF THE CITY OF CORNING

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER



SUMMARY:

Again this year, Staff will send the Annual Budget to the City Council in the third week of June in order to allow time to get the latest income figures from the Board of Equalization.

Staff proposes the following Budget Calendar:

- **Monday, June 20th:** Budget is sent out to the City Council and posts on the City's website at www.corning.org.
- **Study Session Possible Dates (to be determined by the Council):** Monday, June 20th, Wednesday, June 22nd, Thursday, June 23rd, or Monday, June 27th.
- **Tuesday, June 28th:** Public Meeting for Budget discussion.
- **Tuesday, July 12th:** Second Public Meeting, Final Budget Presentation and Adoption.

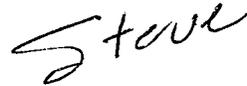
Staff is asking that Council please consider the proposed schedule for approval and set the date of the first "Budget Study Session".

RECOMMENDATION:

**MAYOR AND COUNCIL APPROVE THE 2011-2012 BUDGET CALENDAR
AND SET A DATE FOR THE COUNCIL STUDY SESSION.**

ITEM NO.: J-16
CORNING MUNICIPAL AIRPORT
IMPROVEMENT PROJECT: APPROVE
\$118,421 LOAN FROM TRAFFIC
MITIGATION FUND 116
MAY 24, 2011

TO: CITY COUNCIL OF THE CITY OF CORNING
FROM: STEPHEN J. KIMBROUGH, CITY MANAGER



SUMMARY:

On Tuesday, August 11, 2009, the City Council approved a loan from the Traffic Mitigation Fund 116 to the Corning Municipal Airport Enterprise Fund to provide the matching funds for the Federal Aviation Administration (FAA) Construction Loan. The project is now complete and the matching funds needed total \$118,421 which represents 5% of the total cost of the Airport Improvement Project.

The City Attorney has prepared the "Promissory Note" for City Council approval and execution by Mayor Gary Strack.

BACKGROUND:

The Promissory Note is a simple interest loan from the Traffic Mitigation Fund 116 to the Corning Municipal Airport Enterprise Fund 620; the terms provide for a \$5,000 annual payment to be made beginning on the 30th day of May 2012, and continuing until said principal and interest have been paid in full. The interest is variable based upon the interest obtained quarterly on the City's investments. This will ensure that the Traffic Mitigation Fund will be made whole by receiving both its principal and its lost interest earned. Obviously it is in the City's best interest to pay back the Traffic Mitigation Fund as quickly as possible. The source of the Funds will come from the Airport Enterprise Fund income and the City's General Fund.

At the August 11, 2009 City Council Meeting, the Council took the following action, "Direct the City Manager to prepare the loan documentation for the equivalent to 5% of the total cost, up to \$125,000 from the City's Transportation Development Impact Fee (DIF) account with the understanding that the City shall repay the principal with interest equivalent to the annual rate that would have otherwise accrued in the DIF account."

Normally the State Department of Transportation-Division of Aeronautics provides 2 ½%, or one half of the match required for FAA construction projects. However, the State Legislature and the Governor decided to take \$4,000,000 from the Aeronautics account and transfer it to the State's General Fund.

RECOMMENDATION:

MAYOR AND CITY COUNCIL APPROVE THE LOAN OF \$118,421 FROM THE TRANSPORTATION DEVELOPMENT FEE ACCOUNT 116 TO THE CORNING MUNICIPAL AIRPORT ENTERPRISE FUND 620 IN ACCORDANCE WITH THE TERMS LISTED IN THE PROMISSORY NOTE, AND AUTHORIZE THE MAYOR TO EXECUTE THE NOTE.

PROMISSORY NOTE

\$118,421.00

Corning, California

May 24, 2011

For value received, the City of Corning on behalf of its Corning Municipal Airport Enterprise Fund 620 and from such fund, hereby promises to pay to the Transportation Development Fee Account of the City of Corning, 794 Third Street, Corning, California 96021 the sum of One Hundred Eighteen Thousand Four Hundred and Twenty One and no/100 (\$118,421.00) Dollars, with simple interest from May 24, 2011 on unpaid principal at a rate, computed quarterly, equal to the City's pooled interest income, in installments each in the amount of Five Thousand and no/100 Dollars (\$5000.00) payable annually on May 30th, beginning on the thirtieth day of May, 2012 and continuing until said principal and interest have been paid in full.

Each payment shall be credited first on interest then due and the remainder on principal; and interest shall thereupon cease upon the principal so credited. Should default be made in payment of any installment of principal or interest when due the whole sum of principal and interest shall become immediately due at the option of the holder of this note. Principal and interest are payable in lawful money of the United States.

Gary R. Strack, Mayor,
City of Corning