



**CITY OF CORNING
SPECIAL CITY COUNCIL
CLOSED SESSION MINUTES
TUESDAY, MARCH 26, 2019
CITY COUNCIL CHAMBERS
794 THIRD STREET**

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the Secretary of Agriculture, Washington, D.C. 20250.

A. CALL TO ORDER: 6:00 p.m.

B. ROLL CALL:

Council:

**Robert Snow
Jose "Chuy" Valerio
Dave Demo
Karen Burnett**

Mayor:

Douglas Hatley Jr.

C. PUBLIC COMMENTS:

D. REGULAR AGENDA:

1. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9:**
One Case – David Beggins v. Carol Carpenter, Brian Carpenter, and the City of Corning, Federal Case No. 2:18-cv-01550.
2. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9:**
One Case – City of Corning v. Trent Construction, et al., Case No. 18CI1217

E. ADJOURN TO REGULARLY SCHEDULED CITY COUNCIL MEETING AND REPORT ON CLOSED SESSION:

Mayor Hatley reported that Council met with Legal Counsel and received direction to Staff.

Lisa M. Linnet, City Clerk



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A. CALL TO ORDER: 6:30 p.m.

B. ROLL CALL:

Council:

**Robert Snow
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Karen Burnett**

Mayor:

Douglas Hatley Jr.

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

D. INVOCATION: Led by Mayor Hatley.

E. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, PRESENTATIONS:

1. **Proclamation: April 2, 2019 - National Service Recognition Month in the City of Corning.**
Present to accept the Proclamation was Tina Brown, Senior Corps Programs Director. She introduced some of the volunteers present and presented the Council with bowls.

F. PUBLIC COMMENTS AND BUSINESS FROM THE FLOOR: None.

G. CONSENT AGENDA:

2. **Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.**

THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER

3. **Waive the reading and approve the Minutes with any necessary corrections of the March 12, 2019 City Council Meeting.**
4. **March 20, 2019 Claim Warrant in the amount of \$313,979.91.**
5. **March 20, 2019 Business License Report.**
6. **Ordinance 676 and Summary, an Ordinance amending Title 2 of the Corning Municipal Code updating language and requirements for City Council and City Manager. (Second Reading & Adoption)**
7. **Ordinance 677, an Ordinance amending Chapter 17.58 of the Corning Municipal Code updating language and requirements pertaining to Variances. (Second Reading & Adoption)**

Councilor Valerio moved to approve Consent Items 2-7; Councilor Snow seconded the motion. Ayes: Hatley, Snow, Valerio, Demo and Burnett. Abstain/Absent/Opposed: None. Motion was approved by a vote of 5-0.

H. ITEMS REMOVED FROM THE CONSENT AGENDA: None

I. PUBLIC HEARINGS AND MEETINGS: None

J. REGULAR AGENDA:

8. **Presentation and acceptance of the Annual City Audit for Fiscal Year 2017/2018 ending June 30, 2018.**

Presented by City Manager Kristina Miller and City Auditor Donald Reynolds, CPA. Ms. Miller stated that revenues increased in FY 2017/2018 by \$785,233 or 14.25% over the previous year; expenditures also increased as well by \$796,616 or 17.76% over the previous year. There were increases in expenditures in Public Safety, General Government, and Capital Outlay. She further stated that the overall revenues came in \$275,087 higher than expected within the Budget and the actual expenditures were \$273,107 less than budgeted. The total General Fund fund balance at June 30, 2018 was \$2,373,527; this represents a \$381,132 increase from June 30, 2017. This is primarily a result of Measure A. She emphasized the need for the City to continue working towards the goal of providing/obtaining a General Fund savings equivalent to 6 months operating costs.

Ms. Miller further explained that the MD&A provides two summary tables of the Water and Sewer Funds. The Water Fund ended FY 2017/2018 with a negative "Change in Net Assets" of \$286,884 (mainly due to a GASB 68 expenditure increase in the Water Fund). The Sewer Fund also shows a negative "Change in Net Assets" of \$177,289 also mainly due to a GASB 68 expenditure increase in the sewer fund. City Manager Miller suggested that we may need to consider a rate increase in Water as we have a Rate Convent Agreement whereas we must maintain a mandated percentage of revenues from water and sewer stated in the Water/Sewer Debt Refinancing Agreement.

City Manager Miller then presented the information related to the Capital Replacement and Capital Improvement Funds, including the Development Fee related Funds (Traffic Mitigation Fund 116, Drainage Fund 345 and the Department Equipment Replacement Funds. She also presented information on the various other funds such as the Enterprise Funds (Sewer, Solid Waste, Airport, Transportation Center and Water Funds) and the three Trust Funds (J.T. Levy Scholarship Fund, Rodgers Theatre Trust and the Ridell Library Fund).

City Auditor Don Reynolds addressed the Council presenting information on the various accounts and revenues resulting from the Measure A tax increase. Mr. Reynolds cautioned the Council to look at the Fund Accounts, explaining that they do not reflect the GASB 68. He concluded by stating that overall the City is healthy, and then responded to questions from the Council relating to the Audit.

Councilor Burnett moved to receive and accept the Annual Audit for Fiscal Year ending June 30, 2018; Councilor Snow seconded the motion. Ayes: Hatley, Snow, Valerio, Demo and Burnett. Abstain/Absent/Opposed: None. Motion was approved by a vote of 5-0.

9. **Ordinance 678, an Ordinance amending Corning Municipal Code Chapter 8.25, Section 8.25.150 pertaining to recovery of Attorney Fees.**

Presented by City Attorney Collin Bogener. Mr. Bogener explained that the proposed Ordinance seeks to introduce a section to Chapter 8.25 of the Corning Municipal Code allowing recovery of Attorney's Fees in any action, administrative proceeding, or special proceeding to enforce a violation of the Code in which the City is deemed the prevailing party. He stated that currently we do not have this in our Municipal Code and current law does not allow it to be just the City, it must apply to both sides.

Councilor Snow moved to introduce Ordinance 678, an Ordinance allowing recovery of Attorney's Fees in any action, administrative proceeding, or special proceeding to enforce the Corning Municipal Code, set for enactment on April 9, 2019, and direct the City Clerk to read the Ordinance

by title only; Councilor Demo seconded the motion. Ayes: Hatley, Snow, Valerio, Demo and Burnett. Abstain/Absent/Opposed: None. Motion was approved by a vote of 5-0.

10. Authorize Progress Pay Request #3 in the amount of \$82,036.10 less the 5% retention of \$4,101.81, and approve payment of \$77,934.29 to Aircon Energy, Inc. for energy related improvements to various City Facilities.

Presented by interim Public Works Director Robin Kampmann. Mrs. Kampmann stated that Staff is requesting Council approval of Progress Payment Request #3 in the amount of \$82,036.10, less the 5% retention (\$4,101.81) for a total payment of \$77,934.29 to Aircon Energy Inc. The proposed Pay Request is for services at the following locations:

• Police Dept. Comprehensive Lighting Retrofit (9):	\$8,256.60
• Transportation Center Comp. Lighting Retrofit (5):	\$13,712.00
• Corp Yard Comp. Lighting Retrofit (5):	\$7,387.50
• Fire Dept. Comp. Lighting Retrofit – Bldg. 1 (5):	\$10,750.00
• Fire Dept. Comp. Lighting Retrofit – Bldg. 2 (5):	\$4,988.00
• WWTP Comp. Lighting Retrofit (9):	\$15,961.50
• Pool Comp. Lighting Retrofit (9):	\$11,126.70
• Well Pump Site Comp. Lighting Retrofit (9):	\$6,636.60
• Engineering Project Management (3):	\$3,217.20

Ms. Kampmann stated that Aircon Energy, Inc. has determined that upon completion of all of the approved improvements, the City should have a substantial savings in energy/maintenance costs and estimates a savings of \$39,431 the first year. They also found that the City qualifies for a 10-year, 0% interest Loan Program through PG&E to fund these infrastructure upgrades. The costs/financing terms associated with the Energy Service Contract consists of the following:

- \$354,669 for implementation and installation of all 15 energy efficiency measures at the approved sites listed:
 - ❖ Replacement/Upgrading critical HVAC Systems/Heaters at City Hall, the Police Station and Fire Department, Museum, and City Corporation Yard;
 - ❖ Lighting Retrofit with Led Lighting/Occupancy Sensors at City Hall, the Police Station, Museum, Library, Transportation Center, City Corporation Yard, Fire Department, Wastewater Treatment Plant, City Pool, and Well Pump sites; and
 - ❖ Replacement of three Well Pump Motors.
- The City will be required to front the \$354,669 project cost and will be reimbursed by PG&E upon installation.

Councilor Demo moved for Mayor and Council to approve Progress Payment Request #3 in the amount of \$82,036.10 less the 5% Retention (\$4,101.81); and issue payment in the amount of \$77,934.29 to Aircon Energy, Inc.; Councilor Burnett seconded the motion. Ayes: Hatley, Snow, Valerio, Demo and Burnett. Abstain/Absent/Opposed: None. Motion was approved by a vote of 5-0.

11. Approve Specifications and authorize the Public Works Department to seek Proposals for a new 2019 Skip Loader and Surplus the John Deere 770B Motor Grader.

Presented by Interim Public Works Director Robin Kampmann who stated that the Public Works Department is requesting approval of the Specifications and authorization from City Council to seek proposals for a new Skip Loader to be utilized for Public Works operations such as grading of the alleys and for small paving projects. She further stated that funding in the amount of \$75,000 (\$25,000 from Street Funds, \$25,000 from Water Funds, and \$25,000 from Sewer Funds) was approved in the FY 2018/2019 City Budget on July 10, 2018 for this equipment. Currently the City has a large Grader that does not allow use in alleys; Public Works is seeking to purchase a smaller one that will accommodate such use.

Councilor Burnett moved to approve the Specifications and authorize the Public Works Department to seek Proposals for a new 2019 Skip Loader; and authorize the Public Works Department to surplus and sell the John Deere 770B Motor Grader through Bid Cal; Councilor Snow seconded the motion. Ayes: Hatley, Snow, Valerio, Demo and Burnett. Abstain/Absent/Opposed: None. Motion was approved by a vote of 5-0.

12. Approve 2018-18 Street Paving Project – Elizabeth and Fairview Avenues Plans and Specifications and authorize Staff to solicit Bids.

City Clerk Lisa Linnet announced that the wrong Staff Report was included in the Council Packet; the report within the Council Packet was presented at the February 12, 2019 City Council meeting.

Presented by Interim Public Works Director Robin Kampmann who presented the Plans and Specifications for the 2019 Street Improvement Project #2018-18 – Elizabeth & Fairview. She informed Council that the Engineers Estimate is \$337,800 for the work included within the Plans & Specifications for both Streets. She further stated that the complete Project Bid Packet, including Plans & Specifications are available for

review at Corning City Hall. Following Bid Closing, the successful low Bid will be brought back to Council for approval and contract award. Mrs. Kampmann stated that funding was allocated in the approved FY 2018/2019 Budget for the street projects in the amount of \$520,000 under various fund codes (\$260,000 from 001-9295-3001; \$155,000 from 106-92985-3001; \$35,000 from 108-9295-3001; \$30,000 from 109-9295-3001; \$30,000 from 114-9295-3001; and \$10,000 from 115-9295-3001).

Councilor Snow moved for Mayor and Council to approve Plans and Specifications and authorize Staff to solicit Bids for the 2019 Street Improvement Project – Elizabeth & Fairview; Councilor Demo seconded the motion. Ayes: Hatley, Snow, Valerio, Demo and Burnett. Abstain/Absent/Opposed: None. Motion was approved by a vote of 5-0.

13. Approve Maintenance Agreement with Community Housing Improvement Program (CHIP) regarding Public Improvements in the Stonefox Development.

Presented by Interim Public Works Director Robin Kampmann who stated that Tentative Tract Map 05-1003, "Stonefox Ranch Subdivision was approved on June 14, 2005 with 53 Conditions of Approval that must be met prior to approval of the "Final Tract Map". The Tentative Map proposed 80 single-family residential lots of 8,000 sq. ft. each. The first phase of the Map created 26 lots; a 14.62-acre remainder parcel; Lot A as a drainage detention facility; and Lot B as the Blackburn Moon Drain was accepted by the City Council on October 27, 2015.

Mrs. Kampmann stated that CHIP is now in the process of completing the infrastructure improvements of Phase 2 & 3 of the Subdivision which creates 54 lots from the 14.62-acre remainder parcel that was created as part of Phase 1. The Final Tract Map, Phase 2 & 3 has been prepared and review by City Staff and offers the following for public dedication:

1. Three streets known as "Clear Creek Street", "Snow Peak Street" and "Sunny Street";
2. Emergency Access Easement;
3. Public Storm Drain Easements;
4. Public Service Easements; and
5. Transfer and Release to the City of Corning all abutter's rights of access from Lots 49, 63, 64 and a portion of Lots 65 and 66 to Carona Avenue

Mrs. Kampmann further stated that the Map substantially conforms to the Tentative Map and the required Conditions of Approval for Phase 2 & 3 have been met with the modifications to Conditions 28 and 34 as recommended by City Staff and approved by the Council on March 13, 2018.

Council was informed that Staff now requests Council approve the proposed Maintenance Agreement with CHIP for Phase 2 & 3 of the Stonefox Subdivision and accept a security deposit in the amount of \$54,462 (5% of the construction costs) to secure the Developer's performance of work within the Development. Mrs. Kampmann explained that the proposed Agreement and associated Deposit is in lieu of a Bond or Letter of Credit. She then explained the assurances to the City provided by this Agreement, specifically that although the City is accepting the public improvements within the Development (Streets, Sewer, Water & Storm Drains), the Developer will be responsible to maintain the improvements at **their** sole cost and expense for one year following approval of the Final Map. After the one-year maintenance period, the deposit of \$54,462.00 will be returned to CHIP if not used for maintenance.

Councilor Snow moved to approve:

1. **The proposed Maintenance Agreement with Community Housing Improvement Program (CHIP) for public improvements within Phase 2 & 3 of the Stonefox Subdivision;**
2. **Accept the offers of dedication shown on the final Tract Map 05-1003 for the Stonefox Ranch Subdivision, Phase 2 & 3 and authorize the City Clerk to certify the acceptance on the Final Map; and**
3. **Direct Staff to record the final Tract Map 05-1003; Stonefox Ranch Phase 2 & 3 Subdivision upon completion and acceptance by City Staff of the listed Punchlist Items.**

Councilor Valerio seconded the motion. Ayes: Hatley, Snow, Valerio, Demo and Burnett. Abstain/Absent/Opposed: None. Motion was approved by a vote of 5-0.

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

L. COMMUNICATIONS, CORRESPONDENCE AND INFORMATION: None

M. REPORTS FROM MAYOR AND COUNCIL MEMBERS: City Councilmembers will report on attendance at conferences/meetings reimbursed at City expense (Requirement of Assembly Bill 1234).

Snow: Nothing

Valerio: Reported on the Chamber of Commerce upcoming events: Golf Tournament May 18th, Olive Festival & Car Show October 12th, Hometown Christmas December 7th.

Demo: Reported on the Tehama County Sanitary Landfill Agency Emergency Meeting, no action was taken.

Burnett: Reported on the March 21st Tripartite Meeting, 11 people spoke.

Hatley: Reported on his attendance at the Tehama County Transportation Commission and Tehama County Transit Agency Meeting on March 25th. Several people spoke relating to Rancho Tehama Streets. Also discussed were unmet needs.

Public Announcements by City Manager Miller: Food Truck Tuesday will be held again this year and the Paskenta Band of Nomlaki Indians Tribe will again be providing the Bands for the events. City Manager Miller recognized and commended Public Works Secretary Angel Johnson Garman for her work with the new Building Department Software..

N. ADJOURNMENT!: 7:12 p.m.

Lisa M. Linnet, City Clerk