



**CITY OF CORNING  
SPECIAL CITY COUNCIL  
CLOSED SESSION AGENDA  
TUESDAY, FEBRUARY 25, 2020  
CITY COUNCIL CHAMBERS  
794 THIRD STREET**

The City of Corning welcomes you to our meetings, which are regularly scheduled for the second and fourth Tuesdays of each month. Your participation and interest is encouraged and appreciated.

In compliance with the Americans with Disabilities Act, the City of Corning will make available to members of the public any special assistance necessary to participate in this meeting. The public should contact the City Clerk's office (530/824-7033) to make such a request. Notification at least 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**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  
Douglas Hatley Jr.**

**Mayor:**

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:**

**D. REGULAR AGENDA:**

**1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54956.8:**

**Property: APN No. 071-136-001-000 through 071-136-009-000, 071-136-010-000, and 071-136-011-0000.**

**Negotiating Party: Kristina Miller, City Manager**

**Property Negotiators: Better Choice Real Estate (Colette Glattfelder) and Moller Realty (Mike Moller).**

**Under Negotiation: Price and Terms of Payment.**

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

**POSTED: FRIDAY, FEBRUARY 21, 2020**



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

**D. INVOCATION: Led by Councilor Burnett.**

**E. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, PRESENTATIONS:**

1. Si Se Puede Program Coordinator Esther Craig presentation on the dangers of flavored tobacco products and propose banning flavored tobacco products

**F. PUBLIC COMMENTS AND BUSINESS FROM THE FLOOR:**

**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.
3. Waive the reading and approve the Minutes of February 11, 2020 City Council Meeting with any necessary corrections.
4. February 19, 2020 Claim Warrant in the amount of \$126,319.37.
5. February 19, 2020 Business License Report.

**H. ITEMS REMOVED FROM THE CONSENT AGENDA:**

**I. PUBLIC HEARINGS AND MEETINGS:**

6. Public Hearing - Introduce Ordinance No. 684, an Ordinance Updating Building Codes for the City of Corning (1<sup>st</sup> Reading).

**J. REGULAR AGENDA:**

7. Presentation and Acceptance of the Annual City Audit for Fiscal Year 2018/2019.
8. Approve one-year Building Consultant Services Contract to provide building inspection, building code enforcement and plan review services.

9. Review and adopt Resolution 02-25-2020-01, a Resolution adopting without revision the City's Conflict of Interest Code.
  10. Provide direction regarding the Block Building on the former City Animal Shelter Property.
  11. Ratify Memorandum of Understanding Between the City and the City of Corning Management Bargaining Unit.
  12. Ratify Memorandum of Understanding Between the City and the City of Corning Public Safety Bargaining Unit.
  13. Ratify Memorandum of Understanding Between the City and the City of Corning Miscellaneous Bargaining Unit.
  14. Ratify Memorandum of Understanding Between the City and the City of Corning Dispatchers Bargaining Unit.
  15. Annual Mid-Year Budget Review and General Discussion, FY 2019/2020.
- 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).
- Snow:**  
**Valerio:**  
**Demo:**  
**Burnett:**  
**Hatley:**
- N. ADJOURNMENT!:**

**POSTED: FRIDAY, FEBRUARY 21, 2020**

# FLAVORED TOBACCO PRODUCTS AND CORNING YOUTH



**FLAVORED TOBACCO PRODUCTS**  
**TASTES LIKE CANDY,  
 WORKS LIKE POISON.**

[FlavorHookKtda.org](http://FlavorHookKtda.org)

# CALIFORNIA LAW

- “Tobacco products” as defined by the State of CA includes e-cigarettes or “vaping” juices and vaping devices.

CA Dept. of Tax & Fee Administration, 2018

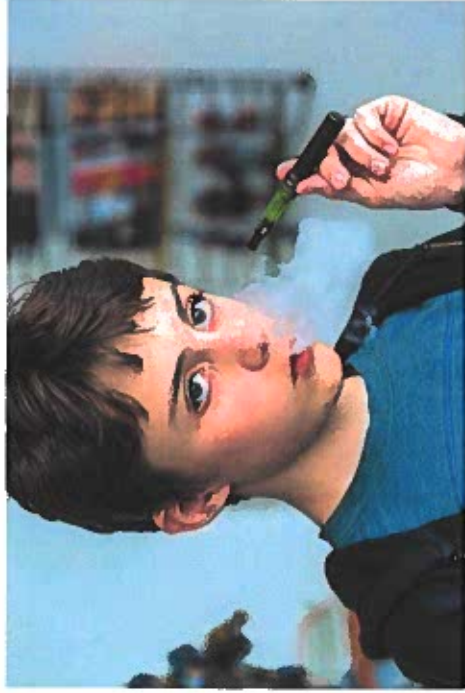


**WICOTLINE**  
TASTES LIKE CANDY,  
WORKS LIKE POISON.

FlavorsHookKids.org

# ADDICTION STARTS WITH A FLAVORED TOBACCO PRODUCT

◉ Flavored tobacco products are a “starter product” for youth.. U.S. Surgeon General



81% of middle and high school students who have ever used tobacco started with a flavored product.

Top reasons teens report trying e-cigarettes:

- Curiosity (50%)
- **Appealing flavors (40%)**
- Quit Smoking (10%)

An advertisement for Nicotine. The top part features a photograph of two young people sitting at a table, one holding a cigarette. Below the photo, the word "NICOTINE" is written in large, bold, black letters. Underneath "NICOTINE", the text "TASTES LIKE CANDY, WORKS LIKE POISON." is written in smaller, white, bold letters. At the bottom right, the website "FlavorsHookKiddz.org" is listed in a small font.

**NICOTINE**  
TASTES LIKE CANDY,  
WORKS LIKE POISON.  
FlavorsHookKiddz.org

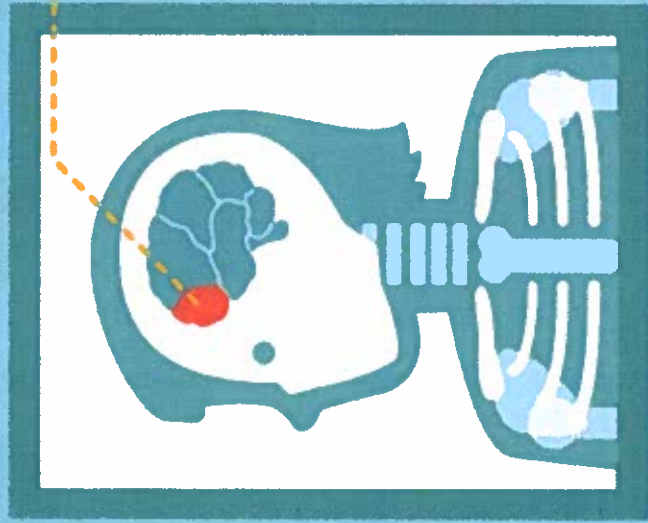
# KIDS WILL BE KIDS

**THE PREFRONTAL CORTEX IS ALSO UNDERDEVELOPED, AND IMPROPERLY BALANCED WITH THE REST OF THE EMOTIONAL PART OF THE BRAIN.**

**THIS IS WHY TEENS ARE MORE SENSITIVE TO...**

Risky and impulsive behavior

Peer pressure



# WIC GOITLINE

TASTES LIKE CANDY,  
WORKS LIKE POISON.

# KIDS NEED ADULT PROTECTION

- Nicotine is TOXIC to youth causing:  
**Anxiety, mood swings, irritability, impulsivity, and Addiction**
- VAPING has been linked to:  
**Breathing difficulty, shortness of breath, chest pain, vaping-associated respiratory illness, etc.**
- As of 2/4/2020: 2,753 confirmed and probable cases of illness across the US and 64 people have died from vaping since June 2019.





# KIDS NEED ADULT PROTECTION



**FLAVOR LIKE CANDY,  
WORKS LIKE POISON.**

**FLAVOR LIKE CANDY,  
WORKS LIKE POISON.**

[FlavorsHookKids.org](http://FlavorsHookKids.org)

# TEHAMA YOUTH TOBACCO USE - 2019

## The Toll of Tobacco in California vs. Tehama County

	California	Tehama County
Youth who use tobacco	13.8 %	22.7 %
High School Students who use e-cigarettes	10.9 %	7 <sup>th</sup> grade = n/a 9 <sup>th</sup> grade = 14% 11 <sup>th</sup> grade = 21% NT = 48% (2019 CHKS)

Hispanic/Latino youth tobacco use prevalence (including all tobacco products)

13.5%

(2018 The Story of Inequity)

4 out of 5 kids who have used tobacco started with a flavored tobacco product



# BANNING FLAVORED TOBACCO PRODUCTS WORKS

- ◉ Reduces the odds of young people *trying* tobacco
- ◉ Reduces the number of people addicted to Nicotine
- ◉ Reduces promotion and marketing visible to youth
- ◉ Reduces Nicotine-related disease, increases savings in health-related costs, and SAVES LIVES



# MICHIGAN BANS FLAVORED TOBACCO PRODUCTS!

“My number one priority is keeping our kids safe and protecting the health of the people of Michigan” ...

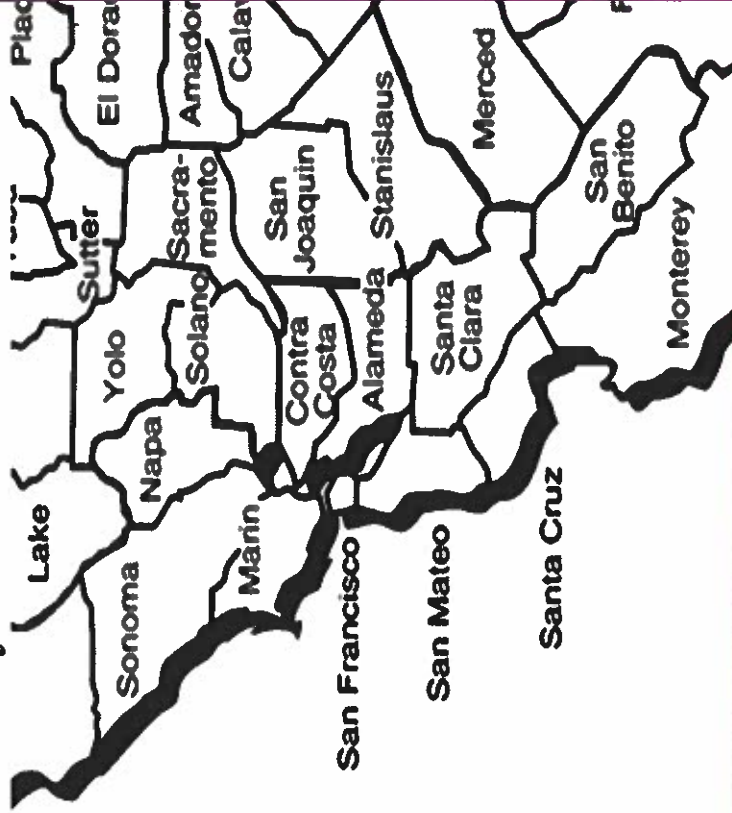
Gov. Gretchen Whitmer, 2019

 **Michigan.gov**



# CA JURISDICTIONS WITH FLAVORED TOBACCO PRODUCTS BANS

- ◉ Sacramento
  - ◉ Yolo County
  - ◉ Oakland
  - ◉ City of Sonoma
  - ◉ El Cerrito
  - ◉ Hayward
  - ◉ Manhattan Beach
  - ◉ Santa Clara County
- West Hollywood
- San Francisco County  
and City
- Contra Costa
- Berkeley
- Oroville



# HOW WILL CORNING PROTECT ITS KIDS?

We ask you to consider  
having a flavor ban

Thank You!





**CITY OF CORNING  
SPECIAL CITY COUNCIL  
CLOSED SESSION MINUTES  
TUESDAY, FEBRUARY 11, 2020  
CITY COUNCIL CHAMBERS  
794 THIRD STREET**

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**A. CALL TO ORDER: 5:00 p.m.**

**B. ROLL CALL:**

**Council:** Robert Snow  
Jose "Chuy" Valerio  
Dave Demo  
Karen Burnett  
**Mayor:** Douglas Hatley Jr.

All members of the City Council were present.

**C. PUBLIC COMMENTS:**

**D. REGULAR AGENDA:**

- 1. CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO SECTION 54957.6:**  
Agency Negotiator: Greg Einhorn, Labor Relations Consultant  
Bargaining Units: Management, Public Safety, Dispatcher, and Miscellaneous

**E. ADJOURN TO REGULARLY SCHEDULED CITY COUNCIL MEETING AND REPORT ON CLOSED SESSION: 6:30 p.m.**

Mayor Hatley reported that Council met in Closed Session and direction was provided to Labor Negotiator regarding response to the Bargaining Units.

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**Lisa M. Linnet, City Clerk**



**CITY OF CORNING  
CITY COUNCIL MEETING MINUTES  
TUESDAY, FEBRUARY 11, 2020  
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**B. ROLL CALL:**

**Council:** Robert Snow  
Jose "Chuy" Valerio  
Dave Demo  
Karen Burnett  
**Mayor:** Douglas Hatley Jr.

All members of the City Council were present.

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

**D. INVOCATION: Led by Mayor Hatley.**

**E. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, PRESENTATIONS:**

**THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER**

1. **February 2020 as Teen Dating Violence Awareness and Prevention Month.** Maggie Michael, Legal Advocate for Empower Tehama was present to accept the Proclamation.

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

**G. CONSENT AGENDA:** It is recommended that items listed on the Consent Agenda be acted on simultaneously unless a Councilmember or members of the audience request separate discussion and/or action.

2. **Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.**
3. **Waive the reading and approve the Minutes with any necessary corrections of the January 28, 2020 regular City Council Meeting.**
4. **February 5, 2020 Claim Warrant in the amount of \$399,220.79.**
5. **February 5, 2020 Business License Report.**
6. **January Wages & Salaries: \$508,434.73.**
7. **January 2020 Treasurer's Report.**
8. **January 2020 Building Permit Valuation Report in the amount of \$515,871.**
9. **January 2020 City of Corning Wastewater Operations Summary Report.**

Councilor Valerio moved to approve Consent Items 2-9; Councilor Snow seconded the motion. **Ayes: Hatley, Snow, Valerio, Burnett and Demo. Absent/Abstain/Opposed: None. Motion was approved by a 5-0 vote.**

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

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

**J. REGULAR AGENDA:**

10. **Adopt Resolution No. 02-11-2020-01 accepting a portion of the California Citizen's Options for Public Safety (COPS) Grant Overage.**

Presented by Police Chief Jeremiah Fears who stated that these funds would be used to update the Departments K-9 Program and update associated equipment and ongoing training.

Councilor Burnett moved to adopt Resolution 02-11-2020-01 thereby accepting the funds offered through the Citizens' Option for Public Safety (COPS) Front-Line Law Enforcement Allocation Grant overage monies in the amount of approximately \$15,000 to be spent toward the purchase of K9 related expenses. Councilor Demo seconded the motion. **Ayes: Hatley, Snow, Valerio, Burnett and Demo. Absent/Abstain/Opposed: None. Motion was approved by a 5-0 vote.**

11. **Adopt Resolution 02-11-2020-02 accepting the 2019/20 California Citizen's Options for Public Safety Grant.**

Presented by Police Chief Jeremiah Fears who stated that this is to fund an existing Police Officer position.

Councilor Demo moved to adopt Resolution 02-11-2020-02 thereby accepting the funds offered through the Citizens' Option for Public Safety (COPS) Front-Line Law Enforcement Allocation Grant and approve the use of these monies (\$100,000) to fund an existing Police Officer position. Councilor Snow seconded the motion. **Ayes: Hatley, Snow, Valerio, Burnett and Demo. Absent/Abstain/Opposed: None. Motion was approved by a 5-0 vote.**

12. **Award Surveying Services to NorthStar under Services Contract 2018-13 for the FY 19/20 Streets Projects and authorize the City Manager to sign the Contract/Additional Work Authorization.**

Presented by Public Works and Engineer Consultant Robin Kampmann who stated that Item J-12 is listed on the Agenda as the Interwest Consulting Contract and should be listed as J-13. She then stated that Staff is requesting Council award the Surveying Services Contract to NorthStar under the City's Engineering Services Agreement 2018-13 in the amount of \$20,500. She further stated that the contract would include drone surveying, topographic survey base map creation including aerial imagery, and hardscape linework to be utilized in the preparation of the improvement plans for the listed streets, specifically:

**THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER**



- Colusa Street between Houghton Avenue and 3<sup>rd</sup> Street;
- Toomes Avenue between Solano Street and Blackburn Avenue;
- 2<sup>nd</sup> Street between Solano St. and Fig Lane;
- South St. between 2<sup>nd</sup> St. and Marguerite Avenue; and
- Hoag St. between Solano St. and Tehama St.

She further stated that all Streets were included in the FY 19/20 list of projects approved by City Council to be funded with the Road Maintenance and Rehabilitation Account revenues.

Councilor Snow moved to award the Surveying Services to NorthStar under Services Contract 2018-13 for the FY 19/20 Streets Projects and authorize the City Manager to sign the Contract/Additional Work Authorization. Councilor Burnett seconded the motion. **Ayes: Hatley, Snow, Valerio, Burnett and Demo. Absent/Abstain/Opposed: None. Motion was approved by a 5-0 vote.**

**13. Authorize the City Manager to sign Contract with Interwest Consulting Group for the SB 2 Planning Grant.**

Presented by Planner 1 Chrissy Meeds who provided a brief history on the City's application submittal and award of an SB 2 (Building Homes and Jobs Act of 2017) \$160,000 Planning Grants Program to fund the consultant services and City Staff time to complete Code updates. She explained that approval of this would allow the City to move forward without coming back to Council. City Manager Miller stated that the City was one of the first jurisdictions to be awarded the funding. Approval of this would allow the City Manager to sign and hold the contract until the State Agreement is received.

Councilor Burnett moved to authorize the City Manager to sign the Contract with Interwest Consulting Group after receipt of the State Planning Grants Program Standard Agreement. Councilor Snow seconded the motion. **Ayes: Hatley, Snow, Valerio, Burnett and Demo. Absent/Abstain/Opposed: None. Motion was approved by a 5-0 vote.**

**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:** Reported on his attendance at the Chamber of Commerce Installation Gala at the Veterans Memorial Hall and the Chiefs Dinner at the Fire Hall last Saturday.

**Valerio:** Thanked everyone for showing their support at the Chamber of Commerce Installation Gala.

**Demo:** Stated that the balloon display at the Chamber Gala was nice.

**Burnett:** Announced that the Senior Center will be hosting "Corning in the Evening" on Thursday, February 13th; the Center will be having a Valentines Party on Friday the 14th and at 2:00 p.m. they will be showing the movie Casablanca at Rodgers Theatre. She also announced that the Senior Center will be having a pancake brunch at 10 a.m. on Monday the 17th.

**Hatley:** Thanked the Chamber of Commerce for having such a wonderful dinner.

Fire Chief Tom Tomlinson announced that Volunteer Randy Potter was selected as Fireman of the Year for the Corning Volunteer Fire Department.

City Manager Kristina Miller announced that the City has not yet heard whether we were awarded the Prop. 68 Grant, we should receive word within the next few weeks.

**N. ADJOURNMENT!: 7:00 p.m.**

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**Lisa M. Linnet, City Clerk**

**MEMORANDUM**

**TO:** HONORABLE MAYOR AND COUNCIL MEMBERS

**FROM:** LORI SIMS  
ACCOUNTING TECHNICIAN

**DATE:** February 20, 2020

**SUBJECT:** Cash Disbursement Detail Report for the  
Tuesday February 25, 2020 Council Meeting

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**PROPOSED CASH DISBURSEMENTS FOR YOUR APPROVAL CONSIST OF THE FOLLOWING:**

<b>A.</b>	<b>Cash Disbursements</b>	<b>Ending 02-12-20</b>	<b>\$</b>	<b>29,566.20</b>
<b>B.</b>	<b>Cash Disbursements</b>	<b>Ending 02-20-20</b>	<b>\$</b>	<b>28,316.16</b>
<b>C.</b>	<b>Payroll Disbursements</b>	<b>Ending 02-13-20</b>	<b>\$</b>	<b>68,437.01</b>

**GRAND TOTAL \$ 126,319.37**

EPORT.: Feb 12 20 Wednesday  
 UN....: Feb 12 20 Time: 10:43  
 un By.: LORI SIMS

CITY OF CORNING  
 Cash Disbursement Detail Report  
 Check Listing for 02-20 Bank Account.: 1020

PAGE: 001  
 ID #: PY-DP  
 CTL.: COR

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
28923	02/10/20	BUR08	BURNETT, KAREN S.	90.00	.00	90.00	200207	REC INSTRUCTOR-REC
28924	02/10/20	CHI13	CHICO PRINCESS PARTIES, L	60.00	.00	60.00	200207	REC INSTRUCTOR-REC
28925	02/10/20	GAB00	GABBARD, BRYAN	300.00	.00	300.00	200207	REC INSTRUCTOR-REC
28926	02/10/20	KNI02	KNIGHT, TYLER	17.91	.00	17.91	02062020	TRAINING/ED-POLICE
28927	02/10/20	PAT04	PATTON, JACQUELINE	315.00	.00	315.00	200207	REC INSTRUCTOR-REC
28928	02/10/20	ROD10	RODRIGUEZ, JESENIA	585.00	.00	585.00	200207	REC INSTRUCTOR-REC
28929	02/10/20	ROJ00	ROJAS, IVAN	90.00	.00	90.00	200207	REC INSTRUCTOR-REC
28930	02/10/20	VIN00	VINSON, MADELYN F.	101.25	.00	101.25	200207	REC INSTRUCTOR-REC
28931	02/10/20	WAR05	WARREN, DANA KARL	238.45	.00	238.45	200205	REC INSTRUCTOR-REC
28932	02/10/20	WEB02	WEBSTER, WAYNE C.	585.00	.00	585.00	200207	REC INSTRUCTOR-REC
28933	02/10/20	CHI13	CHICO PRINCESS PARTIES, L	397.50	.00	397.50	200207A	REC INSTRUCTOR-REC
28934	02/12/20	ACC00	ACCESS INFORMATION MANAGE	202.05	.00	202.05	7922023	EQUIP MAINT-GEN CITY
28935	02/12/20	AIR00	AIRGAS USA, LLC	58.05	.00	58.05	996845902	MAT & SUPPLIES-FIRE
28936	02/12/20	ARA02	ARAMARK UNIFORM SERVICES	94.25 90.69 90.69 90.69	.00 .00 .00 .00	94.25 90.69 90.69 90.69	637227838 637241227 637254724 637268127	MAT & SUPPLIES-BLD MAINT MAT & SUPPLIES-BLD MAINT MAT & SUPPLIES-BLD MAINT MAT & SUPPLIES-BLD MAINT
			Check Total.....:	366.32	.00	366.32		
28937	02/12/20	ASB00	ASBURY ENVIRONMENTAL SERV	65.00	.00	65.00	I50000523	MAT & SUPPLIES-MECH MAINT
28938	02/12/20	ATT15	AT&T MOBILITY	680.04	.00	680.04	200119	MAT & SUPPLIES-
28939	02/12/20	ATT17	AT&T	58.85	.00	58.85	200131	COMMUNICATIONS-FIRE
28940	02/12/20	CAR12	CARREL'S OFFICE MACHINES	4.46	.00	4.46	AR22887	MAT & SUPPLIES-LIBRARY
28941	02/12/20	CON08	CONSTELLATION - EXELON GE	6447.04	.00	6447.04	202001	ELECT-
28942	02/12/20	CPS01	CPS HUMAN RESOURCE CONSUL	358.00	.00	358.00	SOP50722	MAT & SUPPLIES-FINANCE
28943	02/12/20	CRO05	CROSS PETROLEUM	1038.83 466.03	.00 .00	1038.83 466.03	CL91926 CL92321	MAT & SUPPLIES- VEH OP/MAINT-FIRE
			Check Total.....:	1504.86	.00	1504.86		
28944	02/12/20	EIN00	EINHORN, GREGORY PAUL	7470.00	.00	7470.00	13974	EE RELATIONS-LGL SVCS
28945	02/12/20	EMP03	EMPOWER TEHAMA	5887.10	.00	5887.10	DEC '19	COUNSELOR-PROP 47 CYCLE 2
28946	02/12/20	FIR14	FIRST NATIONAL BANK OMAHA	1231.30	.00	1231.30	02042020	MAT & SUPPLIES-
28947	02/12/20	GRA02	GRAINGER, W.W., INC	82.56 26.74	.00 .00	82.56 26.74	943199346 943199347	MAT & SUPPLIES- MAT & SUPPLIES-
			Check Total.....:	109.30	.00	109.30		
28948	02/12/20	JOH06	JOHNSON'S TURBO CLEAN	125.00	.00	125.00	9010	BLD MAINT-FIRE
28949	02/12/20	KNI00	KNIFE RIVER CONSTRUCTION	511.85	.00	511.85	225444	A/C CITYWIDE-STR
28950	02/12/20	MUN02	MUNICIPAL CODE CORPORATIO	400.00	.00	400.00	00339358	PROF SVCS-CITY CLERK
28951	02/12/20	PGE01	PG&E	494.67	.00	494.67	300203	ELECT-
28952	02/12/20	QUI02	QUILL CORPORATION	12.92 12.16 32.62	.00 .00 .00	12.92 12.16 32.62	447709 4449632 4473721	OFFICE SUPPLIES-PW ADMIN OFFICE SUPPLIES-BLD & SAF OFFICE SUPPLIES-PW ADMIN
			Check Total.....:	57.70	.00	57.70		
28953	02/12/20	TEH31	TEHAMA COUNTY MOSQUITO &	166.09	.00	166.09	190701	GEN INS-GEN CITY
28954	02/12/20	THO01	THOMES CREEK ROCK CO	151.51	.00	151.51	200131	MAT & SUPPLIES-
28955	02/12/20	TRI02	TRI-COUNTY NEWSPAPERS	262.63 78.82	.00 .00	262.63 78.82	00249504 00250691	MAT & SUPPLIES-FINANCE Print/Advert. City Clerk
			Check Total.....:	341.45	.00	341.45		
28956	02/12/20	WAL02	WALKER PRINTING	95.45	.00	95.45	37814	PRINT/ADVERT-DISPATCH
			Cash Account Total.....:	29566.20	.00	29566.20		
			Total Disbursements.....:	29566.20	.00	29566.20		

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information-Description
28957	02/13/20	BAS01	BASIC LABORATORY, INC	135.80	.00	135.80	2001407	ProfServices Water Dept
28958	02/13/20	COR11	CORNING SAFE & LOCK	21.56 88.59	.00 .00	21.56 88.59	0623 0622A	MAT & SUPPLIES-PARKS ADA SENIOR CENTER-BLD MAI
			Check Total.....:	110.15	.00	110.15		
28959	02/13/20	COR45	CORNING ACE HARDWARE	249.03	.00	249.03	200127	BLD MAINT-
28960	02/13/20	DEP12	DEPT OF JUSTICE	368.00 70.00	.00 .00	368.00 70.00	430677 435807	PROF SVCS-POLICE PROF SVCS-POLICE
			Check Total.....:	438.00	.00	438.00		
28961	02/13/20	GRE01	GREEN WASTE OF TEHAMA	35.88 51.83 47.18	.00 .00 .00	35.88 51.83 47.18	01238914 01239238 01239502	BLD MAINT-ACO BLD MAINT-ACO BLD MAINT-ACO
			Check Total.....:	134.89	.00	134.89		
28962	02/13/20	LNC01	LN CURTIS & SONS	269.38	.00	269.38	INV346467	SAFETY ITEMS-FIRE
28963	02/13/20	PES01	PESTMASTER SERVICES, INC.	671.63 990.79	.00 .00	671.63 990.79	238011 238012	TREE/PEST & WEED SPRAY- TREE/PEST & WEED SPRAY-
			Check Total.....:	1662.42	.00	1662.42		
28964	02/13/20	PGE01	PG&E	1484.02	.00	1484.02	200210	ELECT-
28965	02/13/20	QUI02	QUILL CORPORATION	215.03 114.19	.00 .00	215.03 114.19	4470920 4477094	OFFICE SUPPLIES- OFFICE SUPPLIES-
			Check Total.....:	329.22	.00	329.22		
28966	02/13/20	RED08	RED BLUFF GLASS CO.	339.03	.00	339.03	32368	VEH OP/MAINT-WTR
28967	02/13/20	VER02	VERIZON WIRELESS	190.05	.00	190.05	984745217	PROP 30-MDC
28968	02/13/20	XER00	XEROX CORPORATION	118.97	.00	118.97	099425062	EQUIP MAINT-DISPATCH
28969	02/18/20	ACI01	ACI SPECIALTY BENEFITS	336.96	.00	336.96	23097	WORKMENS COMP-GEN CITY
28970	02/18/20	COM06	COMCAST	23.75	.00	23.75	200209	COMMUNICATIONS-PW ADMIN
28971	02/18/20	GAY02	GAYNOR TELESYSTEMS, INC	639.67	.00	639.67	000037653	COMMUNICATIONS-CITY ADMIN
28972	02/18/20	GOL06	GOLDEN STATE EMERGENCY VE	39.27	.00	39.27	CI021065	EQUIP MAINT-FIRE
28973	02/18/20	KNI01	KNIGHT, ASHLEY	1192.10	.00	1192.10	01092020	TRAINING/ED-DISPATCH
28974	02/18/20	QUI02	QUILL CORPORATION	128.34	.00	128.34	4574273	OFFICE SUPPLIES-
28975	02/18/20	RED15	RED TRUCK ROCK YARD, LLC	112.88	.00	112.88	1099	MAT & SUPPLIES-STR
28976	02/18/20	USA01	USA BLUE BOOK	8.62 8.62 1128.80	.00 .00 .00	8.62 8.62 1128.80	143103 143104 143780	MAT & SUPPLIES-WTR MAT & SUPPLIES-WTR MAT & SUPPLIES-WTR
			Check Total.....:	1146.04	.00	1146.04		
28977	02/19/20	ATT13	AT&T	757.43	.00	757.43	200211	COMMUNICATIONS-DISPATCH
28978	02/19/20	BAS01	BASIC LABORATORY, INC	135.80	.00	135.80	2001637	ProfServices Water Dept
28979	02/19/20	CEN01	CTR OF EXCELLENCE IN EDU.	1210.00	.00	1210.00	01-20	TRAINING/ED-
28980	02/19/20	COM01	COMPUTER LOGISTICS, INC	2860.00 200.00	.00 .00	2860.00 200.00	81225 81242	EQUIP MAINT- EQUIP MAINT-DISPATCH
			Check Total.....:	3060.00	.00	3060.00		
28981	02/19/20	COR11	CORNING SAFE & LOCK	4.85 34.00	.00 .00	4.85 34.00	0626 0627	MAT & SUPPLIES-BLD MAINT ADA SENIOR CENTER-BLD MAI
			Check Total.....:	38.85	.00	38.85		
28982	02/19/20	DHT00	DH TOOLS INC	245.12	.00	245.12	021220105	VEH OP/MAINT-POLICE
28983	02/19/20	G&M00	G&M BIPPUS ROOFING & CONS	3.00	.00	3.00	20200218	MAT & SUPPLIES-BLD & SAFE
28984	02/19/20	HIT02	HI-TECH DIESEL SPECIALIST	160.83	.00	160.83	RO #534	VEH OP/MAINT-PARKS
28985	02/19/20	QUI02	QUILL CORPORATION	15.94	.00	15.94	4645911	MAT & SUPPLIES-CITY CLERK
28986	02/19/20	SHE08	SHELTON, ROB	29.87	.00	29.87	200219	REFUND BUSINESS LICENSE
28987	02/19/20	TAN00	T AND S DVBE, INC.	398.54	.00	398.54	20-181	SIGN REPLACEMENT-STR

REPORT.: Feb 20 20 Thursday  
 UN....: Feb 20 20 Time: 09:01  
 un By.: LORI SIMS

CITY OF CORNING  
 Cash Disbursement Detail Report  
 Check Listing for 02-20 Bank Account.: 1020

PAGE: 002  
 ID #: PY-DP  
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Payment Information----- Invoice #	Description
28988	02/19/20	WAL02	WALKER PRINTING	278.85	.00	278.85	37892	MAT & SUPPLIES-REC
28989	02/20/20	BUR08	BURNETT, KAREN S.	150.00	.00	150.00	200220	REC INSTRUCTOR-REC
28990	02/20/20	CHI13	CHICO PRINCESS PARTIES, L	240.00	.00	240.00	200218	REC INSTRUCTOR-REC
28991	02/20/20	MOO07	MOORE & BOGENER, INC.	1369.80	.00	1369.80	10085	CONSULT/LIT-
28992	02/20/20	NOR47	NORTHSTAR	8925.00	.00	8925.00	75388	PROF SVCS-PW ADMIN
28993	02/20/20	PAT04	PATTON, JACQUELINE	420.00	.00	420.00	200220	REC INSTRUCTOR-REC
28994	02/20/20	TPX00	TPX COMMUNICATIONS	1324.66	.00	1324.66	126291840	COMMUNICATIONS-
28995	02/20/20	WEB02	WEBSTER, WAYNE C.	472.50	.00	472.50	200220	REC INSTRUCTOR-REC
Cash Account Total.....:				28316.16	.00	28316.16		
Total Disbursements.....:				28316.16	.00	28316.16		
Cash Account Total.....:				.00	.00	.00		

REPORT.: Feb 20 20 Thursday  
 UN...: Feb 20 20 Time: 09:01  
 un By.: LORI SIMS

CITY OF CORNING  
 Cash Disbursement Detail Report - Payroll Vendor Payment(s)  
 Check Listing for 02-20 Bank Account.: 1025

PAGE: 003  
 ID #: PY-DP  
 CTL.: COR

check umber	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
11804	02/13/20	BAN03	POLICE OFFICER ASSOC.	325.00	.00	325.00	C00212	POLICE OFFICER ASSOC
11805	02/13/20	BAN06	BANNER BANK	6428.62	.00	6428.62	C00212	HSA DEDUCTIBLE
11806	02/13/20	CAL37	CALIFORNIA STATE DISBURSE	138.46	.00	138.46	C00212	WITHHOLDING ORDER
11807	02/13/20	EDD01	EMPLOYMENT DEVELOPMENT	4232.66 1185.60	.00 .00	4232.66 1185.60	C00212 1C00212	STATE INCOME TAX SDI
			Check Total.....:	5418.26	.00	5418.26		
11808	02/13/20	FED00	FEDERAL PAYROLL TAXES (EF	10974.18 13924.78 3256.62	.00 .00 .00	10974.18 13924.78 3256.62	C00212 1C00212 2C00212	FEDERAL INCOME TAX FICA MEDICARE
			Check Total.....:	28155.58	.00	28155.58		
11809	02/13/20	HEA05	HEALTHIEST YOU	18.00	.00	18.00	C00212	HEALTHIEST YOU
11810	02/13/20	ICM01	ICMA RETIREMENT TRUST-457	1456.69 170.00	.00 .00	1456.69 170.00	C00212 1C00212	ICMA DEF. COMP ICMA DEF. COMP ER PD
			Check Total.....:	1626.69	.00	1626.69		
11811	02/13/20	PERS1	PUBLIC EMPLOYEES RETIRE	22205.21	.00	22205.21	C00212	PERS PAYROLL REMITTANCE
11812	02/13/20	PERS4	Cal Pers 457 Def. Comp	1748.51 475.00	.00 .00	1748.51 475.00	C00212 1C00212	PERS DEF. COMP. PERS DEF. COMP. ER P
			Check Total.....:	2223.51	.00	2223.51		
11813	02/13/20	VAL06	VALIC	1717.68 180.00	.00 .00	1717.68 180.00	C00212 1C00212	AIG VALIC P TAX AIG VALIC P TAX ER P
			Check Total.....:	1897.68	.00	1897.68		
			Cash Account Total.....:	68437.01	.00	68437.01		
			Total Disbursements.....:	68437.01	.00	68437.01		

Date.: Feb 20, 2020  
Time.: 9:00 am  
Run by: LORI SIMS

CITY OF CORNING  
NEW BUSINESSES FOR CITY COUNCIL

Item No.: G-5

Page.: 1  
List.: NEWB  
Group: WTFMBM

Business Name	Address	CITY/STATE/ZIP	Business Desc	Bus Start Date
CRYSTAL CLEAN	4536 COUNTY RD FF	ORLAND, CA 95963	CARPET CLEANING	02/14/20
LETCHER'S PLUMBING	219 BURNS DR	YUBA CITY, CA 95991	PLUMBING AND CONTRACTING	02/12/20
JOHN HOLLMER BACKFLO	16380 RIVER HEIGHTS DR	RED BLUFF, CA 96080	CERTIFIED & INSURED TO TEST/REPAIR	02/10/20
MARTINDALE CONSTRUCT	1024 N. BUTTE ST	WILLOWS, CA 95988	CONSTRUCTION & ELECTRICAL SERVICE	02/14/20
PIELBONITA	106 MOBILE DR	CORNING, CA 96021	FACIALS, WAXING AND MAKEUP SERVICES &	02/14/20

**ITEM NO.: I-6  
PUBLIC HEARING - INTRODUCE ORDINANCE  
NO. 684, AN ORDINANCE UPDATING BUILDING  
CODES FOR THE CITY OF CORNING  
February 25, 2020**

**TO: HONORABLE MAYOR AND COUNCILMEMBERS**  
**FROM: KRISTINA MILLER, CITY MANAGER**  
**DAN REDDING, BUILDING OFFICIAL**  
**COLLIN BOGENER, CITY ATTORNEY**



**SUMMARY:**

The City of Corning has adopted State-wide Uniform Building Codes for many years to regulate construction and remodeling of buildings and structures within the City. These Codes have been updated at the State level and the new Codes now need to be adopted by the City.

**BACKGROUND:**

The current Uniform Building Codes (the 2016 editions adopted by the City in 2015) need to be replaced by the new Codes adopted by the State of California. These include the 2019 Editions of:

California Building Standards Administrative Code, California Building Code and Appendices, California Residential Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Energy Code, California Historical Building Code, California Fire Code, California Existing Building Code, California Green Building Standards Code and the California Referenced Standards Code.

The 2018 Edition of the Uniform Swimming Pool, Spa and Hot Tub Code and the 2018 Edition of the Uniform Solar Energy and Hydronics Code updates also need to be adopted.

The proposed Ordinance would leave the previously adopted editions of the Uniform Code for Abatement of Dangerous Buildings and the Uniform Housing Code still in effect without changes as more current editions of those two codes have not been adopted at the State level.

In 2011 the City adopted two new Codes not previously applied in Corning. One was the California Residential Building Code and the other was the Green Building Standards Code. The California Residential Building Code applies to one and two family homes and townhouses, and includes the requirement for sprinkler systems which apply to all new construction, including residential construction. The California Green Standards Code implements mandatory measures aimed at curbing greenhouse emissions, energy conservation, water use and other environmental impacts of new construction. Both Codes will be updated with this Ordinance.

The International Conference of Building Officials (ICBO), and later the International Code Council produced these Uniform Codes for adoption by Cities and Counties. Later the State of California took control of Code adoption and through State Health and Safety Code Section 17958 et. seq. mandated that Cities either adopt these Codes consistent with State Law or submit to the regulations of the State's Department of Housing and Community Development on these subjects. Periodically the State of California Building Standards Commission reviews and proposes changes to these Codes and the State Legislature then implements those proposals by amending the Law. Cities and Counties throughout the State then review and adopt by reference such updated Codes so that they will apply to their jurisdictions.

**RECOMMENDATION:**

**MAYOR AND CITY COUNCIL:**

- **HAVE THE DEPUTY CITY CLERK READ ORDINANCE NO. 684 BY TITLE.**
- **MOVE TO INTRODUCE ORDINANCE NO. 684, AN ORDINANCE PROPOSING TO ADOPT THE CURRENT EDITIONS OF VARIOUS UNIFORM CODES; AND**
- **SET MARCH 10, 2020 AS THE DATE FOR THE SECOND READING AND PROPOSED ADOPTION OF THIS ORDINANCE.**



**PUBLIC HEARING NOTICE  
COUNCIL DATE TO CONSIDER ADOPTION**

**Ordinance No. 684 proposing adoption by reference the 2019 Editions of the California Building Standards Codes and Related Codes. These codes will be introduced as a public hearing at a meeting of the City Council of the City of Corning at 794 Third Street, Corning, CA on February 25, 2020 at 6:30 p.m., and is to be considered for adoption at a regular meeting of the City Council of the City of Corning to be held on March 10, 2020 at 6:30 p.m. A Summary of the proposed Ordinance, Ordinance No. 684 is listed below.**

**SUMMARY ORDINANCE NO. 684  
OF THE  
CITY OF CORNING  
ADOPTING BY REFERENCE THE 2019 EDITIONS  
OF THE CALIFORNIA BUILDING STANDARDS CODES  
AND RELATED CODES**

**INCORPORATING:**

**THE CALIFORNIA BUILDING STANDARDS ADMINISTRATIVE CODE, 2019 EDITION,** published by the International Code Council, as adopted by the California Building Standards Commission;

**THE CALIFORNIA BUILDING CODE, 2019 EDITION,** based on the 2006 International Building Code published by the International Code Council, as amended and adopted by the California Building Standards Commission;

**THE CALIFORNIA RESIDENTIAL BUILDING CODE, 2019 EDITION,** as published by the International Code Council, as amended and adopted by the California Building Standards Commission;

**THE CALIFORNIA ELECTRICAL CODE, 2019 EDITION,** based on the 2005 Edition of the National Electrical Code published by the National Fire Protection Association, as adopted by the California Building Standards Commission;

**THE CALIFORNIA MECHANICAL CODE, 2019 EDITION,** based on the 2006 Uniform Mechanical Code published by the International Association of Plumbing and Mechanical Officials, as adopted by the California Building Standards Commission;

**THE CALIFORNIA PLUMBING CODE, 2019 EDITION,** as adopted by the California Building Standards Commission;

**THE CALIFORNIA ENERGY CODE, 2019 EDITION,** published by the International Code Council, as adopted by the California Building Standards Commission;

**THE CALIFORNIA HISTORICAL BUILDING CODE, 2019 EDITION,** published by the International Code Council, as adopted by the California Building Standards Commission;

**THE CALIFORNIA FIRE CODE, 2019 EDITION,** based on the 2006 International Fire Code as published by the International Code Council, as amended and adopted by the California Building Standards Commission;

**THE CALIFORNIA EXISTING BUILDINGS CODE,** based on Appendix Chapter A1 of the 2006 International Existing Building Code as published by the International Code Council, as amended and adopted by the California

**THE CALIFORNIA GREEN BUILDING STANDARDS CODE,** as published by the International Code Council, as amended and adopted by the California Building Standards Commission;

**THE CALIFORNIA REFERENCED STANDARDS CODE,** as published by the International Code Council, as adopted by the California Building Standards Commission, and

Amending and supplementing those portions of **CALIFORNIA CODE OF REGULATIONS, TITLE 24** as identified herein, and

Adopting administrative and non-building regulations contained in the above reference Codes; and

Adopting the **2018 EDITION OF THE UNIFORM SWIMMING POOL, SPA & HOT TUB CODE** and **2018 EDITION OF THE UNIFORM SOLAR ENERGY AND HYDRONICS CODE** published by the International Association of Plumbing and Mechanical Officials (AOMO).

**Published: Thursday, February 23, 2020**  
**Lisa M. Linnet, City Clerk**

**ORDINANCE NO. 684**

**AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF CORNING**

**ADOPTING BY REFERENCE THE 2019 EDITIONS OF THE CALIFORNIA  
BUILDING STANDARDS CODES, KNOWN AS THE  
CALIFORNIA CODE OF REGULATIONS, TITLE 24, AND THE UNIFORM SWIMMING  
POOL, SPA AND HOT TUB CODE AND THE UNIFORM SOLAR ENERGY & HYDRONICS  
CODE PUBLISHED BY THE INTERNATIONAL ASSOCIATION OF PLUMBING AND  
MECHANICAL OFFICIALS**

**INCORPORATING:**

The **California Building Standards Administrative Code**, 2019 Edition, published by the International Code Council, as adopted by the California Building Standards Commission, in Part 1, Title 24 of the California Code of Regulations.

The **California Building Code and Appendices**, 2019 Edition, based on the most current Edition of the International Building Code published by the International Code Council, as amended and adopted by the California Building Standards Commission in Part 2, Title 24 of the California Code of Regulations.

The **California Residential Building Code**, 2019 Edition, based on the most current Edition of the International Residential Building Code as published by the International Conference of Building Officials, as Amended and Adopted by the California Building Standards Commission in Part 2.5, Title 24 of the California Code of Regulations.

The **California Electrical Code**, 2019 Edition, based on the most current Edition of the National Electrical Code published by the National Fire Protection Association, as Adopted by the California Building Standards Commission in Part 3, Title 24 of the California Code of Regulations.

The **California Mechanical Code**, 2019 Edition, based on the most current Edition of the Uniform Mechanical Code published by the International Association of Plumbing and Mechanical Officials, as Adopted by the California Building Standards Commission in Part 4, Title 24 of the California Code of Regulations.

The **California Plumbing Code**, 2019 Edition, based on the most current Edition of the Uniform Plumbing and Mechanical Officials and as Adopted by the California Building Standards Commission in Part 5, Title 24. Plumbing Code Supplement, effective December 7, 2013,

The **California Energy Code**, 2019 Edition, published by the International Code Council, as Adopted by the California Building Standards Commission in Part 6, Title 24 of the California Code of Regulations.

The **California Historical Building Code**, 2019 Edition, published by the International Code Council, as Adopted by the California Building Standards Commission in Part 8, Title 24 of the California Code of Regulations.

The **California Fire Code**, 2019 Edition, based on the most current Edition of the International Fire Code as published by the International Code Council, and as Amended and Adopted by the California Building Standards Commission,

The **California Existing Buildings Code**, as Amended and Adopted by the California Building Standards Commission in Part 10, Title 24 of the California Code of Regulations.

The **California Green Building Standards Code**, as published by the International Code Council, as Amended and Adopted by the California Building Standards Commission in Part 11, Title 24 of the California Code of Regulations.

The **California Referenced Standards Code**, as published by the International Code Council, as Adopted by the California Building Standards Commission in Part 12, Title 24 of the California Code of Regulations.

**AMENDING AND SUPPLEMENTING THOSE PORTIONS OF CALIFORNIA CODE OF REGULATIONS, TITLE 24 AS IDENTIFIED HEREIN,**

**AND ADOPTING ADMINISTRATIVE AND NON-BUILDING REGULATIONS CONTAINED IN THE ABOVE REFERENCED CODES**

**AND ADOPTING THE 2018 EDITION OF THE UNIFORM SWIMMING POOL, SPA & HOT TUB CODE AND 2018 EDITION OF THE UNIFORM SOLAR ENERGY AND HYDRONICS CODE PUBLISHED BY THE INTERNATIONAL ASSOCIATION OF PLUMBING AND MECHANICAL OFFICIALS (IAPMO).**

**The City Council of the City of Corning does ordain as follows:**

**SECTION 1 – PURPOSE AND AUTHORITY**

The purpose of this Ordinance is to adopt by reference the 2019 editions of the California Building Standards Codes, Title 24 of the California Code of Regulations, and various rulemakings of the California Building Standards Commission, subject to the definitions, clarifications, and the amendments set forth in this Ordinance. The purpose of this Ordinance is also to adopt by reference two uniform codes published by the International Association of Plumbing and Mechanical Officials. This Ordinance is adopted under the authority of California Government Code Section 50022.2 and California Health and Safety Code Section 18941.5.

**SECTION 2 – TECHNICAL CODES**

Section 15.08.040 of Chapter 15 of the Corning Municipal Code is amended to read as set forth below, but retaining the language contained in subparts M and N (**Uniform Housing Code, 1997 Edition, and Uniform Code for the Abatement of Dangerous Buildings, 1997 Edition**) of Ordinance 647, adopted October 25, 2011:

**15.08.040 Adoption of Uniform Codes.**

The following publications are hereby adopted by reference and incorporated into this Code, except as expressly amended or superseded by the provisions of this Chapter.

- A.** The 2019 Edition of the **California Building Standards Administrative Code** as published by the International Code Council, and as adopted by the California Building Standards Commission, Part 1, Title 24 of the California Code of Regulations.
- B.** The 2019 Edition of the **California Building Code and Appendices**, based upon the most current Edition of the International Building Code and Appendices, as published by the International Conference of Building Officials, as amended and adopted by the California Building Standards Commission in the California Building Code, Part 2, Title 24 of the California Code of Regulations.
- C.** The 2019 Edition of the **California Residential Building Code**, based on the most current edition of the International Residential Building Code as published by the International Conference of Building Officials, as amended and adopted by the California Building Standards Commission in the California Building Standards Code, Part 2, Title 24 of the California Code of Regulations.
- D.** The 2019 Edition of the **California Electrical Code**, based upon the most current Edition of the National Electric Code, as published by the National Fire Protection Association, as adopted by the California Building Standards Commission in Part 3, Title 24 of the California Code of Regulations.
- E.** The 2019 Edition of the **California Mechanical Code**, based upon the most current edition of the Uniform Mechanical Code, as published by the International Association of Plumbing and Mechanical Officials, as adopted by the California Building Standards Commission in Part 4, Title 24 of the California Code of Regulations.

- F. The 2019 Edition of the **California Plumbing Code**, based upon the most current edition of the Uniform Plumbing Code, as published by the International Association of Plumbing and Mechanical Officials, as adopted by the California Building Standards Commission in Part 5, Title 24 of the California Code of Regulations.
- G. The 2019 Edition of the **California Energy Code**, as published by the International Code Council, as adopted by the California Building Standards Commission in Part 6, Title 24 of the California Code of Regulations.
- H. The 2019 Edition of the **California Historical Building Code**, as published by the International Code Council, as adopted by the California Building Standards Commission in Part 8, Title 24 of the California Code of Regulations.
- I. The 2019 Edition of the **California Fire Code** based on the most current edition of the International Fire Code as published by the International Code Council as amended and adopted by the California Building Standards Commission.
- J. The 2019 Edition of the **California Existing Buildings Code**, as published by the International Code Council, as amended and adopted by the California Building Standards Commission in the California Building Standards Code in Part 10, Title 24 of the California Code of Regulations.
- K. The 2019 Edition of the **California Green Building Standards Code**, as published by the International Code Council, as amended and adopted by the California Building Standards Commission in the California Building Standards Code in Part 11, Title 24 of the California Code of Regulations.
- L. The 2019 Edition of the **California Referenced Standards Code**, as published by the International Code Council, as adopted by the California Building Standards Commission in Part 12, Title 24 of the California Code of Regulations.
- M. **Changes and Supplements to the foregoing Codes:** Changes and Supplements to Title 24 of the California Building Standards Code are hereby incorporated into the Corning Municipal Code, those changes being to:
  - Part 1 California Administrative Code
  - Part 2 California Building Code, Volumes 1 and 2
  - Part 2.5 California Residential Code
  - Part 3 California Electrical Code
  - Part 5 California Plumbing Code
  - Part 9 California Fire Code
  - Part 11 California Green Building Standards Code (CALGreen)

And the effective dates thereof shall be according to the statewide effective date for rulemakings approved by CBSC pursuant to Health and Safety Code 18938(c) subject to the exceptions provided for the administrative provisions of Part 1 and the changes which are without regulatory effect, both of which came into effect in 2014 per directives of the CBSC,

- N. **Uniform Codes Published by the International Association of Plumbing and Mechanical Officials (IAPMO):** The following Uniform Codes published by the IAPMO: (1) 2018 Edition of the **Uniform Swimming Pool, Spa and Hot Tub Code**; and (2) 2018 Edition of the **Uniform Solar Energy and Hydronics Code**.

### **SECTION 3 – FILING OF FINDINGS**

The City Clerk is hereby directed to file a copy of this Ordinance with the California Building Standards Commission of the State of California if required by law.

### **SECTION 4 – EFFECTIVE DATE AND SUMMARY PUBLICATION**

This Ordinance shall take effect April 10, 2020, 30-days after its adoption and pursuant to its publication in summary format prior to adoption and within fifteen days after its adoption in the *Corning Observer*, a newspaper of general circulation published and circulated in the City of Corning.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Corning on February 25, 2020, and adopted at a regular meeting of the City Council of the City of Corning held on March 10, 2020, by the following vote:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**

**Douglas R. Hatley, Jr., Mayor**

**ATTEST:**

\_\_\_\_\_  
**Lisa M. Linnet, City Clerk**

\_\_\_\_\_  
**STATE OF CALIFORNIA**  
**COUNTY OF TEHAMA**  
**CITY OF CORNING**

I, Lisa M. Linnet, City Clerk of the City of Corning do hereby certify that the foregoing is a true and correct copy of Ordinance No. 684. This Ordinance was introduced at a regular meeting of the City Council of the City of Corning held on **February 25, 2020** and is to be adopted at a regular meeting of the City Council of the City of Corning held on **March 10, 2020**. Ordinance No. 684 was published in a newspaper of general circulation within the required legal guidelines

**ATTEST:**

\_\_\_\_\_  
**Lisa M. Linnet**  
**City Clerk**

ITEM NO: J-7  
PRESENTATION AND ACCEPTANCE OF  
ANNUAL CITY AUDIT FOR  
FISCAL YEAR 2018/2019  
FEBRUARY 25, 2020

TO: HONORABLE MAYOR AND COUNCIL MEMBERS  
FROM: KRISTINA MILLER, CITY MANAGER 

**SUMMARY:**

Each year, City Auditor Donald Reynolds, CPA, who is accountable directly to the City Council, presents the results of the Annual Audit of the City of Corning financial records. He will be present at the Council Meeting to explain to the City Council the results of the Fiscal Year 2018/2019 Audit. The **“Management’s Discussion and Analysis” is attached.**

A copy of the Audit is on file for public review at City Hall and on the City website ([www.corning.org](http://www.corning.org)). Council members may receive a bound copy at City Hall.

**AUDIT OVERVIEW:**

The Audit report begins with the **“Independent Auditor’s Report”** of the Financial Section. That report provides detailed information regarding the issues addressed by the Auditor in this document. Mr. Reynolds will be on hand to answer any questions you might have regarding the audit document.

The next section of the Financial Section is the **“Management’s Discussion and Analysis” or “MD&A”** that provides City Management’s introduction to the Annual Audit. This is an important part of the Audit report because it provides an overview of the City’s financial condition as viewed by the City Management. The MD&A has also been reviewed by the Auditor. It includes an explanation of the components of the audit and summarizes revenues and expenditures for the fiscal year. The MD&A is the most concise, understandable portion of the audit.

**GENERAL FUND:**

The General Fund of the City is the main fund that is discretionary in nature; the Council has the freedom to determine the priorities and establish the uses of the General Fund. Most of the other Funds are restricted to specific purposes either by City Code or by State Law though the City Council still sets the priorities.

**FY 2018/2019 VS. FY 2017/2018**

Tables 3 & 4 on Page 8 of the MD&A present the actual General Fund Revenues and Expenditures data for FY 2018/2019 as compared with the same data for FY 2017/2018. You will note that revenues (Table 3) increased in 2018/2019 by \$650,220, or 10.33% over the previous year. These increases were largely due to increases in sales tax, transactions and use tax (Measure A), and transient occupancy taxes as a result from the Camp Fire. They are short-term increases in revenue. From Table 4 you will note expenditures increased in FY 2018/2019 by \$323,380 or 6.13% from FY 2017/2018. Most notably, these increases in expenditures were due to increases in Capital Outlay and Public Safety.

**FY 2018/2019 BUDGET VS. ACTUAL:**

Budgets are projections of future revenue and expenditures. The audit reconciles the projections we make near the beginning of the fiscal year with the actual amounts. A summary of General Fund Budgeted Amounts vs. the Actuals is included as Table 7 in the MD&A, and in Exhibit “A-3” on pages 64 through 66 of the Audit. Overall, revenues came in \$730,117 higher than expected within the budget due to unanticipated Camp Fire revenue. Actual expenditures were \$111,126 less than budgeted.

The Total General Fund fund balance at June 30, 2019 was \$2,373,527. This represents a \$708,761 increase from June 30, 2017.

**OTHER FUNDS:**

The MD&A provides two summary tables of the Water and Sewer Funds, respectively. Table 5 shows the Water Fund ending the year with a negative "Change in Net Assets" of (\$146,057). This was mainly due to a GASB 68 expenditure increase in the Water Fund. The Sewer Fund data is presented on Table 6 and also shows a Change in Net Assets of (\$153,458) at the close of FY 2018/2019. This was also mainly due to a GASB 68 expenditure increase in the sewer fund.

The other specialized Funds such as the road funds are listed in **Exhibits B-1 through B-3.**

**Exhibits C-1 through C-3,** show the Capital Replacement and the Capital Improvement Funds, including development fee related funds including the Traffic Mitigation Fund 116, and Drainage Fund 345 and the Department **Equipment Replacement** Funds.

**Exhibits D-1 through D-3** show the City's "Enterprise Funds", which consist of the Sewer, Solid Waste, Airport, Transportation Center and Water funds. Be cautious; Depreciation and Amortization are included and appear to distort the net income and do not include principal payments on long-term debt. Retained Earnings include the total cost of all fixed assets less any accumulated depreciation and any long-term debt.

**Exhibits E-1 through E-3,** show the three **Trust Funds,** J.T. Levy Scholarship Fund, Rodgers Theatre Trust and the Riddell Library Fund.

**RECOMMENDATION:**

**MAYOR AND COUNCIL MEMBERS RECEIVE AND ACCEPT THE ANNUAL AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2019.**



**CITY OF CORNING**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2019**

As Management of the City of Corning (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements following this section.

The Management's Discussion and Analysis (MD&A) presents financial highlights; an overview of the accompanying financial statements; an analysis of financial position and results of operations; a current-to-prior year analysis; a discussion on restrictions and commitments; and a discussion on significant activity involving capital assets and long-term debt. The discussion focuses on the City's primary government and unless otherwise noted, component units reported separately from government are not included.

**Financial Highlights**

**Government-Wide**

All funds of the City are reported together in the Government-Wide Reports. Total assets of the City were \$38,283,212, deferred inflows and outflows of resources were \$4,608,360 and \$1,455,774 respectively, and total liabilities were \$17,591,912 at June 30, 2019. The City's assets exceeded its liabilities by \$17,538,713 (net position) for the fiscal year reported. This is an increase of \$1,052,466 from the previous year when assets exceeded liabilities by \$16,475,289. The increase was primarily due to the increases in transactions and use taxes, otherwise known as Measure A, sales tax, and transient occupancy taxes (TOT), as a result of the CAMP Fire. A surplus in the amount of \$1,371,916 was generated in the governmental funds and a deficit of (\$319,450) in the business-type funds.

At June 30, 2019, the General Fund had a fund balance of \$3,082,288.

**Fund Based – Governmental Funds**

Governmental funds include the General Fund and all other funds, except those classified as business type. The City's governmental funds reported total ending fund balance of \$5,962,057 this year. This compares to the prior year ending fund balance of \$4,389,278 and is an increase of \$1,572,779 during the current year;

For the fiscal year ending June 30, 2019, the fund balance of the General Fund (including Measure A) was \$3,082,288. Management has a General Fund balance goal of six (6) months of operating expenditures in order to maintain stability of City services during times of economic uncertainty. The fund balance of \$3,082,288 at June 30, 2019 equates to 6.61 months of operating expenditures, based on reported fiscal year 2018/2019 expenditures (\$5,599,045).

**Fund Based – Business Type Activities**

The City's business type activities include the Water Fund, the Sewer Fund, the Solid Waste Enterprise Fund, the Airport Fund and the Transportation Center Fund. These funds reported total ending net position of \$5,299,444 as of June 30, 2019. This compares to the prior year ending net position of \$5,611,513 showing a decrease of \$312,069 during the current year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction of the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-Wide Financial Statements**

The government-wide financial statements present both long-term and short-term information about the City's overall financial picture. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis of full accrual accounting and elimination or reclassification of internal activities.

The *Statement of Net Position* is measured as the difference between (a) assets and deferred outflow of resources and (b) liabilities and deferred inflow of resources. This is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position may serve as an indicator of whether or not its financial health is improving or deteriorating.

The *Statement of Activities* presents information on how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that only result in cash flows in future periods; e.g. earned but unused vacation leaves.

In both the Statement of Net Position and Statement of Activities we divide the City into two kinds of activities:

***Governmental Activities*** – Most of the City's basic services are reported here, including General Government (City Council, City Clerk, City Manager's Department, General and Fiscal Services), Public Safety (Police and Fire), Community Development and Planning, Swimming Pool and Public Works. Revenues from property taxes, transient occupancy taxes (TOT), sales tax, transactions and use tax, business license tax, etc. finance most of these activities.

***Business-type Activities*** – The City charges a fee to customers to recover all or most of certain services it provides. The City's water, sewer, solid waste, airport and transportation center are included in this category.

### **Fund Financial Statements**

The Fund Financial Statements are designed to report information about groupings (funds) of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The City uses all three types, each using different accounting methods.

***Governmental Funds*** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Corning maintains 38 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund which is considered the only major fund. Data from the other 37 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Corning adopts annual appropriations for its governmental funds. As required supplementary statements, budgetary comparison statements have been provided to demonstrate compliance with adopted appropriations. The basic governmental fund financial statements can be found on pages 16-18 of this report.

***Proprietary Funds*** – Proprietary funds are primarily used to account for when the City charges for the services it provides, whether to outside customers or to other units of the City. These funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities, using an accrual basis of accounting. In fact, the City’s enterprise funds (a component of proprietary funds) are the same as the business-type activities that are reported in the government-wide financial statements but provide more detailed information, such as the statement of cash flows. The City used internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City’s other programs and activities, such as Building and Equipment Services, Self-Insurance and Information Technology funds. Since these activities predominantly benefit governmental rather than business-type functions, they are included with the governmental activities in the government-wide financial statements.

***Fiduciary Funds*** – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. In these cases, the City has a fiduciary responsibility and is acting as a trustee. The Statement of Fiduciary Net Position separately reports all of the City’s fiduciary activities. The City excludes those activities from the City’s other financial statements because the City cannot use these assets to finance its operations. However, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### **Notes to the financial statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information. The City’s progress in funding its obligation to provide pension benefits to its employees is presented. The Statements of Revenues, Expenditures, and Changes in Fund balances – Budget and Actual for the individual funds are also presented.

## **FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

This analysis will focus on the City’s net position (Table 1) and changes in net position (Table 2) of the governmental and business-type activities for the fiscal year ending June 30, 2019.

**TABLE 1 - NET POSITION**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-Wide Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Assets:</b>						
Cash and other assets	\$ 10,633,477	\$ 8,753,100	\$ 3,474,702	\$ 3,293,268	\$ 14,108,179	\$ 12,046,368
Capital asset	<u>12,560,797</u>	<u>12,175,102</u>	<u>11,614,236</u>	<u>12,170,732</u>	<u>24,175,033</u>	<u>24,345,834</u>
Total Assets	<u>\$ 23,194,274</u>	<u>\$ 20,928,202</u>	<u>\$ 15,088,938</u>	<u>\$ 15,464,000</u>	<u>\$ 38,283,212</u>	<u>\$ 36,392,202</u>
Deferred Outflows	<u>\$ 1,164,934</u>	<u>\$ 1,743,434</u>	<u>\$ 290,840</u>	<u>\$ 459,454</u>	<u>\$ 1,455,774</u>	<u>\$ 2,202,888</u>
<b>Liabilities</b>						
Other liabilities	\$ 1,229,365	\$ 173,059	\$ 601,070	\$ 297,384	\$ 1,830,435	\$ 470,443
Long-term liabilities	<u>6,368,969</u>	<u>6,833,474</u>	<u>9,392,508</u>	<u>9,960,761</u>	<u>15,761,477</u>	<u>16,794,235</u>
Total Liabilities	<u>\$ 7,598,334</u>	<u>\$ 7,006,533</u>	<u>\$ 9,993,578</u>	<u>\$ 10,258,145</u>	<u>\$ 17,591,912</u>	<u>\$ 17,264,678</u>
Deferred Inflows	<u>\$ 4,521,605</u>	<u>\$ 4,394,890</u>	<u>\$ 86,755</u>	<u>\$ 53,796</u>	<u>\$ 4,608,360</u>	<u>\$ 4,448,686</u>
<b>Net Position</b>						
Invested in capital assets net of related debt	\$ 11,092,461	\$ 10,800,000	\$ 3,350,096	\$ 3,660,833	\$ 14,442,557	\$ 14,460,833
Restricted	-	-	2,083,083	2,031,826	2,083,083	2,031,826
Unrestricted	<u>1,146,808</u>	<u>470,213</u>	<u>(133,735)</u>	<u>(81,146)</u>	<u>1,013,073</u>	<u>389,066</u>
Total Net Position	<u>\$ 12,239,269</u>	<u>\$ 11,270,213</u>	<u>\$ 5,299,444</u>	<u>\$ 5,611,513</u>	<u>\$ 17,538,713</u>	<u>\$ 16,881,726</u>

In fiscal year 2018-19, Governmental Activities increased the City's net position by \$1,371,916 and business-type activities decreased the City's net position by \$319,450 as compared to the prior fiscal year. The net position of business type activities can be attributed to decreases in depreciable assets.

As Table 2 depicts, Governmental Activities revenues increased by \$840,438, or 11.16%, due primarily to the increase in sales tax, and TOT, received for the year, which equaled \$410,013, and \$194,819, respectively. Expenses in the governmental activities increased by \$1,957,911 or 38.82%; much of this increase is due to the City's public safety combined with an increase in general government. General government primarily increased due to GASB 68 requiring pension being reported on an accrual basis and energy improvement costs in the amount of \$214,046.15 (that will be reimbursed by Pacific Gas and Electric (PG&E)). The City will then pay a 0% interest loan through PG&E to pay off the improvements.

Business-type activities revenues increased by \$66,583 or 1.8%. The increase was due, in part to increases customer charges for services. Business-type expenses decreased by \$220,667 due to decreased costs of providing sewer and water services and interest on debt.

**TABLE 2 - CHANGES IN NET POSITION**  
For the periods ending June 30

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-Wide Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 84,203	\$ 192,365	\$ 3,755,639	\$ 3,689,056	\$ 3,839,842	\$ 3,881,421
Operating grants and contributions	465,014	409,223	-	-	465,014	409,223
Capital grants and contributions	744,697	442,899	-	-	744,697	442,899
<b>General revenues:</b>						
Property taxes	607,864	545,871	-	-	607,864	545,871
Sales and use taxes	4,320,296	3,910,283	-	-	4,320,296	3,910,283
Occupancy taxes	618,181	423,362	-	-	618,181	423,362
Other taxes	195,388	286,943	-	-	195,388	286,943
Vehicle License Fee	629,699	592,977	-	-	629,699	592,977
Franchise tax	128,947	130,276	-	-	128,947	130,276
Investment earnings	45,230	22,978	24,182	88,219	69,412	111,197

Intergovernmental	156,942	163,640	-	-	156,942	163,640
Other revenue	<u>376,601</u>	<u>411,807</u>	<u>166,424</u>	<u>192,497</u>	<u>543,025</u>	<u>604,304</u>
Total Revenue	<u>8,373,062</u>	<u>7,532,624</u>	<u>3,946,245</u>	<u>3,969,772</u>	<u>12,319,307</u>	<u>11,502,396</u>

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-Wide Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Expenses:						
General government	1,964,261	1,350,587	-	-	1,964,261	1,350,587
Public safety	3,994,315	2,996,095	-	-	3,994,315	2,996,095
Transportation	500,141	367,908	-	-	500,141	367,908
Cultural Parks and Recreation	499,185	313,928	-	-	499,185	313,928
Community Development	43,244	14,717	-	-	43,244	14,717
Sewer	-	-	2,178,286	2,280,182	2,178,286	2,280,182
Water	-	-	1,517,525	1,622,863	1,517,525	1,622,863
Solid Waste	-	-	500,707	484,628	500,707	484,628
Airport	-	-	51,884	79,820	51,884	79,820
Transportation Center	-	-	17,293	18,869	17,293	18,869
Total Expenses	<u>7,001,146</u>	<u>5,043,235</u>	<u>4,265,695</u>	<u>4,486,362</u>	<u>11,266,841</u>	<u>9,529,597</u>
Increase(Decrease) in Net Position before transfers, prior period adjustments and extraordinary items	1,371,916	2,489,389	(319,450)	(516,590)	1,052,466	1,972,799
Transfers	-	-	-	-	-	-
Prior period adjustments	<u>(404,893)</u>	<u>(825,551)</u>	<u>7,381</u>	<u>194,258</u>	<u>10,958</u>	<u>(631,293)</u>
Increase(Decrease) in Net Position	<u>\$ 967,023</u>	<u>\$ 1,663,838</u>	<u>\$ (312,069)</u>	<u>\$ (322,332)</u>	<u>\$ 1,063,424</u>	<u>\$ 1,341,506</u>

#### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Corning uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Under the Government Accounting Standards Board Statement 54 (GASB54), fund balances are now classified as Nonspendable, Restricted, and Unassigned. Nonspendable fund balances are amounts that are inherently Nonspendable, i.e. cannot be spent because of their form or because they must be maintained intact. Restricted fund balances are amounts with externally enforceable limitations on use, such as limitations imposed by creditors or grantors, and limitations imposed by other governments. Unassigned fund balances (residual net resources) are the amount in excess of Nonspendable and Restricted amounts.

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financial requirements.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,962,057 an increase of \$1,572,779 in comparison with the prior year. The primary reason for the increase is overall increases in tax revenue largely due to Measure A.

The following discussion focuses on the City's three primary operating fund types.

**General Fund.** The General Fund is the chief operating fund of the City of Corning. The General Fund experienced a surplus of revenues over expenditures in the amount of \$847,868.

The following table, Revenue by Source (Table 3) and Expenditure by Function (Table 4), provide a two-year comparison. Accompanying the tables are brief explanations of significant changes.

Fiscal year 2018-19 General Fund revenue increased by 10.33% in comparison with the prior year. Significant changes were an increase of taxes and assessments of 12.53%, due primarily due to an increase in sales tax

and transactions and use tax. The schedule below reflects the changes during the year. Total General Fund expenditures increased by \$323,380 or 6.13% from the prior fiscal year indicating an increase in capital outlay and public safety.

**TABLE 3 - GENERAL FUND REVENUES BY SOURCE**  
For the periods ending June 30

	2019		2018		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	% change
Taxes and assessments	\$ 6,305,138	90.76%	\$ 5,602,951	88.98%	\$ 702,187	12.53%
Use of money and property:						
Interest	18,738	0.27%	8,567	0.13%	10,171	118.72%
Licenses and permits	36,882	0.73%	46,054	0.73%	9,172	19.92%
Intergovernmental revenues	256,045	3.69%	180,511	2.87%	75,534	41.84%
Charges for services	84,203	1.21%	175,585	2.79%	(91,382)	(52.04)%
Other revenue	246,011	3.34%	283,129	4.50%	(37,118)	(13.11)%
Total	\$ <u>6,947,017</u>	<u>100.00%</u>	\$ <u>6,296,797</u>	<u>100.00%</u>	\$ <u>650,220</u>	<u>10.33%</u>

**TABLE 4 - GENERAL FUND EXPENDITURES BY TYPE**  
For the periods ending June 30

	2019		2018		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	% Change
General Government	\$ 1,058,083	18.90%	\$ 1,164,307	22.07%	\$ (106,224)	(9.12)
Public Safety	3,228,502	57.70%	3,154,975	59.80%	73,527	2.33%
Transportation	125,886	2.20%	176,902	3.35%	(51,016)	(28.84)%
Cultural, Parks and Recreation	338,243	6.00%	346,527	6.57%	(8,284)	(2.39)
Community/Economic						
Development	31,000	0.60%	16,000	0.30%	15,000	93.75%
Debt service	299,807	5.35%	306,248	5.80%	(6,441)	(2.10)%
Capital outlay	517,524	9.25%	110,706	2.11%	406,818	367.47%
Total	\$ <u>5,599,045</u>	<u>100.00%</u>	\$ <u>5,275,665</u>	<u>100.00%</u>	\$ <u>323,380</u>	<u>6.13%</u>

**Proprietary funds.** Proprietary funds operate in a business-type environment. The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The City's proprietary funds include the Sewer, Water and Solid Waste utilities and the Airport and Transportation Center.

In the fiscal year ended June 30, 2019, the Water Fund had a decrease in net position of \$146,057 and the Sewer Fund had a decrease in net position of \$153,458. The Solid Waste Fund had a decrease in net position of \$1,633, and the Airport and the Transportation Center have a decrease in net position of \$17,074 and a decrease in net position of \$1,228 respectively. A two-year comparison of change in net position for these funds is provided in the following tables.

**Water Fund** - The net position of the Water Fund decreased in fiscal year 2018-19 and fiscal year 2017-18. Operating revenues increased by 2.46% due to increases in water rates while operating expenses decreased by 6.66%. The net effect was a smaller deficit change in net position in fiscal year 2018-19 compared to the deficit in fiscal year 2017-18.

**TABLE 5 - WATER FUND**  
For the periods ending June 30

	2019	2018	Variance	
	Amount	Amount	Amount	Percent
Water Fund				
Operating Revenues	\$ 1,361,369	\$ 1,328,677	\$ 32,692	2.46%
Expenses	(1,390,845)	(1,490,120)	99,275	(6.66)%
Non-operating revenue(expense)	(116,581)	(125,441)	8,860	(7.06)%
Net operating transfers	-	-	-	00.00%
Change in net position	\$ <u>(146,057)</u>	\$ <u>(286,884)</u>	\$ <u>140,827</u>	

**Sewer Fund** - The Sewer Fund reported a smaller decrease in net position in fiscal year 2018-19 compared to fiscal year 2017-18. In 2018-19 operating revenues increased and operating expenses decreased, the net effect was a 33.7% decrease in the amount of change in net position in the current fiscal year compared to the prior year.

**TABLE 6 - SEWER FUND**  
For the periods ending June 30

	<u>2019</u>	<u>2018</u>	<u>Variance</u>	<u>Percent</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	
Sewer Fund				
Operating Revenues	\$ 2,011,874	\$ 2,022,666	\$ (10,792)	0.05%
Expenses	(1,940,633)	(2,019,748)	79,115	3.93%
Non-operating revenue(expense)	(224,699)	(180,207)	(44,492)	24.69%
Net operating transfers	-	-	-	00.00%
Change in net position	<u>\$ (153,458)</u>	<u>\$ (177,289)</u>	<u>\$ 23,831</u>	

**GENERAL FUND BUDGETARY HIGHLIGHTS.**

In preparing its budgets, the City attempts to estimate its revenues using realistic, but conservative, methods and budgets its expenditure activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues.

The General Fund budget for fiscal year 2018-19, after Council approved changes, anticipated a shortfall of \$202,726. The results of the General Fund were more favorable than anticipated, with an actual surplus of \$847,868. Revenues in fiscal year 2018-19 were \$730,117, or 11.74%, more than the budget estimate. This was largely due to temporary increases in sales tax and transient occupancy taxes as a result of the Camp Fire. Expenditures in fiscal year 2018-19 were \$111,126, or 2.18%, less than the budget estimate, primarily due to personnel costs savings in the Police Department and numerous miscellaneous costs savings.

Table 7 shows a two-year comparison of General Fund budgets and actual results.

**TABLE 7 - GENERAL FUND BUDGET-TO-ACTUAL**  
For the periods ending June 30

	<u>2019</u>			<u>2018</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues	\$ 6,216,900	\$ 6,947,017	\$ 730,117	\$ 6,021,710	\$ 6,296,797	\$ 275,087
Expenditures	(5,192,647)	(5,081,521)	111,126	(5,438,066)	(5,164,959)	273,107
Operating Result	<u>1,024,253</u>	<u>1,865,496</u>	<u>841,243</u>	<u>583,644</u>	<u>1,131,838</u>	<u>548,194</u>
Capital Outlay	(726,875)	(517,524)	209,351	-	(110,706)	(110,706)
Transfers Out	(500,104)	(500,104)	-	(640,00)	(640,000)	-
Net Result	<u>\$ (202,726)</u>	<u>\$ 847,868</u>	<u>\$ 1,050,594</u>	<u>\$ (56,356)</u>	<u>\$ 381,132</u>	<u>\$ 437,488</u>

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The City's practice has been to capitalize buildings, machinery and equipment. As a "small" City under the definition of Governmental Accounting Standards Board Statement No. 34 (GASB34), the City is not required to report, and has not reported, infrastructure (i.e. streets, streetlights, sidewalks, etc.) assets acquired prior to June 30, 2003 in accounting for capital assets. GASB34 requires small cities to report infrastructure acquired after June 30, 2003. The City has recorded parkland improvements and acquisitions as additions to the infrastructure.

The City's investment in capital assets, net of accumulated depreciation and corresponding debt, for governmental and business-type activities as of June 30, 2019, was \$11,092,461 and \$3,350,096 respectively. This represented an increase in the net investment (net of corresponding debt) of 2.71% for governmental and a decrease in net investment of 8.49% for business-type activities. The overall decrease was 0.13% for the City as a whole.

**TABLE 8 - INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT**

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease) \$</u>	<u>Increase (Decrease) %</u>
Governmental Funds	\$ 11,092,461	\$ 10,800,000	\$ 292,461	2.71%
Business-type Funds	\$ 3,350,096	\$ 3,660,833	\$ (310,737)	(8.49)%

**Long-term debt (including Compensated Absences), as shown on page 38 of the financial statements.** As of June 30, 2019, the City had total debt outstanding of \$10,320,738; this is a decrease of \$41,494 from the total debt outstanding at June 30, 2018 of \$10,362,232. This decrease is due to loan principal pay downs by the City during the current fiscal year.

Table 9 provides a two-year comparison of the City's long-term debt, as also shown on page 38 of the Financial Statements.

**TABLE 9 - TOTAL DEBT**  
For the periods ending June 30

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-Wide Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Capital Leases	\$ 337,503	\$ -	\$ -	\$ -	\$ 337,503	\$ -
Compensated Absences	470,611	367,886	117,651	109,345	588,262	477,231
Pension Obligation Bonds	1,130,833	1,375,102	119,140	144,898	1,249,973	1,520,000
2018 Revenue Refunding Bonds	<u>-</u>	<u>-</u>	<u>8,145,000</u>	<u>8,365,000</u>	<u>8,145,000</u>	<u>8,365,000</u>
<b>Total</b>	<b>\$ <u>1,938,947</u></b>	<b>\$ <u>1,742,988</u></b>	<b>\$ <u>8,381,791</u></b>	<b>\$ <u>8,619,243</u></b>	<b>\$ <u>10,320,738</u></b>	<b>\$ <u>10,362,231</u></b>

**ECONOMIC FACTORS AND MAJOR INITIATIVES**

Fuel, auto and transportation sales are the greatest contributors to sales tax revenue for the City. Sales tax from fuel has been experiencing an overall decline since early 2012, while other retailers in Corning have remained stable overall. Specifically, sales tax from auto sales and transportation has been increasing each year to the point where the City receives more sales tax from auto and transportation sales than from fuel. There was a total of \$3,132,010 in sales tax and \$1,159,465 in transactions and use tax received in fiscal year 2018-2019. This was the second full year of Transaction and Use tax received by the City. Overall sales and use taxes are up \$411,476 from fiscal year 2017-2018 largely due to the Camp Fire.

In FY 2017 2018 the City refinanced the City's water and sewer debt along with the Clark Park well loan. In FY 2018 2019 the refinancing saved the Sewer Fund \$69,999. In FY 2018 2019 the refinancing saved the Water Fund \$150,163. Water fund savings in years beyond FY 2018 2019 will be less due to the nature of the refinancing.

Assuming water consumption levels remain, the refinancing allows the City to minimize future water rate increases, while providing positive cash flow savings.

The City's Water System has an ISO Class II rating. As part of Resolution 06 12 2018 01, the City Council enacted a five year series of 3.5% annual rate increases intended to maintain a stable cash flow and to assure investors of the stability of the City. Due to decreases in water consumption, and to satisfy the rate covenant requirement as part of the 2016/2017 refunding of the City's water debt, the City approved an additional 3.5% increase for a total of 7.0% through July 1, 2022 as part of resolution No. 07-23-2019-08.



In 2019 the City Council implemented Resolution No. 07-23-2019-09. The Resolution implements five annual 3.0% sewer rate increases to account for inflation and to satisfy the rate covenant requirement as part of the 2016/2017 refunding of the City's sewer debt.

The continued downturn in development leaves the Sewer Capital Fund short of Development Impact Fee funds for debt service on the plant expansion bonds, but the Sewer Operating Fund is pledged to make up any shortage of revenue from new development. The Stonefox development of seventy-seven (77) homes is a positive sign development may be increasing, hopefully this trend continues.

Street Maintenance is funded by Federal funds, State gas taxes, local transportation taxes and the City General Fund. Few people realize State gas taxes and local transportation taxes are a small portion of a City's investment in Roads. The City received only \$406,067 in State Gas Taxes, Senate Bill 1 funds, and local transportation taxes during the year; that is only \$53.49 per year per resident. The balance of the funds spent on roads comes from the City General Fund and available Federal funding.

For Fiscal Year 2018 2019 there were 42 full time City Employees. The City has a huge investment in those employees and they are the greatest asset of the City well worth retaining by maintaining stable employment.

The Police Departments leads through the Chief and three Sergeants; there are no Captains or Lieutenants employed at this time. In 2019 the City filled a previously unfilled Dispatch Records Supervisor position.

The Fire Department, an ISO Class 4 rated agency, is a one hundred year old Volunteer Department with no full time firefighters, saving the City over \$1 million per year. There are four full time fire dispatchers and a Fire Chief.

The entire Public Works Department has eight Maintenance Workers and a field supervisor. Only the Director and the Public Works Secretary are in the office. Beginning in October of 2018 the City initiated a contract with a consulting firm for Public Works Director services. All City Employees have direct service contact with the public.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City of Corning's financial condition for all those with an interest in the City's finances. Should the reader have further questions, please contact Kristina Miller, City Manager, City of Corning, 794 Third Street, Corning, California 96021.

**ITEM NO.: J-8**  
**APPROVE ONE-YEAR CONTRACT**  
**FOR BUILDING CONSULTANT**  
**SERVICES TO PROVIDE**  
**BUILDING INSPECTION,**  
**BUILDING CODE ENFORCEMENT**  
**AND PLAN REVIEW SERVICES**

**February 25, 2020**

**TO: HONORABLE MAYOR AND COUNCIL MEMBERS**  
**FROM: KRISTINA MILLER, CITY CLERK**  
**LISA M. LINNET, CITY CLERK**

**BACKGROUND:**

The City's Building Department currently has one employee, Dan Redding, who in addition to other duties, reviews residential/commercial Building Plans, issues City Building Permits, performs residential/commercial Building Inspections and provides Code Enforcement services to the City.

As the City's Building Official, Mr. Redding is the sole member of the Building Department. The City has no one qualified to provide backup coverage on behalf of the City should Mr. Redding become sick, injured or take vacation. In June of 2018, City Council established the position of Part-Time Building Inspector with no benefits, currently filled by Wally Lange. Mr. Lange is currently unavailable due to medical reasons. John Fleming, part-time Building Inspector with the City of Orland has graciously been providing inspection services during Mr. Redding and Mr. Lange's absence. As a result, Staff now seeks City Council consideration and approval of the proposed Contract with Mr. Fleming at the hourly rate of \$46 per hour.

**FINANCIAL:**

The proposed position would be on an "as needed" basis to cover during periods of extended illness, vacations, etc. at an hourly rate of \$46 per hour.

**RECOMMENDATION:**

**MAYOR AND CITY COUNCIL:**

- **APPROVE THE CONTRACT WITH JOHN FLEMING FOR BUILDING CONSULTANT SERVICES AT A RATE OF \$46 PER HOUR.**

**INDEPENDENT CONTRACTOR AGREEMENT  
BETWEEN THE CITY OF CORNING  
AND JOHN FLEMING FOR BUILDING INSPECTOR CONSULTANT SERVICES**

**THIS AGREEMENT**, made and entered into this 25<sup>th</sup> day of FEBRUARY 2020, is by and between the **City of Corning**, hereinafter referred to as “**CITY**” and **JOHN FLEMING**, an individual, hereinafter referred to as “**CONSULTANT**”.

**I.  
RECITALS**

**WHEREAS, CITY** desires to temporarily use the professional services of a qualified building inspector to perform various duties and responsibilities for the City of Corning on a limited duration contract basis; and

**WHEREAS, CITY**, knowing that **CONSULTANT** is qualified and experienced and has specialized skills to perform certain planning services critically needed by the **CITY**, hereby contracts with **CONSULTANT**, and **CONSULTANT** is ready, willing and able to perform such services for the **CITY** as its projects are presented to him on an independent contractor basis;

**WHEREAS, CONSULTANT** acknowledges and understands that this is a limited duration contract for services performed as an independent contractor and that **CONSULTANT** is not being appointed to a part-time or full-time position within the **CITY**.

**NOW THEREFORE**, in consideration of the mutual promises, covenants, and conditions set forth herein the parties agree as follows:

**II.  
AGREEMENT FOR SERVICES**

**CONSULTANT** will provide to the **CITY** all necessary professional services to perform the duties and responsibilities of a building inspector on projects provided to him in the manner and method of his discretion and to do so to the satisfaction of the **CITY**, as set forth below. Such services shall include, but not be limited to the following:

- Act as technical advisor to the City Manager and City Council on all building code inspection & enforcement matters.
- Review/approve plans submitted for building permits ensuring compliance with applicable electrical, mechanical, plumbing, zoning, accessibility and other specialty codes and regulations of the City, County, State and Federal Agencies.
- Perform building inspections of residential, commercial, mobile home installations and accessory buildings, and industrial buildings.
- Enforce compliance with Uniform Electrical, Plumbing, Mechanical and Building Codes, Ordinances, etc.
- Identify and ensure correction of deficiencies in construction work; prepare list of corrections; and issue notices of non-compliance as necessary.
- Conducts public works construction inspections directly related to the enforcement of Construction Codes, Plans and Specifications.
- Prosecutes cases for non-compliance and testifies in court as necessary.

**CONSULTANT** will not perform managerial or front counter attendance activities and **CITY** will not direct, control or supervise the daily work of **CONSULTANT** in regard to any projects he is working on but will expect the end product to be completed to **CITY's** satisfaction.

**CITY MANAGER will:**

- Assume responsibility for **CITY's** records related to projects provided to **CONSULTANT**.

- Be the contact person in **CITY** for **CONSULTANT** with regard to projects provided to **CONSULTANT**.
- Not request services that, in the opinion of the **City Manager** or **CONSULTANT** would impair **CONSULTANT's** independent contractor status.

**WORK DAYS AND HOURS:** **CONSULTANT** will work for **CITY** on days and hours of his choosing on an "on-call" basis as dictated by the need to accomplish the tasks provided to him and such work will be performed at various locations in City Hall and in **CONSULTANT's** private residence or at other locations of **CONSULTANT's** choosing; however, in no event shall **CONSULTANT** work more than 960 collective hours for all local agency work performed for the fiscal year. Should **CONSULTANT** need to meet with City Staff he shall schedule meetings in advance, and specifically indicate staff members he intends to meet with.

**COMPENSATION:** **CITY**, for and in consideration of the promises, covenants, conditions and stipulations of **CONSULTANT** set forth herein, hereby agrees to provide, as total compensation to **CONSULTANT**, the following:

- **CONSULTANT** will provide the foregoing services at an **hourly rate of \$46.00** and will submit monthly invoices to the **CITY** which will be paid within thirty (30) days of submittal; and
- Reimbursement shall be made for all reasonable out-of-pocket expenses, such as long-distance phone charges and the cost of any stationary or other such materials provided by **CONSULTANT**. **CONSULTANT** shall provide **CITY** with documentation for these out-of-pocket expenses prior to reimbursement, through receipts, invoices, bills or otherwise. These out-of-pocket expenses are not considered compensation under this Contract; however, should such costs be deemed compensation under any applicable law, **CONSULTANT** will forego reimbursement of the same with this bullet point deemed struck from the contract as null and void.

**TERM:** This Agreement shall be on a temporary basis beginning **January 10, 2020** and ending on **January 10, 2021**, unless either party provides the other with earlier notice of termination. Either party may terminate the Agreement by providing the other party not less than thirty (30) calendar days written notice of termination. The termination shall become effective upon the 30<sup>th</sup> or later designated day following delivery of written notice thereof. **CONSULTANT** shall be compensated for all services performed to the effective date of termination.

**CONSULTANT AS INDEPENDENT CONTRACTOR:** It is understood that **CONSULTANT** is an Independent Contractor. **CONSULTANT** maintains an office separate from the **CITY** and is entitled to perform planning services for other clients in addition to **CITY**. **CITY** does not specify or control how **CONSULTANT** is to work but does approve or disapprove the final work product requested of **CONSULTANT**. **CITY** and **CONSULTANT** agree that, in executing his responsibilities under this Agreement, (1) **CONSULTANT** is free from the control and direction of **CITY** in connection with the performance of the work, both under this contract and the work in fact; (2) **CONSULTANT** performs work that is generally outside the **CITY'S** business operations; and (3) **CONSULTANT** is customarily engaged in this independently established trade.

**INDEMNITY PROVISIONS:** **CONSULTANT** agrees to indemnify, defend, and hold the **CITY** harmless from any and all losses, liability, damages, injury (to person or property), fines, fees, penalties, and/or other damages that arises, in any way, under the terms of the Contract Agreement and/or any alleged and/or actual negligent act, intentional act, or other circumstance caused by or performed by **CONSULTANT**, its agents, subcontractors, and/or employees. The obligations of this provision do not apply to injury, loss, damage, or other harm that arises from the sole and absolute negligence and/or intentional act of the **CITY**, its agents and/or employees.

**COMMON LAW EMPLOYEE AND CalPERS PAYMENT:** If **CONSULTANT'S** employment is found to be in violation of the retirement law and regulations and is unlawful employment that results in mandatory reinstatement from retirement, retroactive to the date the unlawful employment occurring. **CONSULTANT** will be required to reimburse CalPERS the amount of retirement allowance received during the period of unlawful employment and the member contributions that would have been paid to CalPERS. Such obligation is not the responsibility of **CITY**. **CITY**, however, would be required to pay the employer contributions plus interest owed retroactive to the reinstatement date, but nothing more.

**ENTIRE AGREEMENT; MODIFICATION:** This Agreement embodies the whole Agreement between the parties hereto and there are no inducements, promises, terms, conditions or obligations made or entered into by **CITY** or **CONSULTANT** other than those contained herein. No modification, alterations, or variation in the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

Any notices required to be given, pursuant to this Agreement shall be deemed to have been given by their deposit, postage prepaid, in the United States Postal Service, addressed to the parties as follows:

**City: Kristina Miller, City Manager**  
**City of Corning**  
**794 Third Street**  
**Corning, CA 96021**

**Consultant: John Fleming**  
**6170 County Road 200**  
**Orland, CA 95963**

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written.

**CITY OF CORNING**

**PLANNING CONSULTANT**

\_\_\_\_\_  
**Kristina Miller, City Manager**

\_\_\_\_\_  
**JOHN FLEMING, Consultant**

**Approved as to form and content:**


\_\_\_\_\_  
**Collin Bogener, City Attorney**

**Attest:**

\_\_\_\_\_  
**Lisa M. Linnet, City Clerk**

ITEM NO: J-9  
REVIEW AND ADOPT RESOLUTION  
02-25-2020-01 A RESOLUTION  
ADOPTING WITHOUT REVISION THE  
CITY'S CONFLICT OF INTEREST  
CODE

February 25, 2020

TO: HONORABLE MAYOR AND COUNCIL MEMBERS  
FROM: KRISTINA MILLER, CITY MANAGER   
LISA M. LINNET, CITY CLERK  
COLLIN BOGENER, CITY ATTORNEY

**SUMMARY:**

Upon review of the existing City of Corning Conflict of Interest Codes, the City Manager, City Attorney, City Clerk and Staff deem that currently no revisions are necessary to ensure that the City's Code conforms to State.

**BACKGROUND:**

State Law requires Public Agencies to review and update their Conflict of Interest Codes during even numbered years. At this time these Codes are discussed, and the City Council adopts the existing Codes without changes, or initiates and adopts any changes deemed necessary.

This Code affects the following positions within the City:

Mayor and City Councilors	Police Chief	Assistant Public Works Director
City Treasurer	Fire Chief	Recreation Director
City Clerk	Deputy City Clerk	Consultants
City Manager	Public Works Director	Planning Commissioners
Finance Officer	Building Inspector	Planning Director
City Attorney	Wastewater Treatment Plant Operator (Inframark, LLC)	

**RECOMMENDATION:**

**MAYOR AND COUNCIL REVIEW THE CITY'S EXISTING CONFLICT OF INTEREST CODE AND MOVE TO ADOPT RESOLUTION NO. 02-25-2020-02 TO APPROVE WITHOUT ANY REVISIONS THE CITY OF CORNING CONFLICT OF INTEREST CODE.**

**RESOLUTION NO.: 02-25-2020-01**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF CORNING  
ADOPTING WITHOUT REVISION THE CITY'S CONFLICT OF INTEREST CODE**

**WHEREAS**, the Political Reform Act, Government Code Section 81000 et. Seq. requires State and Local Government Agencies to adopt Conflict of Interest Codes and to review those Codes in even-numbered years to ensure that they are current; and

**WHEREAS**, the Conflict of Interest Code currently in effect in the City of Corning requires no new revisions to reflect current law as it currently reflects the Fair Political Practices Commission adopted regulation, 2 Cal. Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code.

---

**NOW, THEREFORE, BE IT RESOLVED** that the designated employees shall file Statements of Economic Interest with the City Clerk who will then make such statements available for public inspection and reproduction (Gov. Code Section 81008); and

**BE IT FURTHER RESOLVED** that, should the requirements of State Law with regard to the matters set forth above be amended or be found to be in conflict with the foregoing provisions set forth in this Resolution, such State Laws shall prevail and govern; and

**BE IT FURTHER RESOLVED** that the list of designated employees required to file Statements of Economic Interest shall include all those Officers and Employees as set forth in "Appendix A" which is attached hereto and incorporated herein by this reference. The General Provisions and Disclosure Categories set forth in "Appendix B" attached hereto are also incorporated herein by this reference

**PASSED AND ADOPTED** by the City Council of the City of Corning on this 25<sup>th</sup> day of February, 2020 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

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**Douglas Hatley Jr., Mayor**

**ATTEST:**

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**Lisa M. Linnet, City Clerk**

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I, Lisa M. Linnet, City Clerk of the City of Corning, California, DO HEREBY CERTIFY that the foregoing Resolution, Resolution No. 02-25-2020-01, was duly introduced, approved and adopted by the City Council of the City of Corning at a regular meeting of said Council held on the 25<sup>th</sup> day of February, 2020 by the votes listed above.

**ATTEST:**

---

**Lisa M. Linnet, City Clerk**

## APPENDIX A

<u>Category Position</u>	<u>Disclosure</u>
City Manager	Note 1, below
City Attorney	Note 1, below
City Treasurer	Note 1, below
City Clerk	1
Deputy City Clerk	1
Finance Officer	Note 1, below
Public Works Director	2, 3, 4
Assistant Public Works Director	2, 3, 4
Planning Director	2, 3, 4
Building Inspector	2, 3, 4
Wastewater Treatment Plant Operator (Inframark, LLC)	2, 3, 4
Police Chief	2, 3
Fire Chief	2, 3
Recreation Supervisor	2, 3
Mayor	Note 1, below
City Council Members	Note 1, below
Planning Commissioners	Note 1, below
Consultants	Note 2, below

1. Although listed here, this position does not fall into the category of "designated employee" because it is a position identified in Government Code, Section 87200 and the Government Code itself specified the filing requirements for this position.
2. Consultants shall be included in the lists of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitations:

The City Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirement. The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.



## **APPENDIX B**

### **General Provisions**

When a designated employee is required to disclose investments and sources of income, he need only disclose investments in business entities and sources of income which do business in the jurisdiction, plan to do business in the jurisdiction or have done business in the jurisdiction within the past two years. In addition to other activities, a business entity is doing business within the jurisdiction if it owns real property within the jurisdiction. When a designated employee is required to disclose interests in real property, he need only disclose real property which is located in whole or in part within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the local government agency.

Designated employees shall disclose their financial interests pursuant to the appropriate disclosure category as indicated in Appendix A.

#### **DISCLOSURE CATEGORIES:**

**Category 1: Officials and employees whose duties are broad and indefinable:**

Investments, business positions, and income from sources located in or doing business in the City.

Interests in real property located in the jurisdiction, including property located within a two-mile radius of any property owned or used by the City.

**Category 2: Officials and employees whose duties involve contracting or purchasing:**

Investments, business positions, and sources of income of the type which:

- Provide services, supplies, materials, machinery or equipment of the type utilized by the City.

**Category 3: Agencies with regulatory powers:**

Investments, business positions, and sources of income of the type which:

- Are subject to the regulatory, permit or licensing authority of the City.

**Category 4: Designated employees whose decisions may affect real property interests:**

Investments, business positions, and sources of income of the type which:

- Engage in land development, construction or the acquisition or sale of real property.
- Interests in real property located within the City, including property located within a two-mile radius of any property owned or used by the City.

**Category 5: Agencies which provide pooled self-insurance benefits:**

Interests in real property located within the City, including property located within a two-mile radius of any property owned or used by the City.

Investments, business positions, and sources of income of the type which:

- The City is empowered to invest its funds.
- Provide services, supplies, materials, machinery or equipment of the type utilized by the City.

- Engaged in the business of insurance including, but not limited to, insurance companies, carriers, holding companies, underwriters, brokers, solicitors, agents, adjusters, claims managers and actuaries.
- Financial institutions including, but not limited to; Banks, Savings and Loan Associations and Credit Unions.
- Have filed a claim, or have a claim pending, against the City.

**Category 6: Joint Power Authorities:**

Interests in real property located within the City including property located within a two-mile radius of any property owned or used by the City.

Investments, business positions, and sources of income from the type which:

- The City is empowered to invest its funds.
- Contracted with the City to provide services supplies, materials or equipment.
- Are Insurance Companies, carriers, holding companies, underwriters, agents, solicitors, or brokers.
- Have filed a claim or have a claim pending, against the City.

ITEM NO: J-10  
PROVIDE DIRECTION REGARDING THE  
BLOCK BUILDING ON THE FORMER  
CITY ANIMAL SHELTER PROPERTY

February 25, 2020

TO: HONORABLE MAJOR AND COUCILMEMBERS

FROM: KRISTINA MILLER, CITY MANAGER  
ROBIN KAMPMANN, PUBLIC WORKS/ENGINEER CONSULTANT

**SUMMARY:**

The agreement with Second Chance Pet Rescue terminated October 25, 2019. The block building that was formerly used as an animal shelter now poses potential for homeless to use as a shelter. City staff are monitoring the property and building to prevent such use. The building does not reflect current animal sheltering standards, is in an active flood zone, and City staff do not foresee any future use of the building. Staff is requesting Council provide direction as to how to proceed with the block building. Two options are as follows:

1. This structure can be left as is, which may require maintenance and could become a shelter for the homeless or,
2. Demolish the structure and remove all debris, which would require crew time and the cost to dispose of the debris, but would prevent potential homeless issues.

Please see Attachment "A" for photos of the structure. Staff recommends Option 2.

**BACKGROUND:**

On May 28, 2019 the City Council approved an Agreement between the City and the County of Tehama whereby the County agreed to provide animal shelter services to the City of Corning. An amendment to the Agreement with the County was approved on September 10, 2019 and allows residents more time to adjust to County fees.

The Corning Animal Shelter permanently closed in October 2019.

**RECOMMENDATION:**

**MAYOR AND COUNCIL PROVIDE DIRECTION TO STAFF TO:**

1. LEAVE THE EXISTING STRUCTURE AS IS; or,
2. DEMOLISH THE EXISTING STRUCTURE, REMOVE AND DISPOSE OF ALL ASSOCIATED DEBRIS; AND TRANSFER \$5,000 FROM GENERAL FUND RESERVES TO 001-6750-3600 FOR DISPOSAL COSTS.

Attachment "A"  
Photos of Structure  
**Exterior of Building**



# Interior of Building



ITEM NO. J-11  
RATIFY MEMORANDUM OF  
UNDERSTANDING BETWEEN THE  
CITY AND THE CORNING  
MANAGEMENT UNION

February 25, 2020

TO: HONORABLE MAYOR AND COUNCIL MEMBERS  
FROM: KRISTINA MILLER, CITY MANAGER  
LISA M. LINNET, CITY CLERK

**SUMMARY:**

The City of Corning has reached agreement with the employees of the Corning Management Union as reflected in the attached complete Agreement, known under California Law as a "Memorandum of Understanding" (MOU). This Unit consists of eight management positions.

The proposed MOU is for a three-year term beginning on January 1, 2020 and will expire on December 31, 2022.

**MEMORANDUM OF UNDERSTANDING (MOU):**

Below are the key elements of the proposed new MOU Agreement:

1. **Article 2, Bargaining Unit Name Change:** Changes Bargaining Unit name from Management Association to Management Union.
2. **Term:** 3-Year Agreement (January 1, 2020 through December 31, 2022); and
3. **Article 5, Union Rights:** Rephrases/Adds "Union shall have access to any Employee or Employees to conduct union business during work hours for the purpose of presenting grievance or to conduct any other union business; and Employees have the right to have Union represent the Employee at all stages of disciplinary action".
4. **Article 7, Payments:** Adds Sections 7.3 and 7.4 (a.) through (d.) relating to payment process in event of payment error, repayment methods and time restraints.
5. **Article 8, Prevailing Rights:** Adds Section 8.2 which states: In the event the City General Fund Reserves fall below \$1,000,000, the City and Union agree to meet within fifteen days and discuss; provided, however, that this provision shall not be considered a contract reopener, and further provided that this contract provision shall not be used by the City in any action or proceeding to interpret this contract.
6. **Article 9, Wage & Salary:** Following City Council ratification of the Memorandum of Understanding (MOU), revises 9.1 (A ) Wage Increase (a – c). and removes 9.1(B): Effective January 1, 2020; January 1, 2021 & January 1, 2022 all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%).  
**Adds Section 9.2:** Effective January 1, 2020, the City agrees to pay all members of this bargaining unit a stipend of \$150/month demonstrating, through objective testing, that they are proficient in speaking and understanding Spanish.
7. **Article 10, Health & Welfare Benefits:** States number of plans offered and amount of City contribution to cost of such plan up to \$1,800 per month towards the rate, sets future annual increase to the City Contribution at \$45 per month, however total City contribution shall not exceed the employee plus family premium rate of the Operating Engineers Health & Welfare Plan A (Full Benefit).

**Overage Payment:** Difference between cost of employee selected Health Insurance and the City contribution, if any, shall at the election of employee, be paid into the Health Savings Account to the maximum allowed under the law. Once this account is maximized, all overage shall go into the employees 457 deferred compensation account. Should the employee select a plan other than a Health Savings Account, then all overage shall be paid to the employee's 457 deferred compensation account. Overage payments, in total shall not exceed \$700 per month per employee. This Overage Payment shall be limited to employees hired on or before adoption and ratification of this MOU by the City Council.

For employees who otherwise have medical insurance and opt-out of the City Medical Insurance completely, the City will provide \$900 per month which may be paid to a 457 deferred compensation plan, added to salary compensation, or divided between both and only changed once a year unless employee encounters an unforeseen circumstance.

**Adds 10.5:** The City will make an Employee Assistance Program (EAP) available to each regular employee. The EAP provides personal, family and career counseling to employees along with financial counseling referral, and legal referrals to employees.

8. **Article 11, Administrative Leave:** Increases carry over amount per year to 200 hours, but at no time can it exceed 200 hours, excess administrative leave (above 200 hours) shall be paid out.
9. **Article 12, 457 Deferred Compensation Plan:** Effective January `1, 2020 the City agrees to increase their match to the Employees Deferred Compensation Plan from up to \$60, to up to \$75 monthly.
10. **Article 13.4, Bereavement Leave:** Includes Stepchild and In-Laws to definition of immediate family and specifies that Bereavement Leave must be taken within two months following the death of the immediate family member and shall be taken in full day increments.
11. **Article 16, Retirement - PERS EPMC pick-up:** Rephrases the retirement language and associated employee retirement shares listed in Sections 16.1 through 16.5
12. **Article 17, Vacation:** Increases the number of allowable Employee carry over, or vacation account hours from 150 to 200 per year; any hours in excess will be paid out at close of each calendar year.
13. **Article 18, Probation Period and Evaluation:** Adds 18.3(e) Time spent in a non-paid status will not be counted towards an employee's seniority. When an employee takes unpaid leave, only the unpaid hours off work will remain uncounted toward seniority.
14. **Adds Article 22, Checkoff:** Adds Article 22, Checkoff, Sections 22.1 (Dues and other Union-Sponsored Benefit Program Deductions), 22.2 (Data Pertaining to Deductions), 22.3 (Regular Receipt of Bargaining Lists), 22.4 (Protect Contract, Biographical and/or Demographic Information of Unit Members from third-parties), and 22.5 (Employee Opt-Out).

## **FINANCIAL:**

Under the proposed Agreement the total increased cost the City will incur for this Bargaining Units wages will be:

1. **Wages:** The 3-5% increase will cost \$17,341.11 in FY 2019/2020, an additional \$41,280.57 in FY 2020/2021, and \$43,014.36 in FY 2021/2022. The three-year increase in cost to salaries is \$101,636.04. (These costs were based on an average increase of 4.2% per year.)
2. **457 Deferred Compensation Increase:** Will cost an additional Up to \$1,440 annually.
3. **Medical Insurance Cost Increases:** The maximum annual increase in cost will be approximately \$33,000. This increase will be offset by employees who switch to medical-in-lieu. The City will save \$6,000 per year for each employee that transitions from medical-in-lieu. As employees leave City employment, the medical overage will not be allowed and the overall cost of medical insurance will decrease.

**RECOMMENDATION:**

**MAYOR AND COUNCIL RATIFY THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CORNING AND THE CITY OF CORNING MANAGEMENT UNION FOR THE PERIOD OF JANUARY 1, 2020 THROUGH DECEMBER 31, 2022.**



**THIS MEMORANDUM OF UNDERSTANDING** is made and entered into between the **MANAGEMENT UNION**, hereinafter referred to as "**Union**", and the designated representatives of the **CITY OF CORNING**, hereinafter referred to as the "**City**", pursuant to the provisions of the Meyers-Milias-Brown Act (Government Code Sections 3500, et seq.).

**ARTICLE 1  
GENERAL PROVISIONS – DEFINITIONS**

**1.1 A. Employer:** The term "Employer", as used herein, shall refer to the City of Corning.

**B. Union:** The term "Union", as used herein, shall refer to **Operating Engineers Local Unit No. 3**.

**C. Employee:** The term "Employee", as used herein, shall mean all Employees of the Management Unit as designated under the provisions of the Employee Relations Policy of the City of Corning.

**D. Employee Anniversary Date:** The term "employment anniversary date", as used herein, shall mean the anniversary date of the employee's employment with the City.

**E. Step Anniversary Date:** The term "step anniversary date", as used herein, shall mean the date upon which an employee has finished serving the requisite amount of time in order to be eligible for a salary step increase. A new time period for such requisite service shall commence upon the occurrence of any of the following events: promotion; reclassification; implementation of a Memorandum of Understanding provision, or Side Letter of Understanding specifying a movement into a new step or an increase in the rate paid for the step currently held by the employee.

**ARTICLE 2  
RECOGNITION**

**2.1** The Employer hereby recognizes the Union as the only organization entitled to meet and confer on matters within the scope of representation.

**ARTICLE 3  
HIRING PROVISIONS**

**3.1** No Employee covered by this Memorandum of Understanding shall be discriminated against by the Employer, or by the Union, by reason of race, color, religion, sex, age or national origin.

**3.2** The Employer shall not discharge, or otherwise discriminate against any employee by reason of Union activities not interfering with the proper performance of his work.

**ARTICLE 4  
MANAGEMENT RIGHTS**

**4.1** The Employer retains the exclusive right to manage the City. All the rights, powers, functions and authority of the Employer, which it had prior to the time the Union became certified as representative of the Employees of the Employer, and which are not limited or modified by specific provisions of the Memorandum are retained by the Employer. The Employer specifically retains the right to manage and supervise its Employees as follows:

(1) To hire, promote, transfer, assign, classify positions, retain employees, and to suspend, demote, discharge or take other disciplinary action against employees.

(2) To lay-off or demote employees from duties because of lack of work, lack of funds, in the interest of economy, or other legitimate reasons.

(3) To determine the policies, standards, procedures, methods, means and personnel by which City operations are to be conducted.

(4) To take whatever actions may be necessary to carry out the City in situations of emergency.

(5) To limit or prohibit the right of Employees in certain positions or classes of positions from forming, joining, or participating in employee organizations as provided in the California Government Code, and designating such employees in the current Schedule of Department and Authorized Positions adopted by resolution.

(6) Nothing in this policy shall be construed to interfere with the City's right to manage its operations in the most economical and efficient manner consistent with the best interests of all citizens, taxpayers, and employees of the City.

## **ARTICLE 5 UNION RIGHTS**

**5.1** The Union recognizes its obligation to cooperate with the Employer to assure maximum service of the highest quality and efficiency to the citizens of the City of Corning consistent with its obligations to the Employees it represents.

**5.2** Employer and Union affirm the principle that harmonious employer-employee relations are to be promoted and furthered. When a person is hired in any of the covered job classifications, the City shall notify that person that the Union is the certified representative for the Employees and shall notify the Union of such hiring.

**5.3** The Employer shall provide the Union space to erect a bulletin board in each area where Employees covered by this Memorandum are assigned.

**5.4** Union shall have access to any Employee or Employees to **conduct union business during work hours for the purpose of** presenting a grievance **or to conduct any other union business**; and Employees have the right to have the Union represent the Employee at all stages of disciplinary action.

## **ARTICLE 6 PEACEFUL PERFORMANCE**

**6.1** The parties to this Memorandum of Understanding recognize and acknowledge that the services performed by the City Employees covered by this Memorandum of Understanding are essential to the public health, safety and general welfare of the residents of the City of Corning. The Union agrees that under no circumstances will the Union recommend, encourage, cause or permit its members to initiate, participate in, nor will any member of the bargaining unit take part in, any strike, sit-down, stay-in, sick-out, slow-down or picketing (hereinafter collectively referred to as work-stoppage), in any office or department of the City, nor to curtail any work or restrict any production, or interfere with any operation of the City. In the event of any such work stoppage by any member of the bargaining unit, the City shall not be required to negotiate on the merits of any dispute, which may have given rise to such work stoppage until said work stoppage has ceased.

**6.2** In the event of any work stoppage during the term of this Memorandum of Understanding, whether by the Union or by any member of the bargaining unit, the Union, by its officers, shall immediately declare in writing and publicize that such action is illegal and unauthorized, and further direct its members in writing to cease the said conduct and resume work. Copies of such written notice shall be served upon the City. If in the event of any work stoppage, the Union promptly and in good faith, performs the obligations of this paragraph, and providing the Union has not otherwise authorized, permitted or encouraged such work stoppage, the Union shall not be liable for any damages caused by the violation of this provision. However, the City shall have the right to discipline, including discharge, any employee who instigates, participates in, or gives leadership to,

any work stoppage activity herein prohibited, and the City shall also have the right to seek full legal redress including damages, as against any such employee.

## **ARTICLE 7 PAYMENTS**

**7.1** This Memorandum is intended to cover all aspects of wages, hours, and working conditions for Employees covered herein; therefore, nothing in this Memorandum shall prevent the Employer from modifying any fringe benefits or benefit plans not specifically provided for in this Memorandum such as retirement plans, salary continuation plans, etc., subject to meet and confer.

**7.2** If an Employee covered by this Memorandum is permanently assigned work of a substantially new or different nature so as to constitute a new job classification, the Employer and the Union shall determine the wage rate through the established procedures.

**7.3** In the event an error has been made in the payment of an employee's wages, overtime payment, leave accruals, balances, or usages, the City shall, for the purposes of future compensation, adjust such compensation to the correct amount, giving written notice to the employee. Such adjustments are limited by the three year statute of limitations set forth in California Code of Civil Procedure section 338.

**7.4** In the event an employee receives an overpayment in wages, reimbursement to the City shall be accomplished by either:

- a. Lump-sum payment by the employee;
- b. A one-time deduction from usable vacation or compensatory time off (CTO), or unused holidays worked, equivalent to the overpayment at the employee's current hourly rate;
- c. A repayment schedule through payroll deductions;
- d. Other means as may be mutually agreed between the City and the employee.

No repayment schedule shall exceed forty-eight (48) pay periods in duration, except that if the employee does not agree to a voluntary repayment schedule, the overpayment collection shall not exceed twenty-four (24) pay periods. If an employee terminates City employment prior to completing his/her repayment schedule, any amounts still due the City will be applied against the employee's final paycheck.

## **ARTICLE 8 PREVAILING RIGHTS**

**8.1** This Memorandum of Understanding contains all of the covenants, stipulations and provisions agreed upon by the parties. It is understood that all items relating to Employees' wages, hours, and other terms and conditions of employment not covered in this Memorandum of Understanding shall remain the same, except as specifically mentioned in this Memorandum of Understanding; therefore, for the life of this Memorandum of Understanding, neither party shall be compelled to bargain with the other concerning any mandatory bargaining issues, whether specifically bargained about prior to the execution of this Memorandum of Understanding or which may have been omitted in the bargaining which led up to the execution of this Memorandum of Understanding, except by mutual agreement of the parties or as specifically mentioned in this Memorandum of Understanding.

**8.2** In the event the City General Fund Reserves fall below \$1,000,000, the City and Union agree to meet within fifteen days and discuss; provided, however, that this provision shall not be considered a contract reopener, and further provided that this contract provision shall not be used by the City in any action or proceeding to interpret this contract.

**ARTICLE 9  
CLASSIFICATIONS AND WAGES**

**9.1 (A) Wage Increase:**

- A. Effective January 1, 2020, all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%).**
- B. Effective January 1, 2021, all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%).**
- C. Effective January 1, 2022, all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%).**

(B) For the period of this agreement, Employees will be paid in accordance with the monthly salary schedule and effective dates as shown in Exhibit "A". Employees will be eligible for step increases on their step anniversary dates. Employees may advance to the next step in the pay schedule upon satisfactory completion of the required time in the lower step. The time required between step A and B shall be (6) six months. Advancement from step B to C, C to D and D to E shall be (12) twelve months between each step.

**9.2 Effective January 1, 2020, the City agrees to pay all members of this bargaining unit a stipend of \$150/month demonstrating, through objective testing, that they are proficient in speaking and understanding Spanish.**

**ARTICLE 10  
HEALTH AND WELFARE INSURANCE**

**10.1 Currently, the City offers a choice of five (5) Health Insurance Policies; (2) Operating Engineers Public Employees' Health and Welfare Plans; and (3) different tier Blue Shield Savings Account Plans. All Employees and their dependents may participate in the Operating Engineer Public Employees' Health and Welfare Plans, or any of the Blue Shield Savings Account Plans, with the City contributing to the cost of such plan up to \$1,800.00 per month toward the rate. The employee shall pay any remaining costs of insurance.**

**Future annual increases to the City Contribution shall be \$45 per month per year. However, the total City contribution shall not exceed the employee plus family premium rate of the Operating Engineers Health and Welfare Plan A (Full Benefit).**

**Overage Payment: The difference between the cost of the Health Insurance Policy selected by the employee and the City Contribution, if any, shall, at the election of the employee, be paid into the Health Savings Account to the maximum allowed under the law; once this account is maximized, all overage shall go into the employees 457 deferred compensation account. Should the employee select a plan**

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other than a Health Saving Account, then all overage shall be paid to the employee's 457 deferred compensation account. Overage payments, in total, shall not exceed \$700 per month per employee. This Overage Payment shall be limited to employees hired on or before adoption and ratification of this MOU by the City Council.

For those employees who otherwise have medical insurance and opt-out of the City Medical Insurance completely, the City will provide \$900.00 per month which may be paid to a 457 deferred compensation plan, added to salary compensation or divided between both and only be changed once a year, unless employee encounters an unforeseen circumstance.

**10.2** The City shall pay the fee for Employees who are not members of the Operating Engineers Local No. 3 Union in order to participate in the Union's Health and Welfare Plan.

**10.3** The City shall provide life insurance in the amount of one hundred thousand dollars (\$100,000) effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU) and will continue to pay the life and disability insurance premiums.

**10.4** The City shall have the option of replacing the Operating Engineers Public Employees Health and Welfare Plan with a plan of the City's choosing. If the City exercises this option, the City shall maintain coverage that is comparable and substantially equivalent to that provided currently under the present plan.

**10.5** The City will make an Employee Assistance Program (EAP) available to each regular employee. The EAP provides personal, family and career counseling to employees along with financial counseling referral, and legal referrals to employees.

#### **ARTICLE 11 ADMINISTRATIVE LEAVE**

**11.1** Employees accrue one hundred hours (100) of Administrative Leave per year.

**11.2** Administrative Leave time may be carried into the following year, but at no time can it exceed **two hundred (200) hours**.

**11.3** Administrative Leave in excess of **two hundred (200) hours** shall be paid.

**11.4** Employees shall be allowed to convert up to fifty (50%) percent of Administrative Leave hours each fiscal year to paid days. Department heads shall plan for such conversion in their annual budget proposals.

**11.5** Unused Administrative Leave shall be paid upon termination.

**11.6** The City understands that management personnel may be required to work outside of the office and therefore beyond standard office hours.

#### **ARTICLE 12 457 DEFERRED COMPENSATION PLAN**

**12.1** The City agrees to match employee's contribution to their 457 Deferred Compensation Plan up to **\$75** per month. The City match is only available for one (1) Deferred Compensation Plan even if employees are enrolled in more than one (1) Plan. Employees must commit to maintain their 457 contribution for one full year.

#### **ARTICLE 13 SICK LEAVE**

**13.1** Sick leave is available to an employee to use in case of illness, bodily injury, exposure to a contagious disease, medical or dental appointment or attendance upon seriously ill member of

employee's immediate family, as defined by these rules. An employee may take paid sick leave after the first month of employment. Every effort by the employee shall be made to schedule appointments during non-work hours.

**13.2** Sick leave with pay shall be granted to all Employees. Sick leave shall be accumulated at the rate of one (1) day per calendar month of service, not to exceed a total accumulation of two hundred forty (240) days. An employee with 20 years service to the City will be allowed unlimited sick leave accrual above the 240-day cap only for the exclusive purpose of converting to pre-paid health insurance after retirement.

**13.3** Family Leave: Family Leave shall be administered in accordance with applicable State and Federal Law.

**13.4** Bereavement Leave: In the event of a death in the immediate family, the Employee may take off up to four (4) days. The immediate family shall be defined as husband, wife, child, stepchild, mother, father, brother, sister, in-laws, grandparents and grandchildren. Such leave shall not be charged to sick leave. Bereavement leave must be taken within two months following the death of the immediate family member. Leave shall be taken in full day increments.

**13.5** Employees who have less than thirty-six (36) days of sick leave accumulated may, in lieu of taking vacation, bank said vacation time under sick leave.

**13.6** On-The-Job Injuries: When an employee is off work as a result of a valid on-the-job injury sustained in the service of the City, the employee is entitled to use their accrued Sick Leave during the period of disability to make up the difference between their regular pay and the Workers Compensation Temporary Disability Payments. The City shall pay only that amount necessary to make up the difference between the employee's monthly rate and the amount payable to the employee as temporary disability payments from the Worker's Compensation Insurance Plan of the City. To take advantage of this benefit, the employee must forward their temporary disability check to the City.

**13.7** The City may require verification of the necessity for sick leave. Such verification may be in the form of a written statement from a doctor or a personal affidavit from the Employee. The City reserves the right to specify which of the two verification procedures will be required in any particular situation. If the City requires verification from a physician, the City shall pay for the cost of such verification to the extent such cost is not reimbursed by the Employee's health insurance.

**13.8** If the City determines that an Employee has abused the provisions of the sick leave policy, the Employee shall be subject to disciplinary action.

**13.9** Sick Leave Credit Upon Retirement: The Employer agrees to pay fifty percent (50%) of Employee's unused accumulated sick leave upon retirement or death. Upon reduction in force, the City shall pay twenty-five percent (25%) of Employee's unused accumulated sick leave.

**13.10** Sick Leave Conversion Upon Retirement: In lieu of a cash out of sick leave, an employee, upon retirement under PERS, may choose as an option to convert a percentage of the dollar value of the sick leave at the employee's current hourly base rate of pay as of the date of retirement, to pay the pre-paid health insurance premium up for a period of time up to age 65 according to the following conversion plan.

<b><u>Employee's years of service with City</u></b>	<b><u>Percentage value of employee's accrued Sick Leave</u></b>
Through 15 years	50%
16 through 19 years	70%
20 or more years	80%

(a) Following is the procedure to account for the percentage value of converted sick leave. At the written request of the retiring employee, the City Staff will compute the dollar value of the accrued sick leave according to the percentages shown above and maintain an accounting in the employee's name deducting the amount of monthly City Health Insurance Premium from the "balance".

(b) The value of sick leave does not accrue in a cash fund for each employee; therefore, no actual funds are held in trust. The City simply agrees to pay the retiree's premium for a period of time until the balance value of the conversion is depleted.

(c) Should a retired employee want to stop their insurance premium payments under the Section, the employee must notify the City Manager in writing, giving the date payments should end, and City Staff will do an accounting of the percent (50%) value provided for in the sick leave payoff provisions of this MOU and the actual dollar amount already paid out. Should this amount still be less than the fifty percent provided for in Section 17.2, the balance will be paid to the employee.

(d) Should a retired employee die prior to fully using this benefit, any dependents covered under the health insurance may, if permitted to continue insurance coverage by the insurance carrier, receive the continuation of this benefit until fully expended. The benefit shall have no cash value to the employee's estate, nor can the City accept any claim for payoff by heirs.

(e) Employees not choosing to remain in the City's offered health plan may utilize the benefits set out in these sections to be applied to the cost of a private health plan. The retired employee will be reimbursed, on a quarter year basis, such amounts as provided in these sections, upon submission of a written claim and proof of a paid premium by the retired employee. The form, manner of claim and proof, will be as prescribed by the City.

#### **ARTICLE 14 UNIFORM ALLOWANCE**

**14.1** The City agrees to furnish, at no cost to the Employees, necessary foul weather gear and safety items required and determined by the City. In addition, thereto, the Employer may furnish two (2) coveralls per week to each Employee desiring coveralls. Upon City determination, the City agrees to provide either short or long sleeve safety shirts, rubber boots, safety boots and gloves.

**14.2** The City shall provide a Uniform Allowance of \$900 per year to the Police Chief and \$300 per year for the Fire Chief.

#### **ARTICLE 15 HOLIDAYS AND HOLIDAY PAY**

**15.1** Employees shall receive the following scheduled eleven holidays off with pay:

- New Year's Day
- Martin Luther King, Jr. Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Veteran's Day
- Thanksgiving Day
- Post-Thanksgiving Day
- Christmas Eve Day
- Christmas Day

In addition to the scheduled holidays above, each employee shall be credited with 14 hours of floating holidays on January 1, and July 1 of each year. Floating holidays shall be taken at a time and manner mutually agreed to by the employee and their Supervisor.

**15.2** An Employee who is regularly scheduled to work on a holiday shall be granted a day off at a time mutually agreeable to the Employee and the Employer.

**15.3** If a holiday falls on an Employee's day off, the Employer shall compensate the Employee by either eight (8) hours compensatory time off, or eight (8) hours straight-time pay, at the Employee's option.

**15.4** The Veteran's Day Holiday which falls in November will be celebrated on the nearest Monday or Friday, which will create a three-day weekend. The Christmas Eve holiday will be celebrated either on Christmas Eve or the day after Christmas, whichever will create a four-day weekend.

## **ARTICLE 16 RETIREMENT**

For Management Employees, the City provides retirement benefits under a contract with the California Public Employees Retirement System (PERS) as follows:

**16.1** The City confirms that all current PERS Tier 1 Fire and Police Safety Members are in the 3% at 50 Retirement Formula with single highest year salary retirement formula and:

The City and City of Corning Tier 1 Police Safety Members in the Management Bargaining Unit agree the total employee share of retirement costs shall be 9%.

**16.2** The City confirms that all current PERS Tier 1 Miscellaneous Members are in the 2% at 55 Retirement Formula **with single highest year salary retirement formula and:**

**The City and City of Corning Tier 1 Miscellaneous Members agree the total employee share of retirement costs shall be 7%.**

**16.3** The City confirms that all PERS Tier II Fire and Police Safety Members are in the 3% @ 55 Formula with three (3) year average salary retirement formula and:

**The City and City of Corning Tier II Fire and Police Safety Bargaining Unit Members agree the total employee share of retirement costs shall be 9%.**

**16.4** The City confirms that all current PERS Tier II Miscellaneous Members are in the 2% at 60 Retirement Formula and:

**The City and City of Corning Tier II Miscellaneous Members agree the total employee share of retirement costs shall be 7%.**

**16.5** Employees hired on or after January 1, 2013, who are not eligible for reciprocity or are not current CalPERS members without a break in service greater than six (6) months, shall participate in legislatively mandated CalPERS contributions and retirement benefit formula plans established by Assembly Bill 340, the "Public Employees' Pension Reform Act of 2013". This legislation is administered/interpreted by the California Public Employees Retirement System (CalPERS). New employee members shall have the following retirement benefit formula and contribution rate:

**For PERS Police and Fire Safety Members 2.7%@57, 3-year final compensation as defined by CalPERS. The Member contribution rate is up to 12.0%. (Currently 12.0%.)**

**For PERS Miscellaneous Members 2.0%@62, 3-year final compensation as defined by CalPERS. The Member contribution rate is up to 7.0%. (Currently 6.75%.)**

**The member contribution rate must comply with Section 7522.30 of the California**



**Government Code. CalPERS may change this rate following actuarial review during the term of the MOU.**

**The City agrees that the retirement tier changes in 16.3, 16.4 and 16.5 will not affect employees hired prior to January 1, 2012.**

**In the event the Legislature modifies the Cal PERS employee/employer contribution rates, the City and Union agree to meet within fifteen days and discuss; provided, however, that this provision shall not be considered a contract reopener; and further provided that this contract provision shall not be used by the City in any action or proceeding to interpret this contract.**

## **ARTICLE 17 VACATION**

**17.1 Employees shall earn vacation according to the following:**

(a) Employees shall earn vacation with pay at the rate of one hundred twenty (120) hours per year after one (1) year and during the first seven (7) years of City employment.

(b) Employees shall earn vacation with pay at the rate of one hundred sixty (160) hours per year after completion of seven (7) years of City employment.

(c) Employees shall earn vacation with pay at the rate of two hundred (200) hours per year after twelve (12) years of City employment.

(d) The maximum number of vacation hours employees may carry over or have in a vacation account at the start of each new calendar year is **two hundred (200) hours**.

(e) Employees who have more than **two hundred (200) hours** in their vacation account will have the excess vacation time paid off at the close of each calendar year.

**17.2** The Employee shall have the option of converting up to fifty percent (50%) of unpaid accumulated vacation to cash payment in lieu of taking vacation. Employees may exercise the payoff option only one (1) time per fiscal year with five (5) working days' notice to payroll.

## **ARTICLE 18 PROBATION PERIOD AND EVALUATION**

**18.1** All Employee evaluations should be made by the City Manager or the Employee's Department Head when applicable. The City reserves the right to conduct formal evaluation summaries every six (6) months. Nothing contained herein should be construed to limit the right of the City to continually monitor and assess Employee performance and provide feedback to the Employee regarding the Employee's performance.

**18.2** All new, promoted, and reclassified Employees are on probation for six (6) months except Safety Employees who shall serve a one (1) year probation period. Current City Employees accepting a promotion to a higher classification retain the right to return to their former classification if the City determines they are unable to satisfy the requirements of the new classification.

**18.3** Management employees will be eligible for seniority performance incentive pay increase under the following conditions:

(a) An annual performance evaluation will be required to receive and maintain a seniority performance pay increase.

(b) The performance evaluation will be made 30 days before the employee's anniversary date, by the City Manager each year.

(c) Approved employees will receive a performance incentive pay increase to be added to their base salary rate as follows:

- A. 3% after 10 years, effective first pay period after anniversary date.
- B. 6% after 15 years, effective first pay period after anniversary date, (not to be compounded with 3%).

(d) This plan will be implemented for all eligible, 30 days after ratification of MOU, to allow for an initial evaluation increase to be effective the first pay period following the 30-day period. Such increase will remain in effect to the employee's next anniversary date prior to which time a reevaluation is required.

(e) **Time spent in a non-paid status will not be counted towards an employee's seniority. When an employee takes unpaid leave, only the unpaid hours off work will remain uncounted toward seniority.**

#### **ARTICLE 19 SAVINGS CLAUSE**

**19.1** If any Article section, subsection, paragraph, sentence, clause or phrase of this Memorandum of Understanding shall, for any reason, be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portion of the Memorandum, it being expressly provided that this Memorandum and each Article section, subsection, paragraph, sentence, clause or phrase hereof would have been adopted irrespective of the fact that any one or more articles, sections, subsections, paragraphs, sentences, clauses or phrases shall be declared invalid or unconstitutional.

#### **ARTICLE 20 TERM OF AGREEMENT**

**20.1** This Memorandum of Understanding shall be effective January 1, 2020 upon adoption by the City Council of the City of Corning and shall remain in effect until December 31, 2022.

**20.2** This Memorandum of Understanding may be extended by mutual agreement of the parties if additional time is required to consummate a new Memorandum.

#### **ARTICLE 21 TAKE-HOME VEHICLES**

**21.1** City agrees to allow the Police Chief and Fire Chief to take-home vehicles within a fifteen mile radius of City Hall.

#### **ARTICLE 22 CHECKOFF**

**22.1** Dues and other Union-Sponsored Benefit Program Deductions:

1. The employer shall honor an employee's check-off authorization for dues, or other Union-sponsored program, which are submitted in writing, through electronically recorded phone calls, via online deduction authorization, or by any means of indicating agreement allowable under state and federal law, regardless of whether the employee is a member of the Union.

2. Deductions for dues or other Union-sponsored program shall start the pay period after the employer receives notification of the authorization. The employer may transmit such payment to the Union through electronic funds transfer (EFT). However, transfer of funds shall not be later than thirty (30) days after the deduction from the employee's earnings occurs.

3. Employee requests to authorize dues/other deduction(s), or request to change status regarding such deductions, shall be directed to the Union rather than the employer. The employer

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shall rely on the Union's explanations in a certified list, submitted by a representative of the Union who has authority to bind the Union, regarding whether an authorization/change in deduction(s) has been requested by the employee.

4. The Union shall not be required to provide the employer a copy of the employee's authorization unless a dispute arises about the existence or terms of the authorization.

5. The Union shall indemnify the employer for any claims made regarding such deductions.

6. Violations of this Section of the MOU are grievable.

#### 22.2 Data Pertaining to Deductions:

Upon request from the Union, the employer shall produce to Operating Engineers' Local Union No. 3, a malleable electronic file containing the following information:

1. Full Name (first, middle, last, suffix)
2. Employee Number
3. Job Classification
4. Job Type (full-time, part-time, per diem, as needed)
5. Bargaining Unit
6. Hours worked in the preceding payroll period, which are the basis for the dues deduction.
7. Pay Step
8. Pay Rate
9. Department
10. Division (sub code of the department)

#### 22.3 Regular Receipt of Bargaining Lists:

It shall be the City of Corning's responsibility, once notified by Operating Engineers Local Union No. 3, to provide a list of all current employees covered by this Agreement, which shall include each employee's name, home address, home and cell phone numbers, personal and work e-mail addresses, work locations, department, employee identification number, hourly rate of pay, hours worked and gross pay. This list will include all employees newly hired, rehired, reinstated, transferred into or out of the bargaining unit, transferred between departments, promoted, reclassified, downgraded, placed on leaves of absence of any type including disability, placed on or recalled from layoff, separated (including retirement), added or deleted from preceding bi-monthly period.

#### 22.4 Protect Contract Biographical and/or Demographic Information of Unit members from Third Parties:

In order to protect bargaining unit employees from harassment or invasion of privacy, the employer shall immediately notify the Union of any third-party request for contact, biographical and/or demographic information about the bargaining unit employees. The employer shall promptly provide the Union a copy of the request and any materials submitted with the request. The employer shall provide the Union at least ten (10) days to review the request and challenge the scope of the request prior to the employer responding to the request. The employer agrees to consider the Union's response prior to disclosing to the third party any contact, biographical, and/or demographic information about the bargaining unit employees.

The employer agrees that it will not create a report for a non-exclusive representative requester that does not already exist. If the employer is required by law to furnish a non-exclusive representative requester with a report, it agrees not to provide it in a malleable electronic format.

The employer shall not permit a non-exclusive representative to access bargaining unit members during working hours or in work areas.

The employer agrees that non-exclusive representatives are prohibited from soliciting bargaining

unit members on the employer's property.

The employer agrees to adopt further safeguards against harassment of invasion of privacy by non-exclusive representatives, including but not limited to establishing filters in the employer's email system to block emails from non-exclusive representatives.

**22.5 Employee Opt-Out:**

Notwithstanding Sections 22.1, 22.2, 22.3 and 22.4, and limited to the express purpose of Assembly Bill 119 requirements only, an employee may opt out via written request, initiated by the employee, to the City (copy to the Union) to direct the City to withhold the disclosure of the employee's home and personal cellular telephone numbers, personal email addresses on file with the employer, and home address.

**IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding this \_\_\_\_\_.**

**CITY OF CORNING:**

**UNION:**

\_\_\_\_\_  
**Kristina Miller,  
City Manager**

\_\_\_\_\_  
**Jeremiah Fears,  
Union Representative**

\_\_\_\_\_  
**Greg Einhorn,  
Negotiator**

\_\_\_\_\_  
**Art Frolli, Operating Engineers  
Business Representative**

\_\_\_\_\_  
**Lisa M. Linnet,  
City Clerk**

**Ratified by the Corning City Council on \_\_\_\_\_**

ITEM NO. J-12  
RATIFY MEMORANDUM OF  
UNDERSTANDING BETWEEN THE  
CITY AND THE CITY OF CORNING  
PUBLIC SAFETY BARGAINING UNIT

February 25, 2020

TO: HONORABLE MAYOR AND COUNCIL MEMBERS  
FROM: KRISTINA MILLER, CITY MANAGER  
LISA M. LINNET, CITY CLERK

**SUMMARY:**

The City of Corning has reached agreement with the employees of the City of Corning Public Safety Bargaining Unit as reflected in the attached complete Agreement, known under California Law as a "Memorandum of Understanding" (MOU).

The proposed MOU is for a three-year term beginning on January 1, 2020 and will expire on December 31, 2022.

**MEMORANDUM OF UNDERSTANDING (MOU):**

Below are the key elements of the proposed new MOU Agreement:

1. **Term:** 3-Year Agreement (January 1, 2020 through December 31, 2022).
2. **Article 4, Check Off:** Removes Article 4 language and replaces it with new language pertaining to:
  - Dues and other Union-Sponsored Benefit Program Deductions (Items 1-6).
  - Data Pertaining to Deductions (Items 1-10).
  - Regular Receipt of Bargaining Lists.
  - Protect Contract, Biographical and/or Demographic information of Unit Members from third parties.
3. **Article 6, Union Rights:** Revises 6.6 to allow selection of two (2) employees as Union Stewards.
4. **Article 8, Payments:** Adds Sections 8.4 and 8.5 (a.) through (d.) relating to payment process in event of payment error, repayment methods and time restraints.
5. **Article 9, Prevailing Rights:** Adds Section 9.2 which states: In the event the City General Fund Reserves fall below \$1,000,000, the City and Union agree to meet within fifteen days and discuss; provided, however, that this provision shall not be considered a contract reopener, and further provided that this contract provision shall not be used by the City in any action or proceeding to interpret this contract.
6. **Article 10, Wage & Salary:** Following City Council ratification of the Memorandum of Understanding (MOU), 9.1 (A ) Wage Increase (a – c):  
Effective January 1, 2020; January 1, 2021 & January 1, 2022 all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%.)
7. **Article 11, Health and Welfare Insurance:** States number of plans offered and amount of City contribution to cost of such plan up to \$1,800 per month towards the rate, sets future annual increase to the City Contribution at \$45 per month, however total City contribution shall not exceed the employee plus family premium rate of the Operating Engineers Health & Welfare Plan A (Full Benefit).

**Overage Payment:** Difference between cost of employee selected Health Insurance and the City contribution, if any, shall at the election of employee, be paid into the Health Savings Account to the maximum allowed under the law. Once this account is maximized, all overage shall go into the employees 457 deferred compensation account. Should the employee select a plan other than a Health Savings Account, then all overage shall be paid to the employee's 457 deferred compensation account. Overage payments, in total shall not exceed \$700 per month per employee. This Overage Payment shall be limited to employees hired on or before adoption and ratification of this MOU by the City Council.

For employees who otherwise have medical insurance and opt-out of the City Medical Insurance completely, the City will provide \$900 per month which may be paid to a 457 deferred compensation plan, added to salary compensation, or divided between both and only changed once a year unless employee encounters an unforeseen circumstance.

8. **Article 12, Workday and Workweek:** Clarifies the work week, working hours, and when overtime can be accrued.
9. **Article 13, Overtime:** Clarifies comp time earned cannot be logged for mutual aid response.
10. **Article 16, Call Back Compensation:** Clarifies how call-back compensation is earned.
11. **Article 17, Sick Leave -Bereavement Leave:** Includes Stepchild and In-Laws to definition of immediate family and specifies that Bereavement Leave must be taken within two months following the death of the immediate family member and shall be taken in full day increments.
12. **Article 25 Probation Period and Evaluation:** Clarifies time spent in a non-paid status cannot be counted towards longevity.
13. **Article 26, Retirement - PERS EPMC pick-up:** Rephrases the retirement language and associated employee retirement shares listed in Sections 16.1 through 16.5
9. **Vacation and Comp Time Accruals:** Increases the number of allowable Employee carry over, or vacation account hours from 150 to 200 per year; any hours in excess will be paid out at close of each calendar year.

#### **FINANCIAL:**

Under the proposed Agreement the total increased cost the City will incur for this Bargaining Units wages will be:

1. **Wages:** The 3-5% increase will cost \$25,651.94 in FY 2019/2020, an additional \$61,393.63 in FY 2020/2021, and an additional \$63,972.16 in FY 2021/2022. (These costs were based on an average increase of 4.2% per year.)
2. **Medical Insurance Cost Increases:** The maximum increase the City will experience is \$49,416 annually. This increase will be offset by employees who switch to medical-in-lieu. The City will save \$6,000 per year for each employee that transitions from medical-in-lieu. As employees leave City employment, the medical overage will not be allowed, and the overall cost of medical insurance will decrease.

#### **RECOMMENDATION:**

**MAYOR AND COUNCIL RATIFY THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CORNING AND THE CITY OF CORNING PUBLIC SAFETY BARGAINING UNIT FOR THE PERIOD OF JANUARY 1, 2020 THROUGH DECEMBER 31, 2022.**



# **MEMORANDUM OF UNDERSTANDING**

Between

**CITY OF CORNING**

and

**OPERATING ENGINEERS UNION LOCAL NO. 3**

of the

**INTERNATIONAL  
UNION OF OPERATING ENGINEERS  
AFL-CIO**

for

***PUBLIC SAFETY EMPLOYEES***

**Effective:**

**January 1, 2020 – December 31, 2022**

**Agreement: February 11, 2020, 2020  
Ratified by City Council: February 25, 2020**

**City of Corning  
and the  
Operating Engineers Local Union No. 3 of the  
International Union of Operating Engineers AFL-CIO  
for Public Safety Employees**

**Effective: January 1, 2020 – December 31, 2022**

This Memorandum of Understanding is made and entered into between the Operating Engineers Local No. 3 of the International Union of Operating Engineers, AFL-CIO, hereinafter referred to as "**Union**", and the designated representatives of the CITY OF CORNING, hereinafter referred to as the "**City**", pursuant to the provisions of the Meyers-Milias-Brown Act (Government Code Section 3500, et seq.). This Memorandum of Understanding supersedes and replaces all previous Memorandum of Understandings between the parties.

**ARTICLE 1  
GENERAL PROVISIONS - DEFINITIONS**

**1.1 DEFINITIONS:**

- A. Employer:** The term "Employer", as used herein, shall refer to the City of Corning.
- B. Union:** The term "Union", as used herein, shall refer to the Operating Engineers Local No. 3 of the International Union of Operating Engineers, AFL-CIO.
- C. Employee:** The term "Employee", as used herein, shall mean all Employees of the Peace Officer Unit as established under the provisions of the Employer-Employee Relation Policy of the City of Corning.
- D. Employment Anniversary Date:** The term "employment anniversary date", as used herein, shall mean the anniversary date of the employee's employment with the City.
- E. Step Anniversary Date:** The term "step anniversary date", as used herein, shall mean the date upon which an employee has finished serving the requisite amount of time in order to be eligible for a salary step increase. A new time period for such requisite service shall commence upon the occurrence of any of the following events: Promotion, reclassification, implementation of a Memorandum of Understanding provision or Side Letter of Understanding specifying a movement into a new step or an increase in the rate paid for the step currently held by the employee.

**ARTICLE 2  
RECOGNITION**

**2.1** The Employer hereby recognizes the Union as the only organization entitled to meet and confer on matters within the scope of representation.

**ARTICLE 3  
HIRING PROVISIONS**

**3.1** No Employee covered by this Memorandum of Understanding shall be discriminated against by the Employer or by the Union by reason of race, color, religion, sex, age or national origin.

**3.2** The Employer shall not discharge, or otherwise discriminate against any Employee by reason of Union activities not interfering with the proper performance of his work.

**ARTICLE 4  
CHECK OFF**

**4.1 Dues and other Union-Sponsored Benefit Program Deductions:**

**THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER**



1. The employer shall honor an employee's check-off authorization for dues, or other Union-sponsored program, which are submitted in writing, through electronically recorded phone calls, via online deduction authorization, or by any means of indicating agreement allowable under state and federal law, regardless of whether the employee is a member of the Union.

2. Deductions for dues or other Union-sponsored program shall start the pay period after the employer receives notification of the authorization. The employer may transmit such payment to the Union through electronic funds transfer (EFT). However, transfer of funds shall not be later than thirty (30) days after the deduction from the employee's earnings occurs.

3. Employee requests to authorize dues/other deduction(s), or request to change status regarding such deductions, shall be directed to the Union rather than the employer. The employer shall rely on the Union's explanations in a certified list, submitted by a representative of the Union who has authority to bind the Union, regarding whether an authorization/change in deduction(s) has been requested by the employee.

4. The Union shall not be required to provide the employer a copy of the employee's authorization unless a dispute arises about the existence or terms of the authorization.

5. The Union shall indemnify the employer for any claims made regarding such deductions.

6. Violations of this Section of the MOU are grievable.

#### 4.2 Data Pertaining to Deductions:

Upon request from the Union. The employer shall produce to Operating Engineers' Local Union No. 3, a malleable electronic file containing the following information:

1. Full Name (first, middle, last, suffix)
2. Employee Number
3. Job Classification
4. Job Type (full-time, part-time, per diem, as needed)
5. Bargaining Unit
6. Hours worked in the preceding payroll period, which are the basis for the dues deduction.
7. Pay Step
8. Pay Rate
9. Department
10. Division (sub code of the department)

#### 4.3 Regular Receipt of Bargaining Lists:

It shall be the City of Corning's responsibility, once notified by Operating Engineers Local Union No. 3, to provide a list of all current employees covered by this Agreement, which shall include each employee's name, home address, home and cell phone numbers, personal and work e-mail addresses, work locations, department, employee identification number, hourly rate of pay, hours worked and gross pay. This list will include all employees newly hired, rehired, reinstated, transferred into or out of the bargaining unit, transferred between departments, promoted, reclassified, downgraded, placed on leaves of absence of any type including disability, placed on or recalled from layoff, separated (including retirement), added or deleted from preceding bi-monthly period.

#### 4.4 Protect Contract Biographical and/or Demographic information of Unit members from third parties:

In order to protect bargaining unit employees from harassment or invasion of privacy, the employer shall immediately notify the Union of any third-party request for contact, biographical and/or demographic information about the bargaining unit employees. The employer shall promptly provide the Union a copy of the request and any materials submitted with the request. The employer shall provide the Union at least ten (10) days to review the request and challenge the scope of the request prior to the employer responding to the request. The employer agrees to consider the Union's response prior to disclosing to the third party any contact, biographical, and/or demographic information about the bargaining unit employees.

The employer agrees that it will not create a report for a non-exclusive representative requester that does not already exist. If the employer is required by law to furnish a non-exclusive representative requester with a report, it agrees not to provide it in a malleable electronic format.

The employer shall not permit a non-exclusive representative to access bargaining unit members during working hours or in work areas.

The employer agrees that non-exclusive representatives are prohibited from soliciting bargaining unit members on the employer's property.

The employer agrees to adopt further safeguards against harassment or invasion of privacy by non-exclusive representatives, including but not limited to establishing filters in the employer's email system to block emails from non-exclusive representatives.

#### **4.5 Employee Opt-Out:**

Notwithstanding sections 4.1, 4.2, 4.3 and 4.4, and limited to the express purpose of Assembly Bill 119 requirements only, an employee may opt out via written request, initiated by the employee, to the City (copy to the Union) to direct the City to withhold the disclosure of the employee's home and personal cellular telephone numbers, personal email addresses on file with the employer, and home address.

### **ARTICLE 5 MANAGEMENT RIGHTS**

**5.1** The Employer retains the exclusive right to manage the City. All the rights, powers, functions and authority of the Employer, which it had prior to the time the Union became certified as representative of the Employees of the Employer, and which are not limited or modified by specific provisions of the Memorandum, are retained by the Employer. The Employer specifically retains the right to manage and supervise its Employees as follows:

1. To hire, promote, transfer, assign, classify positions, retain employees, and to suspend, demote, discharge or take other disciplinary action against Employees.

2. To lay-off or demote Employees from duties because of lack of work, lack of funds, in the interest of economy, or other legitimate reasons.

3. To determine the policies, standards, procedures, methods, means and personnel by which City operations are to be conducted.

4. To take whatever actions may be necessary to carry out the mission of the City in situations of emergency.

5. To limit or prohibit the right of Employees in certain positions or classes of positions from forming, joining, or participating in employee organizations as provided in the California Government Code, and designating such employees in the current schedule of Departments and Authorized Positions adopted by resolution.

6. Nothing in this policy shall be construed to interfere with the City's right to manage its operations in the most economical and efficient manner consistent with the best interests of all citizens, taxpayers, and employees in the City.

## **ARTICLE 6 UNION RIGHTS**

6.1 The Union recognizes its obligation to cooperate with the Employer to assure maximum service of the highest quality and efficiency to the citizens of the City of Corning consistent with its obligations to the Employees it represents.

6.2 Employer and Union affirm the principle that harmonious Employer-Employee relations are to be promoted and furthered. When a person is hired in any of the covered job classifications, the City shall notify that person that the Union is the certified representative for the Employees and shall notify the Union of such hiring.

6.3 The Employer shall provide the Union space to erect a bulletin board in each area where Employees covered by this Memorandum are assigned.

6.4 Business Representatives of the Union shall have reasonable access to Employees, provided such access does not interfere with City business. Department Heads and First-Line Supervisors will be notified by the Employer of the provisions of this Section. Solicitation for membership shall not be conducted during working time.

6.5 Business representatives of the Union shall have access to any Employee or Employees presenting a grievance; and Employees have the right to have the Union Business Representative represent him/her at all stages of disciplinary action.

**6.6 The Union may select two (2) Employees as Union Stewards.**

6.7 In addition to his regularly assigned work, the Union Steward shall be permitted reasonable time during working hours to notify the Business Representative of any violations of this Memorandum. Employees are authorized to contact their Union Steward during working hours to report a grievance or violation of this Memorandum.

## **ARTICLE 7 PEACEFUL PERFORMANCE**

7.1 The parties to this Memorandum of Understanding recognize and acknowledge that the services performed by the City Employees covered by this Memorandum are essential to the public health, safety and general welfare of the residents of the City of Corning. The Union agrees that under no circumstances will the Union recommend, encourage, cause or permit its members to initiate, participate in, nor will any member of the bargaining unit take part in, any strike, sit-down, stay-in, sick-out, slow-down or picketing (hereinafter collectively referred to as work stoppage), in any office or department of the City, nor to curtail any work or restrict any production, or interfere with any operation of the City. In the event of any such work stoppage by any member of the bargaining unit, the City shall not be required to negotiate on the merits of any dispute, which may have given rise to such work stoppage until said work stoppage has ceased.

7.2 In the event of any work stoppage during the term of this Memorandum of Understanding, whether by the Union or by any member of the bargaining unit, the Union, by its officers, shall immediately declare in writing and publicize that such action is illegal and unauthorized, and further direct its members in writing to cease the said conduct and resume work. Copies of such written notice shall be served upon the City. If in the event of any work stoppage the Union promptly and in good faith performs the obligations of this paragraph, and providing the Union has not otherwise authorized, permitted or encouraged such work stoppage, the Union shall not be liable for any damages caused by the violation of this provision. However, the City shall have the right to

discipline, including discharge, any Employee who instigates, participates in, gives leadership to, any work stoppage activity herein prohibited, and the City shall also have the right to seek full legal redress including damages, as against any such Employee.

## **ARTICLE 8 PAYMENTS**

**8.1** This Memorandum is intended to cover all aspects of wages, hours, and working conditions for Employees covered herein, therefore, nothing in this Memorandum shall prevent the Employer from modifying any fringe benefits or benefit plans not specifically provided for in this Memorandum such as retirement plans, salary continuation plans, etc., subject to meet and confer.

**8.2** If an Employee covered by this Memorandum is permanently assigned work of a substantially new or different nature so as to constitute a new job classification, the Employer and the Union shall determine the wage rate through the established procedures.

**8.3** The pay period for all employees covered by this MOU will be bi-weekly.

The work period will be the 80 hours bi-weekly allowed under the provisions of the FLSA 7K exemption for Safety employees.

**8.4** In the event an error has been made in the payment of an employee's wages, overtime payment, leave accruals, balances, or usages, the City shall, for the purposes of future compensation, adjust such compensation to the correct amount, giving written notice to the employee. Such adjustments are limited by the three-year statute of limitations set forth in California Code of Civil Procedure section 338.

**8.5** In the event an employee receives an overpayment in wages, reimbursement to the City shall be accomplished by either:

- a. Lump-sum payment by the employee;
- b. A one-time deduction from usable vacation or compensatory time off (CTO), or unused holidays worked, equivalent to the overpayment at the employee's current hourly rate;
- c. A repayment schedule through payroll deductions; or
- d. Other means as may be mutually agreed between the City and the employee.

No repayment schedule shall exceed forty-eight (48) pay periods in duration, except that if the employee does not agree to a voluntary repayment schedule, the overpayment collection shall not exceed twenty-four (24) pay periods. If an employee terminates City employment prior to completing his/her repayment schedule, any amounts still due the City will be applied against the employee's final paycheck.

## **ARTICLE 9 PREVAILING RIGHTS**

**9.1** This Memorandum of Understanding contains all of the covenants, stipulations and provisions agreed upon by the parties. It is understood that all items relating to Employees' wages, hours, and other terms and conditions of employment not covered in this Memorandum of Understanding shall remain the same, except as specifically mentioned in this Memorandum; therefore, for the life of this Memorandum, neither party shall be compelled to bargain with the other concerning any mandatory bargaining issues, whether specifically bargained about prior to the execution of this Memorandum or which may have been omitted in the bargaining which led up to the execution of this Memorandum of Understanding, except by mutual agreement of the parties or as specifically mentioned in this Memorandum.

**9.2** In the event the City General Fund Reserves fall below \$1,000,000, the City and Union agree to meet within fifteen days and discuss; provided, however, that this provision

shall not be considered a contract reopener, and further provided that this contract provision shall not be used by the City in any action or proceeding to interpret this contract.

## **ARTICLE 10 WAGES**

### **10.1 Wage Increase:**

**A. Effective January 1, 2020, all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%.)**

**B. Effective January 1, 2021, all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%.)**

**C. Effective January 1, 2022, all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%.)**

**10.2 Employees may advance to the next step in the pay schedule upon satisfactory completion of the required time in the lower step. The time required to advance from step A to B, and B to C is currently six (6) months. For employees hired after July 1, 2005, the time required between step A and B shall remain six (6) months. For employees hired after July 1, 2005 advancement from step B to C, C to D and D to E shall be twelve (12) months between each step.**

**10.3 Employees transferring into the unit from other public agencies or from other departments within the City shall be placed on whatever salary step the City determines is appropriate based on their qualifications. However, an Employee receiving a promotion within the department shall not be placed in a step requiring a lower salary than was earned in the previous position.**

**10.4 Longevity Pay: Employees will be eligible for longevity performance incentive pay under the following conditions:**

**A. Annual satisfactory performance evaluations will be required to receive and maintain annual pay increase.**

**B. A performance evaluation will be made 30-days before the employee's anniversary date.**

**C. Qualifying employees will receive a longevity performance incentive pay increase to be added to their base rate as follows:**

- 1. 3% after 10 years, effective the first pay period after anniversary date.**
- 2. 6% after 15 years, effective the first pay period after anniversary date, (not compounded with the 3%).**

D. In the event the employee is denied a longevity performance incentive pay increase, the employee may request the City Manager for review and to make final determination. The matter may not be filed under any other grievance procedure.

E. The plan will be implemented for all eligible employees effective the pay period closest to the date the City Council ratifies the Memorandum of Understanding (MOU). The initial performance increase will be effective the first pay period following a satisfactory performance evaluation. The initial evaluation is to be made as soon as administratively feasible following the adoption of the MOU. Such increase will remain in effect to the employee's next anniversary date prior to which time a reevaluation is required.

## **ARTICLE 11 HEALTH AND WELFARE INSURANCE**

**11.1** Currently, the City offers a choice of five (5) Health Insurance Policies; (2) Operating Engineers Public Employees' Health and Welfare Plans; and (3) different tier Blue Shield Savings Account Plans. All Employees and their dependents may participate in the Operating Engineer Public Employees' Health and Welfare Plans, or any of the Blue Shield Savings Account Plans, with the City contributing to the cost of such plan up to \$1,800.00 per month toward the rate. The employee shall pay any remaining costs of insurance.

Future annual increases to the City Contribution shall be \$45 per month per year. However, the total City contribution shall not exceed the employee plus family premium rate of the Operating Engineers Health and Welfare Plan A (Full Benefit).

**Overage Payment:** The difference between the cost of the Health Insurance Policy selected by the employee and the City Contribution, if any, shall, at the election of the employee, be paid into the Health Savings Account to the maximum allowed under the law; once this account is maximized, all overage shall go into the employees 457 deferred compensation account. Should the employee select a plan other than a Health Saving Account, then all overage shall be paid to the employee's 457 deferred compensation account. Overage payments, in total, shall not exceed \$700 per month per employee. This Overage Payment shall be limited to employees hired on or before adoption and ratification of this MOU by the City Council.

For those employees who otherwise have medical insurance and opt-out of the city medical insurance completely, the City will provide \$900.00 per month which may be paid to a 457 deferred compensation plan, added to salary compensation or divided between both and only be changed once a year, unless employee encounters an unforeseen circumstance.

**11.2** The City shall pay the fee for Employees who are not members of the Operating Engineers Local Union No. 3 in order to participate in the Union's Health and Welfare Plan.

**11.3** The City shall provide life insurance in the amount of one hundred thousand dollars (\$100,000) and will continue to pay the life and disability insurance premiums.

**11.4** The City shall have the option of replacing the Operating Engineers Public Employees Health and Welfare Plan with a plan of the City's choosing. If the City exercises this option, the City shall maintain coverage that is comparable and substantially equivalent to that provided currently under the present plan.

**11.5** A Health Plan Review Committee consisting of one employee from each bargaining unit will be established and coordinated by the City Manager to review alternate health plans. A non-binding Committee Report will be made to the City and the Union. The committee will study both the health plan and the short-term disability and "cafeteria" plans. Upon receipt of the committee's report, the City or the Union, upon the request of either, will meet and confer on the recommendations of the committee.

**11.6** The City will make an Employee Assistance Program (EAP) available to each regular employee. The EAP provides personal, family and career counseling to employees along with financial counseling referral, and legal referrals to employees.

## **ARTICLE 12 WORKDAY AND WORKWEEK**

### **12.1**

**A.** The regular workday for employees assigned to patrol shall be twelve (12) hours, inclusive of mealtime. The regular work period is two weeks in duration and consists of seven (7) regularly scheduled shifts amounting to eighty (80) hours of regular time and four (4) hours of scheduled overtime, subject to Article 12.1.C. All time worked in excess of the regular scheduled workday or work week shall be considered overtime regardless of hours worked during the pay period.

**B.** Voluntary shift schedule changes (“trades”) must occur in the same work period, must receive supervisor advance approval in writing, and shall not be considered subject to overtime.

**C.** Approved time off (vacation, sick leave, compensatory time off (CTO) and use of any time from an employee’s time banks) shall not be considered “time worked” and shall be excluded from overtime. In the event an employee takes approved time off, they shall record on their time sheets leave hours consistent with the number of hours scheduled.

**D.** When the department schedules an employee for training in lieu of their regularly scheduled work day, which reduces the employees’ totals number of hours below the minimum eighty (80) hour work period, as defined in Article 8.3, the employee shall be paid a minimum of eighty (80) hours; provided however, in the event an employee can return to work before or after training to complete their regularly scheduled workday, the employee shall not be entitled to compensation for hours the employee is not in training. In the event an employee has less hours than their regularly scheduled workday, they shall be able to use time from their vacation or compensatory time banks to complete their full days’ work schedule.

**E.** Employees shall not be entitled to training compensation when the employee is not acting in the capacity as the field training officer.

**12.2** The Chief of Police may designate an alternate work schedule for employees on special assignment or training with a regular schedule of eighty (80) hours per work period.

**12.3** The City may institute an optional work schedule to the 12-hour shift. If another shift is considered, it is the understanding that management retains the right to schedule in the best interests of the department, and for the safety of the citizens of Corning.

## **ARTICLE 13 OVERTIME**

**13.1** Overtime shall be compensated at the rate of time and one-half, which will be paid in the same manner as other wages, except C.T.O.

**13.2** An Employee shall, upon termination of employment, be entitled to be paid all unpaid accumulated overtime together with the Employee’s normal wages.

**13.3** All cash payments for overtime worked will be made on the regular salary check in which it was earned. The only exception is holiday pay. (See Article 19 regarding holidays.)

**13.4** All overtime worked shall be first approved by the Chief or Shift Sergeant.

**13.5** Compensatory Time in Lieu of Overtime (CTO): Effective January 1, 2020, members of the bargaining unit may accrue up to a maximum of two hundred (200) hours annually upon the

Department Head's discretionary authority. CTO time may be carried into the following year, but at no time can it exceed **two hundred (200) hours**. Management shall approve when employees can take time off, taking into consideration the desire of the employees and the operational needs of the department. The Department Head and employees may mutually agree to pay out any or all CTO time. All unused CTO shall be paid upon termination. All CTO in excess of **two hundred (200) hours** shall be paid to the employee as part of their normal pay cycle.

**Members of this bargaining unit shall not log CTO for hours worked responding to mutual aid.**

#### **ARTICLE 14 SPECIALTY PAY**

**14.1** Employees in the classification of Police Officer shall receive in addition to regular pay a 5% premium when assigned, in writing by the Police Chief, to serve and perform as a Field Training Officer (FTO).

**14.2** Out of Class Pay. An Employee who is temporarily assigned, in writing, the duties of a supervising position shall receive premium pay of five percent (5%) above his/her present salary.

**14.3** Officers assigned by the Chief of Police to the K-9 Unit shall receive one hundred fifty dollars (\$150) per month for the incidental duties related to the assignment effective June 24, 2001.

**14.4** Officers certified and assigned by the Chief of Police as bi-lingual shall receive a total of 5% for the incidental duties related to the assignment effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU). The Police Chief shall establish reasonable standards to qualifying Officers and for ongoing review of skills.

**14.5** Effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU), Officers certified and assigned by the Chief of Police as Range Master shall receive an additional 3% of a qualifying Officer's base wages when actively instructing (Estimated at no more than 40 hours per year in total for all qualifying Officer's.)

#### **ARTICLE 15 STAND-BY COMPENSATION**

**15.1** When the Employer requires an Employee to remain available for call back at any time, the Employee shall receive stand-by pay.

**15.2** When an Employee is required to stand by, he shall be compensated for such stand-by at the rate of two (2) hours of straight time compensation by cash for each accumulated eight (8) hours of stand-by.

#### **ARTICLE 16 CALL-BACK COMPENSATION**

**16.1** When the City requires an employee to return to work other than his regularly scheduled workday, or for hours that are not contiguous to the beginning or end of an employee's normal shift, the employee shall be entitled to call-back compensation.

**16.2** The City shall compensate the employee a minimum of three (3) hours of overtime compensation irrespective of the actual time worked when an employee is physically called back to work. In the event the task exceeds three hours duration, the total overtime compensation shall be for the hours actually worked.

The City shall compensate the employee a minimum 30 minutes of overtime compensation irrespective of the actual time worked when an employee receives a work-related phone call. In the event the phone call exceeds 30 minutes duration, the total overtime compensation shall be for the full duration of the phone call.



**16.3 Employees who are required to report for court duty on their non-scheduled work hours or a scheduled day off shall be paid overtime compensation for the actual time worked but in no event less than three (3) hours of compensation. In the event the court subpoena is cancelled within 24 hours preceding the court appearance the employee shall be paid two (2) hours, subject to verification to be developed.**

## **ARTICLE 17 SICK LEAVE**

**17.1 Sick leave is available to an employee to use in case of illness, bodily injury, exposure to a contagious disease, medical or dental appointment or attendance upon seriously ill member of employee's immediate family, as defined by these rules. An employee may take paid sick leave after the first month of employment. Every effort by the employee shall be made to schedule appointments during non-working hours.**

**17.2 Sick leave with pay shall be granted to all employees. Sick leave shall be earned at the rate of eight (8) hours per calendar month of service, not to exceed a total maximum accumulation of one thousand four hundred forty (1440) hours. No sick leave shall be earned once the maximum accrual is reached.**

**17.3 The City agrees to pay fifty percent (50%) of Employee's unused accumulated sick leave upon retirement or death effective the start of the first pay period in 2016 occurring after the City Council approves the Memorandum of Understanding (MOU). Upon reduction in force, the City shall pay twenty-five (25%) of Employee's unused accumulated sick leave.**

**17.4 Employees who have less than thirty-six (36) days of sick leave accumulated may, in lieu of taking vacation, bank said vacation time under sick leave.**

**17.5 Family Leave shall be administered in accordance with applicable State and Federal law.**

**17.6 In the event of a death in the immediate family, the Employee may take off up to four (4) days. The immediate family shall be defined as husband, wife, child, stepchild, mother, father, brother, sister, in-laws, grandparents, and grandchildren. Bereavement leave must be taken within two months following the death of the immediate family member. Leave shall be taken in full day increments.**

**17.7 When an employee is off work as a result of a valid on-the-job injury sustained in the service of the City, the employee is entitled to use their accrued Sick Leave during the period of disability to make up the difference between their regular pay and the Workers Compensation Temporary Disability Payments. The City shall pay only that amount necessary to make up the difference between the employee's monthly rate and the amount payable to the employee as temporary disability payments from the Worker's Compensation Insurance Plan of the City. To take advantage of this benefit, the employee must forward their Temporary check to the City.**

**17.8 The City may require verification of the necessity for sick leave. Such verification may be in the form of a written statement from a doctor or a personal affidavit from the Employee. The City reserves the right to specify which of the two verification procedures will be required in any particular situation. If the City requires verification from a physician, the City shall pay for the cost of such verification to the extent such cost is not reimbursed by the Employee's health insurance.**

**17.9 If the City determines that an Employee has abused the provisions of the sick leave policy, the Employee shall be subject to disciplinary action.**

**17.10 Sick Leave Conversion Upon Retirement: In lieu of a cash out of sick leave, an employee, upon retirement under PERS, may choose as an option, to convert a percentage of the dollar value of the sick leave at the employee's current hourly base rate of pay as of the date of retirement, to pay the pre-paid health insurance premium up for a period of time up to age 65 according to the following conversion plan:**

<b><u>Employee's year of Service with City</u></b>	<b><u>Percentage value of employee's accrued Sick Leave</u></b>
Through 15 years	50 %
16 through 19 years	70 %
20 or more years	80 %

The following is the procedure to account for the percentage value of converted sick leave:

(A) At the written request of the retiring employee, the City Staff will compute the dollar value of the accrued sick leave according to the percentages shown above, and maintain an accounting in the employee's name, deducting the amount of monthly City health insurance premium for the "balance".

(B) The value of sick leave does not accrue in a cash fund for each employee; therefore, no actual funds are held in trust. The City simply agrees to pay the retiree's premium for a period of time until the balance value of the conversion is depleted.

(C) Should a retired employee want to stop their insurance premium payments under this Section, the employee must notify the City Manager in writing, giving the date payments should end, and City Staff will do an accounting of the actual dollar amount paid out. Should this amount still be less than the fifty percent (50%) value provided for in the sick leave payoff provisions of this MOU, Section 17.3 the balance will be paid to the employee.

(D) Should a retired employee die prior to fully using this benefit, any dependents covered under the health insurance may, if permitted to, continue insurance coverage by the insurance carrier and receive the continuation of this benefit until fully expended. The benefit shall have no cash value to the employee's estate, nor can the City accept any claim for payoff by heirs.

(E) Employees not choosing to remain in the City's offered health plan may use the benefits set out in these sections, to be applied to the cost of a private health plan. The retired employee will be reimbursed on a quarter year basis, such amounts as provided in these sections, upon submission of a written claim and proof of a paid premium by the retired employee. The form, manner of claim, and proof will be as prescribed by the City.

## **ARTICLE 18 UNIFORM ALLOWANCE**

**18.1** The City agrees to pay all members of the Public Safety Employees Bargaining Unit covered by this Memorandum of Understanding, a uniform allowance, also to include Body Armor Shell, of nine hundred dollars (\$900) per year, payable on the Employee's employment anniversary date. Notwithstanding the foregoing, the City reserves the option to implement a system by which the City will purchase and maintain the uniforms required of Employees at City's expense in lieu of providing the aforementioned uniform allowance.

**18.2** The Employer agrees to replace, at no cost to the Employee, any item of uniform clothing damaged in the line of duty.

## **ARTICLE 19 HOLIDAYS & HOLIDAY PAY**

**19.1** Members of the bargaining unit shall receive "Holiday in Lieu". The amount shall annually be equal to one hundred sixteen (116) hours pay.

**19.2** Employees hired into full time positions during each calendar year shall have their Holiday in Lieu pay prorated based on the number of full months worked in relationship to twelve (12) months. This section applies only to initial hires by the City, not employees who promote during the year.

**19.3** Annual payment is to be made on the last pay period in November.

**ARTICLE 20  
457 DEFERRED COMPENSATION PLAN**

The City will match employee's contributions to their 457 Deferred Compensation Plan up to \$60 per month. The City match is only available for one (1) Deferred Compensation Plan even if employees are enrolled in more than one (1) Plan. Employees must commit to maintain their 457 contribution for one full year.

**ARTICLE 21  
EDUCATIONAL INCENTIVE PAY**

**21.1** The Employer agrees to provide Incentive Pay for all Peace Officers at the following rates:

A. All Employees to receive, monthly, two and one-half percent (2 1/2%) above base monthly pay for possession of a POST Intermediate Certificate or an Associate of Arts Degree.

B. All Employees to receive, monthly, five percent (5%) above base monthly pay for possession of a POST Advanced Certificate or a Bachelor's Degree.

**ARTICLE 22  
VACATION TIME**

**22.1** Employees shall earn vacation according to the following:

A. Employees shall earn vacation with pay at the rate of one hundred twenty (120) hours per year after one (1) year and during the first seven (7) years of City employment.

B. Employees shall earn vacation with pay at the rate of one hundred sixty (160) hours per year after completion of seven (7) years of City employment.

C. Employees shall earn vacation with pay at the rate of two hundred (200) hours per year after fifteen (15) years of City employment.

D. The maximum number of vacation hours employees may carry over or have in a vacation account at the start of each new calendar year is **two hundred (200) hours**.

E. Employees who have more than two hundred (200) hours in their vacation account will have the excess vacation time paid off at the close of each calendar year.

**22.2** The Employee shall have the option of converting up to fifty percent (50%) of unpaid accumulated vacation to cash payment in lieu of taking vacation. The Employee may exercise this payoff option only one (1) time per fiscal year with five (5) working days' notice to payroll.

**ARTICLE 23  
SAFETY**

**23.1** The Employer agrees to furnish, at no cost to the Employee, all items of safety equipment including, but not limited to: weapon, holster, belt with ammo pouches, cuffs, nightstick and rain gear with waterproof boots, plus reflectorized traffic vests and traffic batons for each patrol car.

**23.2** Body Armor: The City shall periodically choose a manufacturer and brand of body armor that meets the "Threat Level III-A" Standard published from time to time by the National Institute of Justice. Each employee represented by the Bargaining Unit will be provided "Threat Level III-A" body armor upon employment. Such body armor shall be replaced every four (4) years. Initial and replacement armor will include both the armor and the shell. The employee is responsible for the periodic replacement of the shell as part of the annual Uniform Allowance, as explained in Article 18. The Employee may select a higher priced unit (meeting this standard) by paying the difference. The body armor will be required to be worn at all times when the Officer is on duty.

**23.3 Vehicles:** The City Police Chief will consult with a representative of the Unit and consider Unit input when developing a maintenance inspection program for patrol cars. The program will include routine "certified" vehicle inspections at specific mileage and following an accident or high-speed chase involving the vehicle.

**23.4 Manning:** The Police Chief will consult with a representative of the Unit and consider Unit input when developing a plan for the scheduling and deployment of available staff to best meet the needs of the Department and the City population.

**23.5 Ammunition:** City will provide all duty ammunition and range qualification and ammunition for all City duty issued weapons.

**23.6** A Physical Fitness Plan Committee, consisting of one employee from the bargaining unit and the Police Chief, will establish and coordinate the physical fitness plan. **Officers who elect to participate in the physical fitness testing shall be covered by workers compensation in the event they should be injured during the testing process.**

**23.7** Employees who qualify under the physical fitness incentive plan shall receive a total of five percent (5%) pay increase.

## **ARTICLE 24 LAY-OFF POLICY**

**24.1** The City may lay-off Employees whenever it becomes necessary because of lack of work or funds, or whenever it is deemed advisable in the interests of the economy to reduce the force in a department or office.

**24.2** Persons shall be laid off in the following order:

1. All extra help, temporary and provisional Employees in the same department and within the same job classification shall be laid off before any regular Employee is laid off.

2. When it becomes necessary to reduce the force in any department or office by lay-off of regular Employees, seniority shall be the determining factor. In the case where seniority is equal, ability shall govern.

The determination of ability shall be the exclusive responsibility of the department head, provided that in making such determination, consideration shall be given to skill, efficiency, knowledge, physical fitness, training and attitude toward fellow Employees.

**24.3** Seniority shall be measured from the Employee's initial appointment to City service, but shall not include any period during which such Employee was on leave without pay, or not actually in City employment because of the Employee's voluntary termination, lay-off or other cause; provided that, for any Employee who is reemployed after being discharged, seniority shall be measured from the date of the Employee's most recent appointment.

**24.4** The City shall send written notice by certified mail, postage prepaid, return receipt requested, and correctly addressed to the last known mailing address of the Employee as found in the Employee's personnel file. In lieu of the above, the City may serve notice by personal service. Notice of lay-off shall be made at least (30) thirty-days prior to the effective date of the action.

**24.5** In lieu of being laid off, a regular Employee may elect demotion and displacement in the same department to a classification previously held by said Employee with substantially the same or lower salary step and/or to a classification in which said Employee meets the minimum qualifications. Demotion and displacement rights to specified classifications shall be applicable only within the department and subject to layoff list provisions in this Section based on seniority and ability. Employees wishing demotion and displacement in lieu of layoff must notify the City Manager in writing of this election no later than seven (7) calendar days after receiving notice of layoff.

**ARTICLE 25  
PROBATION PERIOD AND EVALUATION**

**25.1** All Employee evaluations should be made by the Employee's immediate Supervisor or the Employee's Department Head when possible. In the event the immediate Supervisor or Department Head is unable to complete the evaluation, the City Manager may complete the evaluation. The City reserves the right to conduct formal evaluation summaries every six (6) months. Nothing contained herein should be construed to limit the right of the City to continually monitor and assess Employee performance and provide feedback to the Employee regarding the Employee's performance.

**25.2** All new, promoted and reclassified Employees are on probation for one (1) year. The Police Chief may extend a probation period for a worker, on a day for day basis, which has been on a limited duty assignment or on leave, either compensated or non-compensated in excess of ten (10) days.

**25.3** Current City Employees accepting a promotion to a higher classification retain the right to return to their former classifications if the City determines they are unable to satisfy the requirements of the new classification.

**25.4** Time spent in a non-paid status will not be counted towards an employee's seniority. When an employee takes unpaid leave, only the unpaid hours off work will remain uncounted toward seniority.

**ARTICLE 26  
RETIREMENT**

**For Public Safety Employees, the City provides retirement benefits under a contract with the California Public Employees Retirement System (PERS) as follows:**

**26.1** The City confirms that all current PERS Tier 1 Safety Members are in the 3% at 50 Retirement Formula with single highest year salary retirement formula and:

**The City and City of Corning Tier 1 Public Safety Bargaining Unit Members agree the total employee share of retirement costs shall be 9%.**

**26.2** The City confirms that all PERS Tier II Safety Members are in the 3% @ 55 Formula with three (3) year average salary retirement formula and:

**The City and City of Corning Tier II Public Safety Bargaining Unit Members agree the total employee share of retirement costs shall be 9%.**

**26.3** Employees hired on or after January 1, 2013, who are not eligible for reciprocity or are not current CalPERS members without a break in service greater than six (6) months, shall participate in legislatively mandated CalPERS contributions and retirement benefit formula plans established by Assembly Bill 340, the "Public Employees' Pension Reform Act of 2013". This legislation is administered/interpreted by the California Public Employees Retirement System (CalPERS). New employee members shall have the following retirement benefit formula and contribution rate:

**For PERS Police and Fire Safety Members 2.7% @ 57, 3-year final compensation as defined by CalPERS. The Member contribution rate is up to 12.0%. (Currently 12.0%).**

**The member contribution rate must comply with Section 7522.30 of the California Government Code. CalPERS may change this rate following actuarial review during the term of the MOU.**

**The City agrees that the retirement tier changes in 26.2 and 26.3 will not affect employees hired prior to January 1, 2012.**

In the event the Legislature modifies the Cal PERS employee/employer contribution rates, the City and Union agree to meet within fifteen days and discuss; provided, however, that this provision shall not be considered a contract reopener; and further provided that this contract provision shall not be used by the City in any action or proceeding to interpret this contract.

**ARTICLE 27  
SAVINGS CLAUSE**

27.1 If any Article, Section, subsection, paragraph, sentence, clause or phrase of this Memorandum of Understanding shall, for any reason, be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portion of this Memorandum, it being expressly provided that this Memorandum and each section, subsection, paragraph, sentence, clause, or phrase hereof would have been adopted irrespective of the fact that any one or more sections, subsections, paragraphs, sentences, clauses or phrases shall be declared invalid or unconstitutional.

**ARTICLE 28  
TERM OF AGREEMENT**

28.1 This Memorandum of Understanding shall be effective January 1, 2020, upon adoption by the City Council of the City of Corning and shall remain in effect until the 31st day of December 2022.

28.2 Either party may, in writing, notify the other party within 120 days of the terminated date of this Memorandum of Understanding after start to negotiate a new Memorandum.

**IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding this \_\_\_\_\_ day of February, 2020**

**CITY OF CORNING**

**OPERATING ENGINEERS LOCAL  
UNION NO. 3 AFL-CIO**

\_\_\_\_\_  
**Kristina Miller,  
City Manager**

\_\_\_\_\_  
**Art Frolli,  
Chief Negotiator**

\_\_\_\_\_  
**Greg Einhorn,  
Negotiator**

\_\_\_\_\_  
**Ian Anderson,  
POA Representative**

\_\_\_\_\_  
**Lisa M. Linnet,  
City Clerk**

\_\_\_\_\_  
**Jason McIntyre,  
POA Representative**

ITEM NO. J-13  
RATIFY MEMORANDUM OF  
UNDERSTANDING BETWEEN THE  
CITY AND THE CITY OF CORNING  
MISCELLANEOUS BARGAINING UNIT

February 25, 2020

TO: HONORABLE MAYOR AND COUNCIL MEMBERS  
FROM: KRISTINA MILLER, CITY MANAGER  
LISA M. LINNET, CITY CLERK



**SUMMARY:**

The City of Corning has reached agreement with the employees of the City of Corning Miscellaneous Bargaining Unit as reflected in the attached complete Agreement, known under California Law as a "Memorandum of Understanding" (MOU).

The proposed MOU is for a three-year term beginning on January 1, 2020 and will expire on December 31, 2022.

**MEMORANDUM OF UNDERSTANDING (MOU):**

Below are the key elements of the proposed new MOU Agreement:

1. **Term:** 3-Year Agreement (January 1, 2020 through December 31, 2022).
2. **Article 4, Check Off:** Removes Article 4 language and replaces it with new language pertaining to:
  - Dues and other Union-Sponsored Benefit Program Deductions (Items 1-6).
  - Data Pertaining to Deductions (Items 1-10).
  - Regular Receipt of Bargaining Lists.
  - Protect Contract, Biographical and/or Demographic information of Unit Members from third parties.
3. **Article 6, Union Rights:** Revises 6.6 to allow selection of two (2) employees as Union Stewards.
4. **Article 8, Payments:** Adds Sections 8.4 and 8.5 (a.) through (d.) relating to payment process in event of payment error, repayment methods and time restraints.
5. **Article 9, Prevailing Rights:** Adds Section 9.2 which states: In the event the City General Fund Reserves fall below \$1,000,000, the City and Union agree to meet within fifteen days and discuss; provided, however, that this provision shall not be considered a contract reopener, and further provided that this contract provision shall not be used by the City in any action or proceeding to interpret this contract.
6. **Article 10, Wage & Salary:** Following City Council ratification of the Memorandum of Understanding (MOU), 9.1 (A) Wage Increase (a – c):  
Effective January 1, 2020; January 1, 2021 & January 1, 2022 all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%.)
7. **Article 11, Out of Classification Pay:** Provides educational incentive pay if the degree bears a rational relationship to City employment.
8. **Article 12, Health and Welfare Insurance:** States number of plans offered and amount of City contribution to cost of such plan up to \$1,800 per month towards the rate, sets future annual increase to the City Contribution at \$45 per month, however total City contribution

shall not exceed the employee plus family premium rate of the Operating Engineers Health & Welfare Plan A (Full Benefit).

**Overage Payment:** Difference between cost of employee selected Health Insurance and the City contribution, if any, shall at the election of employee, be paid into the Health Savings Account to the maximum allowed under the law. Once this account is maximized, all overage shall go into the employees 457 deferred compensation account. Should the employee select a plan other than a Health Savings Account, then all overage shall be paid to the employee's 457 deferred compensation account. Overage payments, in total shall not exceed \$700 per month per employee. This Overage Payment shall be limited to employees hired on or before adoption and ratification of this MOU by the City Council.

For employees who otherwise have medical insurance and opt-out of the City Medical Insurance completely, the City will provide \$900 per month which may be paid to a 457 deferred compensation plan, added to salary compensation, or divided between both and only changed once a year unless employee encounters an unforeseen circumstance.

**Adds 10.5:** The City will make an Employee Assistance Program (EAP) available to each regular employee. The EAP provides personal, family and career counseling to employees along with financial counseling referral, and legal referrals to employees.

9. **Article 18 Uniform Allowance:** Specifies water-proof gear brand and adds 18.2 (f) The City agrees to provide one (1) reflective class 2, zipper front with hood sweatshirt each year.
10. **Bereavement Leave:** Includes Stepchild and In-Laws to definition of immediate family and specifies that Bereavement Leave must be taken within two months following the death of the immediate family member and shall be taken in full day increments.
11. **Retirement - PERS EPMC pick-up:** Rephrases the retirement language and associated employee retirement shares listed in Article 21.
9. **Vacation:** Increases the number of allowable Employee carry over, or vacation account hours from 150 to 200 per year; any hours in excess will be paid out at close of each calendar year.

#### **FINANCIAL:**

Under the proposed Agreement the total increased cost the City will incur for this Bargaining Units wages will be:

1. **Wages:** The 3-5% increase will cost \$17,800 in FY 2019/2020, \$46,600 in FY 2020/2021, and \$49,700 in FY 2021/2022. The three-year increase in cost to salaries is \$114,000. (These costs were based on an average increase of 4.2% per year.)
2. **Medical Insurance Cost Increases:** The maximum annual increase in cost will be \$57,653 annually. This increase will be offset by employees who switch to medical-in-lieu. The City will save \$6,000 per year for each employee that transitions from medical-in-lieu. As employees leave City employment, the medical overage will not be allowed and the overall cost of medical insurance will decrease.

#### **RECOMMENDATION:**

**MAYOR AND COUNCIL RATIFY THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CORNING AND THE CITY OF CORNING MISCELLANEOUS BARGAINING UNIT FOR THE PERIOD OF JANUARY 1, 2020 THROUGH DECEMBER 31, 2022.**





**MEMORANDUM OF UNDERSTANDING**  
**Between**  
**CITY OF CORNING**  
**and**  
**OPERATING ENGINEERS UNION LOCAL NO. 3**  
**of the**  
**INTERNATIONAL UNION OF OPERATING**  
**ENGINEERS AFL-CIO**  
**for**  
**MISCELLANEOUS UNIT**

**Effective: January 1, 2020 - December 31, 2022**

**Ratified: February 11, 2020**  
**Approved by City Council: February 25, 2020**

**THIS MEMORANDUM OF UNDERSTANDING** is made and entered into between **OPERATING ENGINEERS LOCAL UNION NO. 3**, of the International Union of Operating Engineers, AFL-CIO, hereinafter referred to as "Union", and the designated representatives of the **CITY OF CORNING**, hereinafter referred to as the "City", pursuant to the provisions of the Meyers-Millias-Brown Act (Government Code Sections 3500, et seq.). This Memorandum of Understanding supersedes and replaces all previous Memorandum of Understanding between the parties.

**ARTICLE 1  
GENERAL PROVISIONS - DEFINITIONS**

**1.1 A. Employer:** The term "Employer", as used herein, shall refer to the City of Corning.

**B. Union:** The term "Union", as used herein, shall refer to the Operating Engineers Local No. 3 of the International Union of Operating Engineers, AFL-CIO.

**C. Employee:** The term "Employee", as used herein, shall mean all Employees of the Miscellaneous Unit as Employee Relations Policy of the City of Corning.

**D. Employee Anniversary Date:** The term "employment anniversary date", as used herein, shall mean the anniversary date of the employee's employment with the City.

**E. Step Anniversary Date:** The term "step anniversary date", as used herein, shall mean the date upon which an employee has finished serving the requisite amount of time in order to be eligible for a salary step increase. A new time period for such requisite service shall commence upon the occurrence of any of the following events: promotion; reclassification; implementation of a Memorandum of Understanding provision or Side Letter of Understanding specifying a movement into a new step or an increase in the rate paid for the step currently held by the employee.

**ARTICLE 2  
RECOGNITION**

**2.1** The Employer hereby recognizes the Union as the only Organization entitled to meet and confer on matters within the scope of representation.

**ARTICLE 3  
HIRING PROVISIONS**

**3.1** No Employee covered by this Memorandum of Understanding shall be discriminated against by the Employer, or by the Union, by reason of race, color, religion, sex, age or national origin.

**3.2** The Employer shall not discharge, or otherwise discriminate against any Employee by reason of Union activities not interfering with the proper performance of his work.

**ARTICLE 4  
CHECK OFF**

**4.1 Dues and other Union-Sponsored Benefit Program Deductions:**

**1.** The employer shall honor an employee's check-off authorization for dues, or other Union-sponsored program, which are submitted in writing, through electronically recorded phone calls, via online deduction authorization, or by any means of indicating agreement allowable under state and federal law, regardless of whether the employee is a member of the Union.

**2.** Deductions for dues or other Union-sponsored program shall start the pay period after the employer receives notification of the authorization. The employer may transmit such payment to the Union through electronic funds transfer (EFT). However, transfer of funds shall not be later than thirty (30) days after the deduction from the employee's

**THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER**

earnings occurs.

3. Employee requests to authorize dues/other deduction(s), or request to change status regarding such deductions, shall be directed to the Union rather than the employer. The employer shall rely on the Union's explanations in a certified list, submitted by a representative of the Union who has authority to bind the Union, regarding whether an authorization/change in deduction(s) has been requested by the employee.

4. The Union shall not be required to provide the employer a copy of the employee's authorization unless a dispute arises about the existence or terms of the authorization.

5. The Union shall indemnify the employer for any claims made regarding such deductions.

6. Violations of this Section of the MOU are grievable.

#### 4.2 Data Pertaining to Deductions:

Upon request from the Union. The employer shall produce to Operating Engineers' Local Union No. 3, a malleable electronic file containing the following information:

1. Full Name (first, middle, last, suffix)
2. Employee Number
3. Job Classification
4. Job Type (full-time, part-time, per diem, as needed)
5. Bargaining Unit
6. Hours worked in the preceding payroll period, which are the basis for the dues deduction.
7. Pay Step
8. Pay Rate
9. Department
10. Division (sub code of the department)

#### 4.3 Regular Receipt of Bargaining Lists:

It shall be the City of Corning's responsibility, once notified by Operating Engineers Local Union No. 3, to provide a list of all current employees covered by this Agreement, which shall include each employee's name, home address, home and cell phone numbers, personal and work e-mail addresses, work locations, department, employee identification number, hourly rate of pay, hours worked and gross pay. This list will include all employees newly hired, rehired, reinstated, transferred into or out of the bargaining unit, transferred between departments, promoted, reclassified, downgraded, placed on leaves of absence of any type including disability, placed on or recalled from layoff, separated (including retirement), added or deleted from preceding bi-monthly period.

4.4 Protect Contract Biographical and/or Demographic information of Unit members from third-parties:

In order to protect bargaining unit employees from harassment or invasion of privacy, the employer shall immediately notify the Union of any third-party request for contact, biographical and/or demographic information about the bargaining unit employees. The employer shall promptly provide the Union a copy of the request and any materials submitted with the request. The employer shall provide the Union at least ten (10) days to review the request and challenge the scope of the request prior to the employer responding

to the request. The employer agrees to consider the Union's response prior to disclosing to the third party any contact, biographical, and/or demographic information about the bargaining unit employees.

The employer agrees that it will not create a report for a non-exclusive representative requester that does not already exist. If the employer is required by law to furnish a non-exclusive representative requester with a report, it agrees not to provide it in a malleable electronic format.

The employer shall not permit a non-exclusive representative to access bargaining unit members during working hours or in work areas.

The employer agrees that non-exclusive representatives are prohibited from soliciting bargaining unit members on the employer's property.

The employer agrees to adopt further safeguards against harassment of invasion of privacy by non-exclusive representatives, including but not limited to establishing filters in the employer's email system to block emails from non-exclusive representatives.

#### **4.5 Employee Opt-Out**

Notwithstanding sections 4.1, 4.2, 4.3 and 4.4, and limited to the express purpose of Assembly Bill 119 requirements only, an employee may opt out via written request, initiated by the employee, to the City (copy to the Union) to direct the City to withhold the disclosure of the employee's home and personal cellular telephone numbers, personal email addresses on file with the employer, and home address.

### **ARTICLE 5 MANAGEMENT RIGHTS**

5.1 The Employer retains the exclusive right to manage the City. All the rights, powers, functions and authority of the Employer which it had prior to the time the Union became certified as representative of the Employees of the Employer and which are not limited or modified by specific provisions of the Memorandum are retained by the Employer. The Employer specifically retains the right to manage and supervise its Employees as follows:

(A) To hire, promote, transfer, assign, classify positions, retain employees, and to suspend, demote, discharge or take other disciplinary action against employees.

(B) To lay-off or demote Employees from duties because of lack of work, lack of funds, in the interest of economy, or other legitimate reasons.

(C) To determine the policies, standards, procedures, methods, means and personnel by which City operations are to be conducted.

(D) To take whatever actions may be necessary to carry out the City in situations of emergency.

(E) To limit or prohibit the right of Employees in certain positions or classes of positions from forming, joining, or participating in employee organizations as provided in the California Government Code, and designating such employees in the current Schedule of Department and Authorized Positions adopted by resolution.

(F) Nothing in this policy shall be construed to interfere with the City's right to manage its operations in the most economical and efficient manner consistent with the best interests of all City citizens, taxpayers, and employees.

### **ARTICLE 6 UNION RIGHTS**

**THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER**

**6.1** The Union recognizes its obligation to cooperate with the Employer to assure maximum service of the highest quality and efficiency to the citizens of the City of Corning consistent with its obligations to the Employees it represents.

**6.2** Employer and Union affirm the principle that harmonious employer-employee relations are to be promoted and furthered. When a person is hired in any of the covered job classifications, the City shall notify that person that the Union is the certified representative for the Employees and shall notify the Union of such hiring.

**6.3** The Employer shall provide the Union space to erect a bulletin board in each area where Employees covered by this Memorandum are assigned.

**6.4** Business representatives of the Union shall have reasonable access to Employees, provided such access does not interfere with City business. Department heads and first-line supervisors will be notified by the Employer of the provisions of this Section. Solicitation for membership shall not be conducted during working time.

**6.5** Business representatives of the Union shall have access to any Employee or Employees presenting a grievance; and Employees have the right to have the Union business representative represent the Employee at all stages of disciplinary action.

**6.6 The Union may select two (2) Employees as Union Stewards.**

**6.7** In addition to his regularly assigned work, the Union Steward shall be permitted reasonable time during working hours to notify the business representative of any violations of this Memorandum. Employees are authorized to contact their Union Steward during working hours to report a grievance or violation of this Memorandum.

## **ARTICLE 7 PEACEFUL PERFORMANCE**

**7.1** The parties to this Memorandum of Understanding recognize and acknowledge that the services performed by the City Employees covered by this Memorandum of Understanding are essential to the public health, safety and general welfare of the residents of the City of Corning. The Union agrees that under no circumstances will the Union recommend, encourage, cause or permit its members to initiate, participate in, nor will any member of the bargaining unit take part in, any strike, sit-down, stay-in, sick-out, slow-down or picketing (hereinafter collectively referred to as work-stoppage), in any office or department of the City, nor to curtail any work or restrict any production, or interfere with any operation of the City. In the event of any such work stoppage by any member of the bargaining unit, the City shall not be required to negotiate on the merits of any dispute, which may have given rise to such work stoppage until said work stoppage has ceased.

**7.2** In the event of any work stoppage during the term of this Memorandum of Understanding, whether by the Union or by any member of the bargaining unit, the Union, by its officers, shall immediately declare in writing and publicize that such action is illegal and unauthorized, and further direct its members in writing to cease the said conduct and resume work. Copies of such written notice shall be served upon the City. If in the event of any work stoppage, the Union promptly and in good faith, performs the obligations of this paragraph, and providing the Union has not otherwise authorized, permitted or encouraged such work stoppage, the Union shall not be liable for any damages caused by the violation of this provision. However, the City shall have the right to discipline, including discharge, any employee who instigates, participates in, or gives leadership to, any work stoppage activity herein prohibited, and the City shall also have the right to seek full legal redress including damages, as against any such employee.

## **ARTICLE 8 PAYMENTS**

**8.1** This Memorandum is intended to cover all aspects of wages, hours, and working conditions for Employees covered herein; therefore, nothing in this Memorandum shall prevent the Employer from modifying any fringe benefits or benefit plans not specifically provided for in this Memorandum such as retirement plans, salary continuation plans, etc., subject to meet and confer.

**8.2** If an Employee covered by this Memorandum is permanently assigned work of a substantially new or different nature so as to constitute a new job classification, the Employer and the Union shall determine the wage rate through the established procedures.

**8.3** Employees will be paid bi-weekly, no later than five (5) days following the end of the preceding payroll period. If the fifth day is a holiday, Employees will be paid on the preceding day.

**8.4** In the event an error has been made in the payment of an employee's wages, overtime payment, leave accruals, balances, or usages, the City shall, for the purposes of future compensation, adjust such compensation to the correct amount, giving written notice to the employee. Such adjustments are limited by the three year statute of limitations set forth in California Code of Civil Procedure section 338.

**8.5** In the event an employee receives an overpayment in wages, reimbursement to the City shall be accomplished by either:

- a. Lump-sum payment by the employee;
- b. A one-time deduction from usable vacation or compensatory time off (CTO), or unused holidays worked, equivalent to the overpayment at the employee's current hourly rate;
- c. A repayment schedule through payroll deductions, or
- d. Other means as may be mutually agreed between the City and the employee.

No repayment schedule shall exceed forty-eight (48) pay periods in duration, except that if the employee does not agree to a voluntary repayment schedule, the overpayment collection shall not exceed twenty-four (24) pay periods. If an employee terminates City employment prior to completing his/her repayment schedule, any amounts still due the City will be applied against the employee's final paycheck.

## **ARTICLE 9 PREVAILING RIGHTS**

**9.1** This Memorandum of Understanding contains all of the covenants, stipulations and provisions agreed upon by the parties. It is understood that all items relating to Employees' wages, hours, and other terms and conditions of employment not covered in this Memorandum of Understanding shall remain the same, except as specifically mentioned in this Memorandum of Understanding; therefore, for the life of this Memorandum of Understanding, neither party shall be compelled to bargain with the other concerning any mandatory bargaining issues, whether specifically bargained about prior to the execution of this Memorandum of Understanding or which may have been omitted in the bargaining which led up to the execution of this Memorandum of Understanding, except by mutual agreement of the parties or as specifically mentioned in this Memorandum of Understanding.

**9.2** In the event the City General Fund Reserves fall below \$1,000,000, the City and Union agree to meet within fifteen days and discuss; provided, however, that this provision shall not be considered a contract reopener, and further provided that this contract provision shall not be used by the City in any action or proceeding to interpret this contract.

**ARTICLE 10  
CLASSIFICATIONS AND WAGES**

**10.1** For the period of this agreement, Employees will be paid in accordance with the monthly salary schedule and effective dates as shown in Exhibit "A". Employees will be eligible for step increases on their step anniversary date. Employees may advance to the next step in the pay schedule after satisfactory completion of the required time in the lower step. The time required between step A and B shall be (6) six months. Advancement from step B to C, C to D and D to E shall be (12) twelve months between each step.

Wage Increase:

**A. Effective January 1, 2020, all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%.)**

**B. Effective January 1, 2021, all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%.)**

**C. Effective January 1, 2022, all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%.)**

**10.2** At the time of employment placement in Step 1 through 5 of the salary range within each classification shall be determined by the City. The Employees agree to abide by the City's decision.

**10.3** Employees will be eligible for LONGEVITY INCENTIVE PAY under the following conditions:

**(A)** Qualifying employees will receive a longevity incentive pay increase to be added to their base rate as follows:

1. 3% after 10 years, effective first pay period after anniversary date.
2. 6% after 15 years, effective first pay period after anniversary date, (not compounded with the 3%).

**ARTICLE 11  
OUT OF CLASSIFICATION PAY**

**11.1** A Public Works field employee who is assigned, by the Director of Public Works and with prior approval by the City Manager, to work out of Classification in a higher level Class for one (1) hour or more shall be paid at Step 1 of higher Salary rate of the assigned Classification, or 5% above the Employee's permanent pay step rate whichever is higher.

**(A)** When assigned by the Director of Public Works and with prior approval by the City Manager, to work out of Classification as an Equipment Operator, a Maintenance Worker shall be paid for the operation of the following equipment: Backhoe, Loader, Motor Grader, Roller, Tree Pruning Tower, Paving Machine.

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**(B)** When a Maintenance Worker is assigned by the Director of Public Works and with prior approval by the City Manager, to work out of Classification as a "Journey Level Carpenter", the Employee shall be paid 5% above the Employee's permanent pay step rate.

**11.2** Upon the recommendation of the Director of Public Works and prior approval by the City Manager, an Employee in the Classification of Public Works Maintenance Worker, Equipment Operator, and Equipment Mechanic/Maintenance Worker shall receive Specialty Pay in accordance with the following:

**(A)** For holding a valid State of California Water Treatment Operator Grade I Certificate, the Employee shall receive Specialty Pay of 2 1/2% above their current pay step rate.

**(B)** For holding a valid State of California Water Treatment Operator Grade II Certificate, the Employee shall receive Specialty Pay of 5% above their current pay step rate. This rate is not to be compounded for those employees holding a Water Treatment Operator Grade I Certificate. The maximum premium pay for both certificates is 5%.

**(C)** For holding a valid State of California Certified Distribution Operator D-2 Certificate the Employee shall receive Specialty Pay of 5% above their current pay step rate.

**11.3** An employee who is assigned the temporary duties of a superior position by the City Manager and/or his/her designee shall receive premium pay of five percent (5%) above his/her present salary for the length of such service.

**11.4** Bi-lingual Pay: Shall receive an additional 2.5% pay for a total of 5% of base pay for up to three employees for the incidental duties related to the assignment effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU) under the following conditions:

**(A)** An employee must be certified as bi-lingual and assigned the duties by the City Manager.

**(B)** The City Manager will establish standards for qualifying employees and for an ongoing review of skills. The City Manager will require that employees demonstrate the ability to converse in Spanish sufficient to serve the needs of the City.

**(C)** The City Manager shall terminate the assignment if the ongoing use of the bi-lingual skills are no longer required and/or the employee fails to perform the duties at a skill level which meets the established standards.

**11.5** The City agrees to provide Educational Incentive Pay to all members of this bargaining unit who show proof of earning the following degrees, provided that the degrees bear a rational relationship to City employment. Such determination to be made in the sole, unreviewable discretion of the City Manager:

**(A)** Employees who possess an AA/AS Degree shall be paid an additional 2.5% above their current step rate for all hours worked.

**(B)** Employees who possess an BA/BS Degree shall be paid an additional 5% above their current step rate for all hours worked.

## **ARTICLE 12 HEALTH AND WELFARE INSURANCE**

**12.1** Currently, the City offers a choice of five (5) Health Insurance Policies; (2) Operating Engineers Public Employees' Health and Welfare Plans; and (3) different tier Blue Shield Savings Account Plans. All Employees and their dependents may participate in the Operating Engineer Public Employees' Health and Welfare Plans, or any of the Blue Shield



**Savings Account Plans, with the City contributing to the cost of such plan up to \$1,800.00 per month toward the rate. The employee shall pay any remaining costs of insurance.**

**Future annual increases to the City Contribution shall be \$45 per month per year. However, the total City contribution shall not exceed the employee plus family premium rate of the Operating Engineers Health and Welfare Plan A (Full Benefit).**

**Overage Payment: The difference between the cost of the Health Insurance Policy selected by the employee and the City Contribution, if any, shall, at the election of the employee, be paid into the Health Savings Account to the maximum allowed under the law; once this account is maximized, all overage shall go into the employees 457 deferred compensation account. Should the employee select a plan other than a Health Saving Account, then all overage shall be paid to the employee's 457 deferred compensation account. Overage payments, in total, shall not exceed \$700 per month per employee. This Overage Payment shall be limited to employees hired on or before adoption and ratification of this MOU by the City Council.**

**For those employees who otherwise have medical insurance and opt-out of the city medical insurance completely, the City will provide \$900.00 per month which may be paid to a 457 deferred compensation plan, added to salary compensation or divided between both and only be changed once a year, unless employee encounters an unforeseen circumstance.**

**12.2 Employees who are not members of the Union are required to pay a service fee in the same amount as the monthly Union dues in order to participate in the Union's Health and Welfare Plan.**

**12.3 The City shall provide life insurance in the amount of one hundred thousand dollars (\$100,000) effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU) and will continue to pay the life and disability insurance premiums.**

**12.4 The City shall have the option of replacing the Operating Engineers Public Employees Health and Welfare Plan with a plan of the City's choosing. If the City exercises this option, the City shall maintain coverage that is comparable and substantially equivalent to that provided currently under the present plan.**

**12.5 A Health Plan Review Committee, consisting of one employee from each bargaining unit, will be established and coordinated by the City Manager, to review alternate health plans. A non-binding Committee Report will be made to the City and the Union. The committee will study both the health plan and the short-term disability and "cafeteria" plans.**

**Upon receipt of the committee's report, the City or the Union, upon the request of either, will meet and confer on the recommendations of the committee.**

**12.6 The City will make an Employee Assistance Program (EAP) available to each regular employee. The EAP provides personal, family and career counseling to employees along with financial counseling referral, and legal referrals to employees.**

### **ARTICLE 13 WORKDAY AND WORKWEEK**

**13.1 The regular workday shall be eight (8) hours, exclusive of mealtime. The regular workweek shall not exceed forty (40) hours per week on duty. Workweeks shall be scheduled by the Employer to provide for five (5) consecutive days on duty and two (2) consecutive days off duty. All time worked in excess of the regular workday or workweek shall be considered overtime. The City shall have the right to assign employees to five (5) consecutive days on duty, which includes**

Saturday and/or Sunday, provided that those days are part of the five (5) consecutive days on duty.

#### **ARTICLE 14 OVERTIME**

**14.1** Overtime shall be compensated therefore at the rate of time and one-half the Employee's regular pay rate, which will be paid in the same manner as other wages.

**14.2** The Employee shall, on termination of employment, be entitled to be paid all accumulated overtime, together with the Employee's normal wage.

**14.3** All cash payments for overtime worked will be made on the regular salary check in the next succeeding pay period in which it was earned. The only exception is holiday pay. (See Article 19)

**14.4** Compensatory Time in Lieu of Overtime (CTO): Effective January 1, 2020, members of the bargaining unit may accrue up to a maximum of two hundred (200) hours annually upon the Department Head's discretionary authority. CTO time may be carried into the following year, but at no time can it exceed **two hundred (200) hours**. Management shall approve when employees can take time off taking into consideration the desire of the employees and the operational needs of the department. The Department Head and employees may mutually agree to pay out any or all CTO time. All unused CTO shall be paid upon termination. All CTO in excess of **two hundred (200) hours** shall be paid.

#### **ARTICLE 15 STAND-BY COMPENSATION**

**15.1** When the Employer requires an Employee to remain available for call back at any time, the Employee shall receive stand-by pay.

**15.2** When an Employee is required to stand-by, he/she shall be compensated for such stand-by time at the rate of two (2) hours of straight-time compensation by cash for each accumulated eight (8) hours of stand-by.

**15.3** The City reserves the right to close the Corporation Yard or any other facility if the City determines, in its sole discretion, that the facility need not be open. The Union acknowledges that Employees do not have the right or privilege to stand-by at non-public City facilities without the express consent of the City.

#### **ARTICLE 16 CALLBACK COMPENSATION**

**16.1** When the Employer, due to an emergency, requires an Employee to return to work other than his regularly scheduled workday, the Employee shall be entitled to call-back compensation.

**16.2** Employer will compensate the Employee a minimum of three (3) hours of overtime compensation irrespective of the actual time worked when an Employee is called back to perform an emergency task. In the event the task exceeds three (3) hours duration, the total overtime compensation shall be for the hours actually worked.

#### **ARTICLE 17 SICK LEAVE**

**17.1** Sick leave is available to an employee to use in case of illness, bodily injury, exposure to a contagious disease, medical or dental appointment or attendance upon seriously ill member of employee's immediate family, as defined by these rules. An employee may take paid sick leave after the first month of employment. Every effort by the employee shall be made to schedule appointments during non-work hours.

**17.2** Sick leave with pay shall be granted to all employees. Sick leave shall be earned at the

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rate of eight (8) hours per calendar month of service, not to exceed a total maximum accumulation of one thousand nine hundred twenty (1920) hours. No sick leave shall be earned once the maximum accrual is reached.

17.3 The City agrees to pay fifty percent (50%) of Employee's unused accumulated sick leave upon retirement or death. Upon reduction in force, the City shall pay twenty-five percent (25%) of Employee's unused accumulated sick leave.

17.4 Employees who have less than thirty-six (36) days of sick leave accumulated may, in lieu of taking vacation, bank said vacation time under sick leave.

17.5 Family Leave shall be administered in accordance with applicable State and Federal law.

17.6 Bereavement Leave: In the event of a death in the immediate family, the Employee may take off up to four (4) days. The immediate family shall be defined as husband, wife, child, **stepchild**, mother, father, brother, sister, **inlaws**, grandparents and grandchildren. The City agrees to not charge Bereavement Leave to Sick Leave. **Bereavement leave must be taken within two months following the death of the immediate family member. Leave shall be taken in full day increments.**

17.7 When an employee is off work as a result of a valid on-the-job injury sustained in the service of the City, the employee is entitled to use their accrued Sick Leave during the period of disability to make up the difference between their regular pay and the Workers Compensation Temporary Disability Payments. The City shall pay only that amount necessary to make up the difference between the employee's monthly rate and the amount payable to the employee as temporary disability payments from the Worker's Compensation Insurance Plan of the City. To take advantage of this benefit, the employee must forward their Temporary disability check to the City.

17.8 The City may require verification of the necessity for sick leave. Such verification may be in the form of a written statement from a doctor or a personal affidavit from the Employee. The City reserves the right to specify which of the two verification procedures will be required in any particular situation. If the City requires verification from a physician, the City shall pay for the cost of such verification to the extent such cost is not reimburse by the Employee's health insurance.

17.9 If the City determines that an Employee has abused the provisions of the sick leave policy, the Employee shall be subject to disciplinary action.

17.10 Sick Leave Conversion Upon Retirement: In lieu of a cash-out of sick leave, an employee, upon retirement under PERS, may choose as an option to convert a percentage of the dollar value of the sick leave at the employee's current hourly base rate of pay as of the date of retirement, to pay the pre-paid health insurance premium up for a period of time up to age 65 according to the following conversion plan:

<u>Employee's years of Service with City</u>	<u>Percentage value of employee's accrued Sick Leave</u>
Through 15 years	50%
16 through 19 years	70%
20 or more years	80%

(A) Following is the procedure to account for the percentage value of converted sick leave. At the written request of the retiring employee, the City Staff will compute the dollar value of the accrued sick leave according to the percentages shown above and maintain an accounting in the employee's name deducting the amount of monthly City health insurance

premium for the "balance".

(B) The value of sick leave does not accrue in a cash fund for each employee; therefore, no actual funds are held in trust. The City simply agrees to pay the retiree's premium for a period of time until the balance value of the conversion is depleted.

(C) Should a retired employee want to stop their insurance premium payments under the Section, the employee must notify the City Manager in writing, giving the date payments should end, and City Staff will do an accounting of the actual dollar amount paid out. Should this amount still be less than the fifty percent (50%) value provided for in the sick leave payoff provisions of this MOU, Section 17.3 the balance will be paid to the employee.

(D) Should a retired employee die prior to fully using this benefit, any dependents covered under the health insurance may, if permitted to continue insurance coverage by the insurance carrier, receive the continuation of this benefit until fully expended. The benefit shall have no cash value to the employee's estate nor can the City accept any claim for payoff by heirs.

(E) Employees not choosing to remain in the City's offered health plan may use the benefits set out in these sections, to be applied to the cost of a private health plan. The retired employee will be reimbursed, on a quarter year basis, such amounts as provided in these sections, upon submission of a written claim and proof of a paid premium by the retired employee. The form, manner of claim, and proof will be as prescribed by the City.

## **ARTICLE 18 UNIFORM ALLOWANCE**

**18.1** The City agrees to furnish, at no cost to the Employees, necessary foul weather gear and safety items required and determined by the City. During the term of the MOU, the City will work with Bargaining Unit Members to obtain new safety reflective water proof **Gore-Tex Carhartt brand** pants and jackets, and rubber boots with steel toes and shanks, effective January 1, 2020.

**18.2** Effective the start of the pay period beginning July 1, 2020, the City agrees to furnish Public Works Crew Members:

- a. The City will provide five (5) long or short sleeve shirts each year;
- b. The City will reimburse employees for the purchase of five (5) pair of dark blue jeans each year. The City will reimburse up to thirty (\$30) dollars per pair upon proof of purchase. All employees must participate in the purchase of said dark blue jeans.
- c. Should any City provided clothing be damaged on the job, the City agrees to replace it at no expense to the employee. Shirts or pants that are damaged on the job refer to those that are ripped or torn and cannot be mended.
- d. The City agrees to provide two (2) coveralls per week to each employee desiring coveralls. Soiled coveralls are exchanged for laundered coveralls.
- e. The City agrees to provide rubber boots and gloves.
- f. **The City agrees to provide one (1) reflective class 2, zipper front with hood sweatshirt each year.**

**18.3** For Public Works Crewmembers, the Boot Allowance for field Staff is \$225 per year towards safety field boots subject to verification that the boots purchased meet CAL OSHA Standards (the boots must meet American National Standards Institute [ANSI] Z41-PT99 or American Society for Testing & Materials [ASTM] F24113-05). The allowance will be paid during January of each year.

**18.4** All Community Service Officers shall be issued the following clothing items at the time of  
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employment and maintained at this level by the City:

- a. Five (5) shirts.
- b. Five (5) pair of uniform pants.
- c. A Boot Allowance in the amount of \$225 per year.

The employer agrees to replace, at no cost to the Employee, any item of uniform clothing damaged in the line of duty. The City will also allow, effective January 2014, \$150 per year allowance for the purchase of shoes/boots meeting the standards prescribed by the Police Chief.

## **ARTICLE 19 HOLIDAYS AND HOLIDAY PAY**

**19.1** The employees shall receive the following eleven scheduled holidays off with pay:

- (1) New Year's Day
- (2) Martin Luther King Jr. Day
- (3) President's Day
- (4) Memorial Day
- (5) Independence Day
- (6) Labor Day
- (7) Veterans Day
- (8) Thanksgiving Day
- (9) Post Thanksgiving Day
- (10) Christmas Eve Day
- (11) Christmas Day

Effective January 1, 2020, in addition to the scheduled Holidays above, each employee shall be credited with 16 hours of floating Holidays on January 1 and July 1 of each year. Floating Holidays shall be taken in the calendar year credited, at a time and manner mutually agreed to by the employee and their Supervisor.

**(A)** Employees accrue 16 hours of Floating Holiday on January 1<sup>st</sup> and July 1<sup>st</sup> giving each employee 32 hours per calendar year to be used before December 31<sup>st</sup> of that year or they lose these hours.

**(B)** To receive Floating Holiday hours, a new employee must be hired within the first quarter in which the accrual takes place. The employee must have a hire date before April 1<sup>st</sup> to receive 16 hours for January 1<sup>st</sup> or the hire date must be before October 1<sup>st</sup> to receive 16 hours for July 1<sup>st</sup>.

**19.2** An Employee who is regularly scheduled to work on a holiday shall be granted a day off at a time mutually agreeable to the Employee and the Employer.

**19.3** An Employee who is called back to work on a holiday, which is also his day off, shall be granted a day off at a time mutually agreeable to the Employer and the Employee, plus time and one-half for the actual hours worked. This Section shall be applied in addition to Article 14.

**19.4** If a holiday falls on an Employee's day off, the Employer shall compensate the Employee by either eight (8) hours compensatory time off, or eight (8) hours straight-time pay, at the Employee's option.

**19.5** Veterans Day (November 11<sup>th</sup>) will be celebrated on the nearest Monday or Friday which

will create a three-day weekend. The Christmas Eve Holiday will be celebrated either on Christmas Eve or the day after Christmas; whichever will create a four-day weekend.

**ARTICLE 20  
457 DEFERRED COMPENSATION PLAN**

The City will match employee's contributions to their 457 Deferred Compensation Plan up to \$60 per month. The City match is only available for one (1) Deferred Compensation Plan even if employees are enrolled in more than one (1) Plan. Employees must commit to maintain their 457 contribution for one full year.

**ARTICLE 21  
RETIREMENT**

**For Miscellaneous Employees, the City provides retirement benefits under a contract with the California Public Employees Retirement System (PERS) as follows:**

**21.1 The City confirms that all current PERS Tier 1 Miscellaneous Members are in the 2% at 55 Retirement Formula with single highest year salary retirement formula and:**

**The City and City of Corning Tier 1 Miscellaneous Members agree the total employee share of retirement costs shall be 7%.**

**21.2 The City confirms that all current PERS Tier II Miscellaneous Members are in the 2% at 60 Retirement Formula and:**

**The City and City of Corning Tier II Miscellaneous Members agree the total employee share of retirement costs shall be 7%.**

**21.3 Employees hired on or after January 1, 2013, who are not eligible for reciprocity or are not current CalPERS members without a break in service greater than six (6) months, shall participate in legislatively mandated CalPERS contributions and retirement benefit formula plans established by Assembly Bill 340, the "Public Employees' Pension Reform Act of 2013". This legislation is administered/interpreted by the California Public Employees Retirement System (CalPERS). New employee members shall have the following retirement benefit formula and contribution rate:**

**For PERS Miscellaneous Members 2.0%@62, 3 year final compensation as defined by CalPERS. The Member contribution rate is up to 7.0%. (Currently 6.75%.)**

**The member contribution rate must comply with Section 7522.30 of the California Government Code. CalPERS may change this rate following actuarial review during the term of the MOU.**

**The City agrees that the retirement tier changes in 21.2 and 21.3 will not affect employees hired prior to January 1, 2012.**

**In the event the Legislature modifies the Cal PERS employee/employer contribution rates, the City and Union agree to meet within fifteen days and discuss; provided, however, that this provision shall not be considered a contract reopener; and further provided that this contract provision shall not be used by the City in any action or proceeding to interpret this contract.**

**ARTICLE 22  
VACATION**

**22.1 Employees shall earn vacation according to the following:**

**(A) Employees shall earn vacation with pay at the rate of one hundred twenty (120) hours per year after one (1) year and during the first seven (7) years of employment;**

**THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER**

(B) Employees shall earn vacation with pay at the rate of one hundred sixty (160) hours per year after completion of seven (7) years of City employment;

(C) Employees shall earn vacation with pay at the rate of two hundred (200) per year after fifteen (15) years of City employment;

(D) The maximum number of vacation hours employees may carry over or have in a vacation account at the start of each new calendar year is two hundred (200) hours; and

(E) Employees who have more than two hundred (200) hours in their vacation account will have the excess vacation time paid off at the close of each calendar year.

**22.2 The Employee shall have the option of converting up to twenty-five (25%) of unpaid accumulated vacation to cash payment in lieu of taking vacation. The Employee may exercise the payoff option only two times (2) per fiscal year with five (5) working days' notice to payroll, or up to 50% once a fiscal year.**

### **ARTICLE 23 PROBATION PERIOD AND EVALUATION**

**23.1** All Employee evaluations should be made by the Employee's immediate supervisor or the Employee's Department Head when possible. In the event the immediate supervisor or Department Head is unable to complete the evaluation, the City Manager may complete the evaluation. The City reserves the right to conduct formal evaluation summaries every six (6) months. Nothing contained herein should be construed to limit the right of the City to continually monitor and assess Employee performance and provide feedback to the Employee regarding the Employee's performance.

**23.2** All new, promoted, and reclassified Employees are on probation for six (6) months. Current City Employees accepting a promotion to a higher classification retain the right to return to their former classification if the City determines they are unable to satisfy the requirements of the new classification.

**23.3 Time spent in a non-paid status will not be counted towards an employee's seniority. When an employee takes unpaid leave, only the unpaid hours off work will remain uncounted toward seniority and the next step advancement.**

### **ARTICLE 24 LAY-OFF POLICY**

**24.1** The City may lay off Employees whenever it becomes necessary because of lack of work or funds, or whenever it is deemed advisable in the interests of economy to reduce the force in a department or office.

**24.2** Persons shall be laid off in the following order:

(A) All extra help, temporary and provisional Employees in the same department and within the same job classification shall be laid off before any regular Employee is laid off.

(B) When it becomes necessary to reduce the force in any department or office by lay-off of regular Employees, seniority shall be the determining factor. In the case where seniority is equal, ability shall govern.

The determination of ability shall be the exclusive responsibility of the Department Head, provided that in making such determination, consideration shall be given to skill, efficiency, knowledge, physical fitness, training and attitude toward fellow Employees.

**24.3** Seniority shall be measured from the Employee's initial appointment to City service, but shall not include any period during which such Employee was on leave without pay, or not actually

in City employment because of the Employee's voluntary termination, lay-off or other cause; provided that, for any Employee who is re-employed after being discharged, seniority shall be measured from the date of the most recent appointment.

**24.4** The City shall send written notice by certified mail, postage prepaid, return receipt requested, and correctly addressed to the last known mailing address of the Employee as found in the Employee's personnel file. In lieu of the above, the City may serve notice by personal service. Notice of lay-off shall be made at least thirty (30) days prior to the effective date of the action.

**24.5** In lieu of being laid off, a regular Employee may elect demotion and displacement in the same department to a classification previously held by said Employee with substantially the same or lower salary step and/or to a classification in which said Employee meets the minimum qualifications. Demotion and displacement rights to specify classifications shall be applicable only within the department and subject to lay-off list provisions in this Article based on seniority and ability. Employees wishing demotion and displacement in lieu of lay-off must notify the City Manager in writing of this election no later than seven (7) calendar days after receiving notice of layoff.

## **ARTICLE 25 SPECIAL PROVISIONS**

**25.1** The City no longer requires the Public Works Employees to maintain a Commercial Driver's License and has already stopped the practice of paying for the required Medical Physical Examinations needed for any renewals.

The City does not currently require random drug testing of employees in the Miscellaneous Bargaining Unit.

The City will maintain the right to conduct drug testing if there is a reasonable suspicion that an employee is impaired by drugs while performing his/her assignments, which it will do to ensure its worksites be "drug free" for the safety of the City's employees and the public.

## **ARTICLE 26 SAVINGS CLAUSE**

**26.1** If any Article section, subsection, paragraph, sentence, clause or phrase of this Memorandum of Understanding shall, for any reason, be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portion of the Memorandum, it being expressly provided that this Memorandum and each Article section, subsection, paragraph, sentence, clause or phrase hereof would have been adopted irrespective of the fact that any one or more Articles, sections, subsections, paragraphs, sentences, clauses or phrases shall be declared invalid or unconstitutional.

## **ARTICLE 27 TERM OF AGREEMENT**

**27.1** This Memorandum of Understanding shall be effective January 1, 2020, upon adoption by the City Council of the City of Corning and shall remain in effect until December 31, 2022.

**27.2** This Memorandum of Understanding may be extended by mutual agreement of the parties if additional time is required to consummate a new Memorandum.

**IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding this \_\_\_\_\_.**

**CITY OF CORNING**

**OPERATING ENGINEERS LOCAL  
UNION NO. 3 AFL-CIO**

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**Kristina Miller,  
City Manager**

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**Art Frolli,  
OE-3 Business Representative**

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**Greg Einhorn,  
Negotiator**

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**Troy Grootveld,  
Employee Representative**

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**Lisa M. Linnet,  
City Clerk**

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**Christina Meeds,  
Employee Representative**

ITEM NO. J-14  
RATIFY MEMORANDUM OF  
UNDERSTANDING BETWEEN THE  
CITY AND THE CITY OF CORNING  
DISPATCHERS BARGAINING UNIT

February 25, 2020

TO: HONORABLE MAYOR AND COUNCIL MEMBERS  
FROM: KRISTINA MILLER, CITY MANAGER  
LISA M. LINNET, CITY CLERK



**SUMMARY:**

The City of Corning has reached agreement with the employees of the City of Corning Dispatchers Bargaining Unit as reflected in the attached complete Agreement, known under California Law as a "Memorandum of Understanding" (MOU).

The proposed MOU is for a three-year term beginning on January 1, 2020 and will expire on December 31, 2022.

**MEMORANDUM OF UNDERSTANDING (MOU):**

Below are the key elements of the proposed new MOU Agreement:

1. **Term:** 3-Year Agreement (January 1, 2020 through December 31, 2022).
2. **Article 4, Check Off:** Removes Article 4 language and replaces it with new language pertaining to:
  - Dues and other Union-Sponsored Benefit Program Deductions (Items 1-6).
  - Data Pertaining to Deductions (Items 1-10).
  - Regular Receipt of Bargaining Lists.
  - Protect Contract, Biographical and/or Demographic information of Unit Members from third parties.
3. **Article 6, Union Rights:** Revises 6.6 to allow selection of two (2) employees as Union Stewards.
4. **Article 8, Payments:** Adds Sections 8.4 and 8.5 (a.) through (d.) relating to payment process in event of payment error, repayment methods and time restraints.
5. **Article 9, Prevailing Rights:** Adds Section 9.2 which states: In the event the City General Fund Reserves fall below \$1,000,000, the City and Union agree to meet within fifteen days and discuss; provided, however, that this provision shall not be considered a contract reopener, and further provided that this contract provision shall not be used by the City in any action or proceeding to interpret this contract.
6. **Article 10, Wage & Salary:** Following City Council ratification of the Memorandum of Understanding (MOU), 9.1 (A) Wage Increase (a – c):  
Effective January 1, 2020; January 1, 2021 & January 1, 2022 all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%.)
7. **Article 12, Health and Welfare Insurance:** States number of plans offered and amount of City contribution to cost of such plan up to \$1,800 per month towards the rate, sets future annual increase to the City Contribution at \$45 per month, however total City contribution shall not exceed the employee plus family premium rate of the Operating Engineers Health & Welfare Plan A (Full Benefit).

**Overage Payment:** Difference between cost of employee selected Health Insurance and the City contribution, if any, shall at the election of employee, be paid into the Health Savings Account to the maximum allowed under the law. Once this account is maximized, all overage shall go into the employees 457 deferred compensation account. Should the employee select a plan other than a Health Savings Account, then all overage shall be paid to the employee's 457 deferred compensation account. Overage payments, in total shall not exceed \$700 per month per employee. This Overage Payment shall be limited to employees hired on or before adoption and ratification of this MOU by the City Council.

For employees who otherwise have medical insurance and opt-out of the City Medical Insurance completely, the City will provide \$900 per month which may be paid to a 457 deferred compensation plan, added to salary compensation, or divided between both and only changed once a year unless employee encounters an unforeseen circumstance.

**Adds 10.5:** The City will make an Employee Assistance Program (EAP) available to each regular employee. The EAP provides personal, family and career counseling to employees along with financial counseling referral, and legal referrals to employees.

8. **Article 13. Wages and Workweek:** Removes Section 13.1 language and replaces it with new language specifying the shift hours.
9. **Bereavement Leave:** Includes Stepchild and In-Laws to definition of immediate family and specifies that Bereavement Leave must be taken within two months following the death of the immediate family member and shall be taken in full day increments.
10. **Retirement - PERS EPMC pick-up:** Rephrases the retirement language and associated employee retirement shares listed in Article 22.
9. **Vacation:** Increases the number of allowable Employee carry over, or vacation account hours from 150 to 200 per year; any hours in excess will be paid out at close of each calendar year.

#### **FINANCIAL:**

Under the proposed Agreement the total increased cost the City will incur for this Bargaining Units wages will be:

1. **Wages:** The 3-5% increase will cost \$11,600 in FY 2019/2020, \$30,600 in FY 2020/2021, and \$31,900 in FY 2021/2022. The three-year increase in cost to salaries is approximately \$74,000. (These costs were based on an average increase of 4.2% per year.)
2. **Medical Insurance Cost Increases:** The maximum annual increase in cost will be approximately \$37,000. This increase will be offset by employees who switch to medical-in-lieu. The City will save \$6,000 per year for each employee that transitions from medical-in-lieu. As employees leave City employment, the medical overage will not be allowed and the overall cost of medical insurance will decrease.

#### **RECOMMENDATION:**

**MAYOR AND COUNCIL RATIFY THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CORNING AND THE CITY OF CORNING DISPATCHERS BARGAINING UNIT FOR THE PERIOD OF JANUARY 1, 2020 THROUGH DECEMBER 31, 2022.**



# **MEMORANDUM OF UNDERSTANDING**

Between

**CITY OF CORNING**

And the

**CITY OF CORNING DISPATCHERS UNION**

For

**DISPATCHER UNIT**

**Effective:**

**January 1, 2020 – December 31, 2022**

**Agreement: February 11, 2020**  
**Ratified by City Council: February 25, 2020**

**THIS MEMORANDUM OF UNDERSTANDING** is made and entered into between **CITY OF CORNING DISPATCHERS UNION**, hereinafter referred to as "Union", and the designated representatives of the **CITY OF CORNING**, hereinafter referred to as the "City", pursuant to the provisions of the Meyers-Milias-Brown Act (Government Code Sections 3500, et seq.).

## **ARTICLE 1 DEFINITIONS**

### **1.1 DEFINITIONS:**

- A. City:** The term "City", as used herein, shall refer to the City of Corning.
- B. Union:** The term "Union", as used herein, shall refer to the **Operating Engineers Local Union No. 3**.
- C. Employee:** The term "Employee", as used herein, shall mean an employee filling a regularly budgeted position in a City classification which has been designated to the Dispatchers Unit under the Employee Relations Policy of the City of Corning.
- D. Employee Anniversary Date:** The term "employment anniversary date", as used herein, shall mean the anniversary date of the employee's most recent employment with the City.
- E. Step Anniversary Date:** The term "step anniversary date", as used herein, shall mean the date upon which an employee has finished serving the requisite amount of time in order to be eligible for a salary step increase. A new time period for such requisite service shall commence upon the occurrence of any of the following events: promotion; reclassification; implementation of a Memorandum of Understanding provision or Side Letter of Understanding specifying a movement into a new step, or an increase in the rate paid for the step currently held by the employee.

## **ARTICLE 2 RECOGNITION**

**2.1** The City hereby recognizes the Union as the bargaining representative for the purpose of meeting and conferring on matters within the scope of representation.

## **ARTICLE 3 NON-DISCRIMINATION**

**3.1** No Employee covered by this Memorandum of Understanding shall be discriminated against by the City, or by the Union, by reason of race, color, religion, sex, age or national origin.

**3.2** The City shall not discharge, or otherwise discriminate against any Employee by reason of Union activities not interfering with the proper performance of his/her work.

## **ARTICLE 4 PAYROLL DEDUCTIONS**

### **4.1 Dues and other Union-Sponsored Benefit Program Deductions:**

**1.** The employer shall honor an employee's check-off authorization for dues, or other Union-sponsored program, which are submitted in writing, through electronically recorded phone calls, via online deduction authorization, or by any means of indicating agreement allowable under state and federal law, regardless of whether the employee is a member of the Union.

**2.** Deductions for dues or other Union-sponsored program shall start the pay period after the employer receives notification of the authorization. The employer may transmit such payment to the Union through electronic funds transfer (EFT). However, transfer of funds shall not be later than thirty (30) days after the deduction from the

employee's earnings occurs.

3. Employee requests to authorize dues/other deduction(s), or request to change status regarding such deductions, shall be directed to the Union rather than the employer. The employer shall rely on the Union's explanations in a certified list, submitted by a representative of the Union who has authority to bind the Union, regarding whether an authorization/change in deduction(s) has been requested by the employee.

4. The Union shall not be required to provide the employer a copy of the employee's authorization unless a dispute arises about the existence or terms of the authorization.

5. The Union shall indemnify the employer for any claims made regarding such deductions.

6. Violations of this Section of the MOU are grievable.

#### **4.2 Data Pertaining to Deductions:**

Upon request from the Union. The employer shall produce to Operating Engineers' Local Union No. 3, a malleable electronic file containing the following information:

1. Full Name (first, middle, last, suffix)
2. Employee Number
3. Job Classification
4. Job Type (full-time, part-time, per diem, as needed)
5. Bargaining Unit
6. Hours worked in the preceding payroll period, which are the basis for the dues deduction.
7. Pay Step
8. Pay Rate
9. Department
10. Division (sub code of the department)

#### **4.3 Regular Receipt of Bargaining Lists:**

It shall be the City of Corning's responsibility, once notified by Operating Engineers Local Union No. 3, to provide a list of all current employees covered by this Agreement, which shall include each employee's name, home address, home and cell phone numbers, personal and work e-mail addresses, work locations, department, employee identification number, hourly rate of pay, hours worked and gross pay. This list will include all employees newly hired, rehired, reinstated, transferred into or out of the bargaining unit, transferred between departments, promoted, reclassified, downgraded, placed on leaves of absence of any type including disability, placed on or recalled from layoff, separated (including retirement), added or deleted from preceding bi-monthly period.

4.4 Protect Contract Biographical and/or Demographic information of Unit members from third-parties:

In order to protect bargaining unit employees from harassment or invasion of privacy, the employer shall immediately notify the Union of any third-party request for contact, biographical and/or demographic information about the bargaining unit employees. The employer shall promptly provide the Union a copy of the request and any materials submitted with the request. The employer shall provide the Union at least ten (10) days to review the request and challenge the scope of the request prior to the employer responding to the request. The employer agrees to consider the Union's

response prior to disclosing to the third party any contact, biographical, and/or demographic information about the bargaining unit employees.

The employer agrees that it will not create a report for a non-exclusive representative requester that does not already exist. If the employer is required by law to furnish a non-exclusive representative requester with a report, it agrees not to provide it in a malleable electronic format.

The employer shall not permit a non-exclusive representative to access bargaining unit members during working hours or in work areas.

The employer agrees that non-exclusive representatives are prohibited from soliciting bargaining unit members on the employer's property.

The employer agrees to adopt further safeguards against harassment of invasion of privacy by non-exclusive representatives, including but not limited to establishing filters in the employer's email system to block emails from non-exclusive representatives.

#### **4.5 Employee Opt-Out.**

Notwithstanding sections 4.1, 4.2, 4.3 and 4.4, and limited to the express purpose of Assembly Bill 119 requirements only, an employee may opt out via written request, initiated by the employee, to the City (copy to the Union) to direct the City to withhold the disclosure of the employee's home and personal cellular telephone numbers, personal email addresses on file with the employer, and home address.

### **ARTICLE 5 MANAGEMENT RIGHTS**

**5.1** The City retains the exclusive right to manage the City. All the rights, powers, functions and authority of the City, which it had prior to the time the Union became certified as representative of the Employees of the City, and which are not limited or modified by specific provisions of the Memorandum, are retained by the City. The City specifically retains the right to manage and supervise its Employees as follows:

**(A)** To hire, promote, transfer, assign, classify positions, retain employees, and to suspend, demote, discharge or take other disciplinary action against employees.

**(B)** To lay-off or demote Employees from duties because of lack of work, lack of funds, in the interest of economy, or other legitimate reasons.

**(C)** To determine the policies, standards, procedures, methods, means and personnel by which City operations are to be conducted.

**(D)** To take whatever actions may be necessary to carry out the City in situations of emergency.

**(E)** To limit or prohibit the right of Employees in certain positions or classes of positions from forming, joining, or participating in employee organizations as provided in the California Government Code, and designating such employees in the current Schedule of Department and Authorized Positions adopted by Resolution.

**(F)** Nothing in this policy shall be construed to interfere with the City's right to manage its operations in the most economical and efficient manner consistent with the best interests of citizens, taxpayers, and employees of the City.

### **ARTICLE 6 UNION RIGHTS**

**6.1** The Union recognizes its obligation to cooperate with the City to assure maximum service of the highest quality and efficiency to the citizens of the City of Corning consistent with its obligations to the Employees it represents.

6.2 City and Union affirm the principle that harmonious City-Employee relations are to be promoted and furthered. When a person is hired in any of the covered job classifications, the City shall notify that person that the Union is the certified representative for the Employees and shall notify the Union of such hiring.

6.3 The City shall provide the Union space to erect a bulletin board in each area where Employees covered by this Memorandum are assigned.

6.4 The City Manager shall be notified in advance by the Union President of the name of any official representative designated by the Union. **Business Representatives of the Union shall have reasonable access to Employees , provided such access does not interfere with City business. Department heads and first-line supervisors will be notified by the Employer of the provisions of this section.**

6.5 **Business Representatives of the Union shall have access to any Employee or Employees presenting a grievance; and Employees have the right to have the Union Business representative represent them at all stages of disciplinary action.**

6.6 **The Union may designate two (2) employees as Union Stewards.**

6.7 In addition to regularly assigned work, the Union Stewards shall be permitted reasonable time during working hours to notify the Business Representative of any violations of this Memorandum. Employees are authorized to contact their Union Stewards during working hours to report a grievance or violation of this Memorandum.

## **ARTICLE 7 PEACEFUL PERFORMANCE**

7.1 The parties to this Memorandum of Understanding recognize and acknowledge that the services performed by the City Employees covered by this Memorandum of Understanding are essential to the public health, safety and general welfare of the residents of the City of Corning. The Union agrees that under no circumstances will the Union recommend, encourage, cause or permit its members to initiate, participate in, nor will any member of the Bargaining Unit take part in, any strike, sit-down, stay-in, sick-out, slow-down or picketing (hereinafter collectively referred to as work-stoppage), in any office or department of the City, nor to curtail any work or restrict any production, or interfere with any operation of the City. In the event of any such work stoppage by any member of the Bargaining Unit, the City shall not be required to negotiate on the merits of any dispute, which may have given rise to such work stoppage until said work stoppage has ceased.

7.2 In the event of any work stoppage during the term of this Memorandum of Understanding, whether by the Union or by any member of the Bargaining Unit, the Union, by its officers, shall immediately declare in writing and publicize that such action is illegal and unauthorized, and further direct its members in writing to cease the said conduct and resume work. Copies of such written notice shall be served upon the City. If in the event of any work stoppage, the Union promptly and in good faith, performs the obligations of this paragraph, and providing the Union has not otherwise authorized, permitted or encouraged such work stoppage, the Union shall not be liable for any damages caused by the violation of this provision. However, the City shall have the right to discipline, including discharge, any employee who instigates, participates in, or gives leadership to, any work stoppage activity herein prohibited, and the City shall also have the right to seek full legal redress including damages, as against any such employee.

## **ARTICLE 8 PAYMENTS**

8.1 This Memorandum is intended to cover all aspects of wages, hours, and working conditions for Employees covered herein; therefore, nothing in this Memorandum shall prevent the City from modifying any employee benefits or benefit plans not specifically provided for in

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this Memorandum such as retirement plans, salary continuation plans, etc., subject to meet and confer.

**8.2** If an Employee covered by this Memorandum is permanently assigned work of a substantially new or different nature so as to constitute a new job classification, the City and the Union shall consult to determine the wage rate through the established procedures.

**8.3** Employees will be paid bi-weekly, no later than five (5) days following the end of the preceding payroll period. If the fifth day is a holiday, Employees will be paid on the preceding day.

**8.4** In the event an error has been made in the payment of an employee's wages, overtime payment, leave accruals, balances, or usages, the City shall, for the purposes of future compensation, adjust such compensation to the correct amount, giving written notice to the employee. Such adjustments are limited by the three year statute of limitations set forth in California Code of Civil Procedure section 338.

**8.5** In the event an employee receives an overpayment in wages, reimbursement to the City shall be accomplished by either: a. Lump-sum payment by the employee; b. A one-time deduction from usable vacation or compensatory time off (CTO), or unused holidays worked, equivalent to the overpayment at the employee's current hourly rate; c. A repayment schedule through payroll deductions, or d. Other means as may be mutually agreed between the City and the employee.

No repayment schedule shall exceed forty-eight (48) pay periods in duration, except that if the employee does not agree to a voluntary repayment schedule, the overpayment collection shall not exceed twenty-four (24) pay periods. If an employee terminates City employment prior to completing his/her repayment schedule, any amounts still due the City will be applied against the employee's final paycheck.

## **ARTICLE 9 PREVAILING RIGHTS**

**9.1** This Memorandum of Understanding contains all of the covenants, stipulations and provisions agreed upon by the parties. It is understood that all items relating to Employees' wages, hours, and other terms and conditions of employment not covered in this Memorandum of Understanding shall remain the same, except as specifically mentioned in this Memorandum of Understanding; therefore, for the life of this Memorandum of Understanding, neither party shall be compelled to bargain with the other concerning any mandatory bargaining issues, whether specifically bargained about prior to the execution of this Memorandum of Understanding or which may have been omitted in the bargaining which led up to the execution of this Memorandum of Understanding, except by mutual agreement of the parties or as specifically mentioned in this Memorandum of Understanding.

**9.2** In the event the City General Fund Reserves fall below \$1,000,000, the City and Union agree to meet within fifteen days and discuss; provided, however, that this provision shall not be considered a contract reopener, and further provided that this contract provision shall not be used by the City in any action or proceeding to interpret this contract.

## **ARTICLE 10 CLASSIFICATIONS AND WAGES**

**10.1 (A)** Wage Increase.

**A.** Effective January 1, 2020, all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus

**1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%.)**

**B. Effective January 1, 2021, all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%.)**

**C. Effective January 1, 2022, all members represented by this Memorandum of Understanding shall receive a salary increase not less than the percentage as represented in year ending November column of the preceding year CPI-W "West" schedule for urban and clerical workers, with the floor of 1.5% and a ceiling of 3.5%, plus 1.5%. (Under this formula, salary increase amount would not be less than 3.0% nor greater than 5.0%.)**

**(B)** For the period of this agreement, Union Members will be paid in accordance with the monthly salary schedule and effective dates as shown in Exhibit "A". Employees will be eligible for step increases on their step anniversary dates. Employees may advance to the next step in the pay schedule upon satisfactory completion of the required time in the lower step. The time required between step A and B shall be (6) six months. The advancement from step B to C shall be twelve months. Advancement from C to D, and D to E shall be (12) twelve months between each step.

**10.2** Employees may be appointed to a classification at any step, A through E, as determined by the City Manager.

**10.3** Longevity Pay: Employees will be eligible for longevity performance incentive pay under the following conditions:

**(A)** Annual satisfactory performance evaluations will be required to receive and maintain annual pay increase.

**(B)** A performance evaluation will be made 30 days before the employee's anniversary date.

**(C)** Qualifying employees will receive a longevity performance incentive pay increase to be added to their base rate as follows:

1. Three (3%) percent after ten (10) years, effective the first pay period after anniversary date.

2. Six (6%) percent after fifteen (15) years, effective the first pay period after anniversary date, (not compounded with the 3%).

**(D)** In the event the employee is denied a longevity performance incentive pay increase, the employee may request the City Manager for review and to make final determination. The matter may not be filed under any other grievance procedure.

**(E)** This plan will be implemented for all eligible employees effective January 1, 2012. The initial performance increase will be effective the first pay period following a satisfactory performance evaluation. The initial evaluation is to be made in the month of January 2012. Such increase will remain in effect to the employee's next anniversary date prior to which time a reevaluation is required.

**10.4** Bi-lingual Pay: Shall receive an additional 2.5% pay for a total of 5% for the incidental duties related to the assignment effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU).

**(A)** An employee must be certified as bi-lingual.

**(B)** The City Manager will establish standards for qualifying employees and for an

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ongoing review of skills. The City Manager will require that employees demonstrate the ability to converse in Spanish sufficient to serve the needs of the City.

(C) The City Manager shall terminate the assignment if the ongoing use of the bilingual skills are no longer required and/or the employee fails to perform the duties at a skill level which meets the established standards.

**10.5 P.O.S.T. Dispatcher Certification Pay:** Effective the pay period closest to the date the City Council ratifies the Memorandum of Understanding (MOU):

(A) Employees who possess a P.O.S.T. Dispatcher Intermediate Certificate will receive an additional two and one-half (2.5%) percent of base pay.

(B) Employees who possess a P.O.S.T. Dispatcher Advanced Certificate will receive an additional five (5%) percent of base pay.

(C) The maximum P.O.S.T. Dispatcher Certificate pay that employees can earn is five (5%) percent.

**10.6 Shift Differential:** If any other bargaining unit within the City of Corning receives any Shift Differential compensation, this bargaining unit shall receive the same compensation as the other bargaining unit. It is the intent of this language that parity will be achieved either by flat rate, or percentage of salary based on the actual salary of bargaining unit members.

**10.7 Training Officer Pay:** Effective the pay period closest to the date the City Council ratifies the Memorandum of Understanding (MOU), Fire and Police Dispatchers, when assigned in writing by the Fire Chief or Police Chief shall receive, in addition to regular pay, a two and one-half (2.5%) percent premium for serving as Training Officers for the period so assigned.

## **ARTICLE 11 OUT OF CLASSIFICATION PAY**

**11.1** Any Employee who works out of classification shall be paid at the higher wage rate if the Employee works out of classification for four (4) hours or more and the City shall pay for the entire day.

## **ARTICLE 12 HEALTH AND WELFARE INSURANCE**

**12.1** Currently, the City offers a choice of five (5) Health Insurance Policies; (2) Operating Engineers Public Employees' Health and Welfare Plans; and (3) different tier Blue Shield Savings Account Plans. All Employees and their dependents may participate in the Operating Engineer Public Employees' Health and Welfare Plans, or any of the Blue Shield Savings Account Plans, with the City contributing to the cost of such plan up to \$1,800.00 per month toward the rate. The employee shall pay any remaining costs of insurance.

Future annual increases to the City Contribution shall be \$45 per month per year. However, the total City contribution shall not exceed the employee plus family premium rate of the Operating Engineers Health and Welfare Plan A (Full Benefit).

**Overage Payment:** The difference between the cost of the Health Insurance Policy selected by the employee and the City Contribution, if any, shall, at the election of the employee, be paid into the Health Savings Account to the maximum allowed under the law; once this account is maximized, all overage shall go into the employees 457 deferred compensation account. Should the employee select a plan other than a Health Saving Account, then all overage shall be paid to the employee's 457 deferred compensation account. Overage payments, in total, shall not exceed \$700 per month per employee. This Overage Payment shall be limited to employees hired on or before adoption and ratification of this MOU by the City Council.

**For those employees who otherwise have medical insurance and opt-out of the city medical insurance completely, the City will provide \$900.00 per month which may be paid to a 457 deferred compensation plan, added to salary compensation or divided between both and only be changed once a year, unless employee encounters an unforeseen circumstance.**

**12.2** Employees who are not members of the Union are required to pay a service fee in the same amount as the monthly Union Dues in order to participate in the Union's Health and Welfare Plan.

**12.3** The City shall provide life insurance in the amount of one hundred thousand dollars (\$100,000) effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU) and will continue to pay the life and disability insurance premiums.

**12.4** The City shall have the option of replacing the Operating Engineers Public Employees Health and Welfare Plan with a plan of the City's choosing. If the City exercises this option, the City shall maintain coverage that is comparable and substantially equivalent to that provided currently under the present plan.

**12.5** A Health Plan Review Committee, consisting of one employee from each bargaining unit, has been established and coordinated by the City Manager to review alternate health plans. This committee will study both the health plan and the short-term disability plan.

**12.6** The City will make an Employee Assistance Program (EAP) available to each regular employee. The EAP provides personal, family and career counseling to employees along with financial counseling referral, and legal referrals to employees.

### **ARTICLE 13 WORKDAY AND WORKWEEK**

**13.1** The regular workday for Unit Members shall be twelve (12) hours, inclusive of mealtime. The regular work period consists of eighty-four (84) hours in any two-week pay period on duty, with four (4) hours paid at the time and one-half rate, except in an emergency or when the normal scheduled rotation requires a different duty arrangement. Pursuant to California Labor Code section 514 and 29 CFR 778.105 of the Fair Labor Standards Regulations, the workweek for police dispatch employees working day shift shall begin on Wednesday at 12:00 PM and end on Wednesday at 12:00 PM, and the workweek for police dispatch employees working night shift shall begin on Wednesday at 12:00 AM and end on Wednesday at 12:00 AM. Pursuant to California Labor Code section 514 and 29 CFR 778.105 of the Fair Labor Standards Regulations, the workweek for fire dispatch employees working day shift shall begin on Tuesday at 12:00 PM and end on Tuesday at 12:00 PM, and the workweek for fire dispatch employees working night shift shall begin on Tuesday at 12:00 AM and end on Tuesday at 12:00 AM.

The regular workday for Union Members shall be either eight (8) hours, or twelve (12) hours, inclusive of mealtime.

**13.2** Shifts, schedules, rotations and assignments, including weekends and holidays shall be the sole prerogative of the City. The City will give fifteen (15) day written notice of change to the affected employees.

**13.3** The City may institute an optional work schedule to the (5-8, 3-12, or 4-12) shift by giving the Union and the affected employees a (30) thirty days written notice. Should optional work schedule hours be different than a regular eight hours per day (example: 9, 10 or 12 hour days), the optional hours shall constitute a "regular workday", for the purpose of daily overtime pay as defined in section 14.1.

## **ARTICLE 14 OVERTIME**

**14.1** All time worked in excess of the "regular workday" either over 8 hours, or over 12 hours, depending on the schedule, or over (80) eighty hours per two-week pay period shall be considered over-time. Overtime shall be compensated therefore at the rate of time and one-half the Employee's regular pay rate, which will be paid in the same manner as other wages.

**14.2** The Employee shall, on termination of employment, be entitled to be paid all accumulated overtime, together with the Employee's normal wage.

**14.3** All payments for overtime worked will be made with the regular salary check for the pay period in which it was earned.

**14.4** Compensatory Time in lieu of overtime (CTO): Effective January 1, 2020, members of the bargaining unit may accrue up to a maximum of two hundred (200) hours annually upon the Department Head's discretionary authority. CTO time may be carried into the following year, but at no time can it exceed the two hundred (200) hours. Management shall approve when employees can take time off, taking into consideration the desire of the employees and the operational needs of the department. The Department Head and employees may mutually agree to pay out any or all CTO time. All unused CTO shall be paid upon termination. All CTO in excess of two hundred (200) hours shall be paid to the employee as part of their normal pay cycle.

## **ARTICLE 15 STAND-BY COMPENSATION**

**15.1** When the City requires an Employee to remain available for call back at any time, the Employee shall receive stand-by pay.

**15.2** When an Employee is required to stand-by, such employee shall be compensated for such stand-by time at the rate of two (2) hours of straight-time compensation for each accumulated eight (8) hours of stand-by.

**15.3** The City reserves the right to close any facility, if the City determines in its sole discretion that the facility needs not be open. The Union acknowledges that Employees do not have the right or privilege to stand-by at non-public City facilities without the express consent of the City.

## **ARTICLE 16 CALLBACK COMPENSATION**

**16.1** When the City requires an Employee to return to work other than his regularly scheduled workday, the Employee shall be entitled to call-back compensation.

**16.2** The City shall compensate the Employee a minimum of two (2) hours of overtime compensation irrespective of the actual time worked when an Employee is called back to perform an emergency task. In the event the task exceeds two (2) hours duration, the total overtime compensation shall be for the hours actually worked.

## **ARTICLE 17 SICK LEAVE**

**17.1** Sick leave is available to an employee to use in case of illness, bodily injury, exposure to a contagious disease, medical or dental appointment or attendance upon seriously ill member of employee's immediate family, as defined by these rules. An employee may take paid sick leave after the first month of employment. Every effort by the employee shall be made to schedule appointments during non-work hours.

Sick leave with pay shall be granted to all Employees. Sick leave shall be earned at the rate of (8) eight hours per calendar month of service, not to exceed a total maximum

accumulation of (1920) nineteen hundred twenty hours. No sick leave shall be earned once the maximum accrual is reached.

**17.2** The City agrees to pay fifty percent (50%) of Employee's unused accumulated sick leave upon retirement or death. Upon reduction in force, the City shall pay twenty-five percent (25%) of Employee's unused accumulated sick leave.

**17.3** Family Leave: Employees with approval of the Department Head may use up to three (3) days accumulated sick leave per year for purpose of attending to immediate family during difficult or extended illness. Alternatives for care of family members should be pursued prior to requesting leave under this provision, and the Supervisor that stipulates to the necessity for such care and attendance may request a copy of a written confirmation from the attending physician.

**17.4** Bereavement Leave: In the event of a death in the immediate family, the Employee may take off up to four (4) days. The immediate family shall be defined as husband, wife, child, **stepchild**, mother, father, brother, sister, **in-laws**, grandparents and grandchildren. Bereavement Leave is not charged to Sick Leave. Bereavement leave must be taken within two months following the death of the immediate family member. Leave shall be taken in full day increments.

**17.5** When an employee is off work as a result of a valid on-the-job injury sustained in the service of the City, the employee is entitled to use their accrued Sick Leave during the period of disability to make up the difference between their regular pay and the Workers Compensation Temporary Disability Payments. The City shall pay only that amount necessary to make up the difference between the employee's monthly rate and the amount payable to the employee as temporary disability payments from the Worker's Compensation Insurance Plan of the City. To take advantage of this benefit, the employee must forward their Temporary disability check to the City.

**17.6** The City may require verification of the necessity for sick leave. Such verification may be in the form of a written statement from a doctor or a personal affidavit from the Employee. The City reserves the right to specify which of the two verification procedures will be required in any particular situation. If the City requires verification from a physician, the City shall pay for the cost of such verification to the extent such cost is not reimbursed by the Employee's health insurance.

**17.7** If the City determines that an Employee has abused the provisions of the sick leave policy, the Employee shall be subject to disciplinary action.

**17.9** Sick Leave Conversion Upon Retirement: In lieu of a cash-out of sick leave, an employee upon retirement under PERS, may choose as an option to convert a percentage of the dollar value of the sick leave, at the employee's current hourly base rate of pay as of the date of retirement, to pay the pre-paid health insurance premium for a period of time up to age 65 according to the following conversion plan.

<u>Employee's years of Service with City:</u>	<u>Percentage value of employee's accrued Sick Leave:</u>
Through 15 years	50%
16 through 19 years	70%
20 or more years	80%

**(A)** Following is the procedure to account for the percentage value of converted sick leave. At the written request of the retiring employee, the City Staff will compute the dollar value of the accrued sick leave according to the percentages shown above and maintain an accounting in the employee's name deducting the amount of monthly City health insurance premium from the "balance".

**(B)** The value of sick leave does not accrue in a cash fund for each employee;

**THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER**

therefore, no actual funds are held in trust. The City simply agrees to pay the retiree's premium for a period of time until the balance value of the conversion is depleted.

(C) Should a retired employee want to stop their insurance premium payments under the Section, the employee must notify the City Manager in writing, giving the date payments should end, and City Staff will do an accounting of the actual dollar amount already paid out. Should this amount still be less than the fifty percent (50%) value provided for in the sick leave payoff provisions of this MOU (Section 17.2), the balance will be paid to the employee.

(D) Should a retired employee die prior to fully using this benefit, any dependents covered under the health insurance may, if permitted to continue insurance coverage by the insurance carrier, receive the continuation of this benefit until fully expended. The benefit shall have no cash value to the employee's estate, nor can the City accept any claim for payoff by heirs.

## **ARTICLE 18 UNIFORM ALLOWANCE**

**18.1** The City agrees to furnish, at no cost to the Employees, necessary safety items required and determined by the City.

**18.2** The City agrees to provide Fire and Police Dispatchers one summer and one winter uniform upon completion of the initial training period.

**18.3** In addition:

- (A) Police Dispatchers will receive \$625 per year Uniform Allowance; and
- (B) Fire Dispatchers will receive \$525 per year Uniform Allowance.

## **ARTICLE 19 HOLIDAYS AND HOLIDAY PAY**

**19.1** Union members shall receive "Holiday in Lieu Pay". Unit employees will receive an annual amount of (134) one hundred thirty four hours pay. The annual payment is to be made on the pay period prior to Thanksgiving Day. This Holiday in Lieu Pay provision for Union Members replaces all previous policies and resolves any and all previous Holiday Pay issues.

## **ARTICLE 20 457 DEFERRED COMPENSATION PLAN**

The City agrees to match employee's contributions to their 457 Deferred Compensation Plan up to \$60 per month. The City match is only available for one (1) Deferred Compensation Plan even if employees are enrolled in more than one (1) Plan. Employees must commit to maintain their 457 contribution for one full year.

## **ARTICLE 21 RETIREMENT**

**For Miscellaneous Employees, the City provides retirement benefits under a contract with the California Public Employees Retirement System (PERS) as follows:**

**21.1** The City confirms that all current PERS Tier 1 Miscellaneous Members are in the 2% at 55 Retirement Formula with single highest year salary retirement formula and:

The City and City of Corning Tier 1 Miscellaneous Members agree the total employee share of retirement costs shall be 7%.

**21.2** The City confirms that all current PERS Tier II Miscellaneous Members are in the 2% at 60 Retirement Formula and:

The City and City of Corning Tier II Miscellaneous Members agree the total employee share of retirement costs shall be 7%.

**21.3 Employees hired on or after January 1, 2013, who are not eligible for reciprocity or are not current CalPERS members without a break in service greater than six (6) months, shall participate in legislatively mandated CalPERS contributions and retirement benefit formula plans established by Assembly Bill 340, the "Public Employees' Pension Reform Act of 2013". This legislation is administered/interpreted by the California Public Employees Retirement System (CalPERS). New employee members shall have the following retirement benefit formula and contribution rate:**

**For PERS Miscellaneous Members 2.0%@62, 3 year final compensation as defined by CalPERS. The Member contribution rate is up to 7.0%. (Currently 6.75%.)**

**The member contribution rate must comply with Section 7522.30 of the California Government Code. CalPERS may change this rate following actuarial review during the term of the MOU.**

**The City agrees that the retirement tier changes in 21.2 and 21.3 will not affect employees hired prior to January 1, 2012.**

**In the event the Legislature modifies the Cal PERS employee/employer contribution rates, the City and Union agree to meet within fifteen days and discuss; provided, however, that this provision shall not be considered a contract reopener; and further provided that this contract provision shall not be used by the City in any action or proceeding to interpret this contract.**

## **ARTICLE 22 VACATION**

**22.1 Employees shall earn vacation according to the following:**

**(A) Employees shall earn vacation with pay at the rate of eighty (80) hours per year after one (1) year of employment.**

**(B) Employees shall earn vacation with pay at the rate of one hundred twenty (120) hours per year after five years of City employment.**

**(C) Employees shall earn vacation with pay at the rate of one hundred sixty (160) hours per year after ten (10) years of City employment.**

**(D) Employees shall earn vacation with pay at the rate of two hundred (200) hours per year after fifteen (15) years of City employment.**

**(E) The maximum number of vacation hours employees may carry over or have in a vacation account at the start of each new calendar year is **two hundred (200) hours**.**

**(F) Employees who have more than **two hundred (200) hours** in their vacation account will have the excess vacation time paid off at the close of each calendar year.**

**22.2 The Employee shall have the option of converting up to twenty-five (25%) of unpaid accumulated vacation to cash payment in lieu of taking vacation. The Employee may exercise the payoff option only two times (2) per fiscal year with five (5) working days' notice to payroll, or up to 50% once a fiscal year.**

## **ARTICLE 23 PROBATION PERIOD AND EVALUATION**

**23.1 All Employee evaluations will be made by the Employee's immediate Supervisor or the Employee's Department Head annually prior to the employee's anniversary date. In the event the immediate supervisor or Department Head is unable to complete the evaluation, the City Manager may complete the evaluation. The City reserves the right to conduct formal evaluation summaries every six (6) months. Nothing contained herein should be construed to limit the right of the City to continually monitor and assess Employee performance and provide feedback to the Employee regarding the Employee's performance.**



**23.2** All new, promoted, and reclassified Employees are on probation for twelve (12) months. Current City Employees accepting a promotion to a higher classification retain the right to return to their former classification if the City determines during the probation period that they are unable to satisfy the requirements of the new classification.

**23.3** Time spent in a non-paid status will not be counted towards an employee's seniority. When an employee takes unpaid leave, only the unpaid hours off work will remain uncounted toward seniority.

#### **ARTICLE 24 LAY-OFF POLICY**

**24.1** The City may lay off Employees whenever it becomes necessary because of lack of work or funds, or whenever it is deemed advisable in the interests of economy to reduce the force in a department or office.

**24.2** Persons shall be laid off in the following order:

**(A)** All extra help, temporary and provisional Employees in the same department and within the same job classification shall be laid off before any regular Employee is laid off.

**(B)** When it becomes necessary to reduce the force in any department or office by lay-off of regular Employees, seniority shall be the determining factor. In the case where seniority is equal, ability shall govern. The determination of ability shall be the exclusive responsibility of the Department Head, provided that in making such determination, consideration shall be given to skill, efficiency, knowledge, physical fitness, training and attitude toward fellow Employees.

**24.3** Seniority shall be measured from the Employee's most recent initial appointment to City service, but shall not include any period during which such Employee was on leave without pay, or not actually in City employment because of the Employee's voluntary termination, lay-off or other cause; provided that, for any Employee who is re-employed after being discharged, seniority shall be measured from the date of the Employee's most recent appointment.

**24.4** The City shall send written notice by certified mail, postage prepaid, return receipt requested, and correctly addressed to the last known mailing address of the Employee as found in the Employee's personnel file. In lieu of the above, the City may serve notice by personal service. Notice of lay-off shall be made at least thirty (30) days prior to the effective date of the action.

**24.5** In lieu of being laid off, a regular Employee may elect demotion and displacement in the same department to a classification previously held by said Employee with substantially the same or lower salary step and/or to a classification in which said Employee meets the minimum qualifications. Demotion and displacement rights to specific classifications shall be applicable only within the department and subject to lay-off list provisions in this Article based on seniority and ability. Employees wishing demotion and displacement in lieu of lay-off must notify the City Manager in writing of this election no later than seven (7) calendar days after receiving notice of layoff.

#### **ARTICLE 25 SAVINGS CLAUSE**

**25.1** If any Article section, subsection, paragraph, sentence, clause or phrase of this Memorandum of Understanding shall, for any reason, be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portion of the Memorandum, it being expressly provided that this Memorandum and each Article section, subsection, paragraph, sentence, clause or phrase hereof would have been adopted irrespective of the fact that any one or more Articles, sections, subsections, paragraphs, sentences, clauses or phrases shall be declared invalid or unconstitutional.

**FULL UNDERSTANDING, MODIFICATION AND WAIVER**

26.1 This Memorandum sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the City Council.

The waiver of any breach, term or condition of this Memorandum by either party shall not constitute a precedent in the future enforcement of all its terms and conditions.

**ARTICLE 27  
TERM OF AGREEMENT**

27.1 This Memorandum of Understanding shall be effective January 1, 2020, upon adoption by the City Council of the City of Corning and shall remain in effect until the 31st day of December 2022.

27.2 This Memorandum of Understanding may be extended by mutual agreement of the parties if additional time is required to consummate a new Memorandum.

**IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding this \_\_\_\_\_.**

**CITY OF CORNING**

**CITY OF CORNING  
DISPATCHERS UNION**

\_\_\_\_\_  
**Kristina Miller,  
City Manager**

\_\_\_\_\_  
**Daymon Schlereth,  
Union Representative**

\_\_\_\_\_  
**Ashley Knight,  
Union Representative**

\_\_\_\_\_  
**Greg Einhorn,  
Negotiator**

\_\_\_\_\_  
**Art Frolli,  
OE-3 Business Representative**

\_\_\_\_\_  
**Lisa M. Linnet,  
City Clerk**

**Ratified by the Corning City Council on \_\_\_\_\_**

ITEM NO: J-15  
ANNUAL MID-YEAR BUDGET REVIEW  
AND GENERAL DISCUSSION-FY  
2019/2020

FEBRUARY 25, 2020

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: KRISTINA MILLER, CITY MANAGER 

**SUMMARY:**

Staff provides Mid-year Budget updates to the City Council. The purpose is to update the Council and the public regarding how the City is fairing financially at the mid-point of the fiscal year. This report largely relies on information from the fiscal year mid-point, which is December 31, 2019. Increases in revenues and expenditures when weighed against the General Fund Balance, work out to a projected increase of \$318,854 in the Fund Balance at year's end. That's a \$358,060 positive swing from the projection presented as part of the Budget Staff Report presented on June 11, 2019, as part of the FY 2019/20 Budget. The positive swing is largely due to increases in sales tax, transient occupancy tax, and building permit revenue offsetting increases in expenditures.

**APPROVED BUDGET:**

The Fiscal Year 2019/20 Budget projected total revenues (excluding transfers) of \$11,488,731. General Fund Revenues (including Measure A) are expected to make up about 57.4% (\$6,598,603) of total revenues. The City Council maintains primary discretion over how the General Fund is expended.

The remainder, about 42.6% (\$4,890,128) of revenues originates from sources other than General Fund revenues and must be allocated (expended) for specific purposes such as grant-funded projects, Sewer, Water, and Street Maintenance, etc. We refer to those funds as "non-discretionary", because the Council has little choice regarding how they are spent.

The 2019-20 Budget projected total expenditures (excluding transfers) of \$12,129,983, of that amount \$6,637,809 can be attributed to the General Fund.

**A. GENERAL FUND.**

Since the City Council does have discretion over how General Fund revenues are expended, the performance of the General Fund is the heart of the Mid-Year Budget Review.

The FY 2019/20 General Fund Budget (including Measure A) projected total revenues of \$6,598,603. Sales Tax (excluding Measure A Transactions and Use Tax) was projected to generate 43% of the total General Fund Revenues, or \$2,900,000. Sales Tax and Measure A Tax combined total 61% of General Fund Revenue.

**1. General Fund FY 2019/2020:**

**a) Projected Sales Tax:**

Sales tax generates a significant part of our General Fund; therefore decreases/increases in sales tax can seriously affect the budget. Additionally, since Corning is the home of three large travel centers (Truckstops), we are heavily reliant on sales tax from fuel sales. That being said, percentage of sales tax revenue from fuel sales has been decreasing significantly in the last six years. In fiscal year 2013/2014 fuel sales tax represented 79% of total sales tax revenue received as compared to 38% in fiscal year 2018/2019. Lower fuel costs equate to less sales and lower sales tax revenue for us. The City is also being negatively impacted by the Pilot Truck Stop in Orland. Statewide Fuel and Service Stations are down (1.8%) for the 3<sup>rd</sup>

quarter of 2019 as compared to the 3<sup>rd</sup> quarter of 2018, whereas the City of Corning is down (6.2%). Auto and truck sales are up by 9.0% when comparing the 3<sup>rd</sup> quarter of 2019 as compared to the 3<sup>rd</sup> quarter of 2018.

At this moment, we have complete sales tax data for two calendar quarters for FY 2019/20; the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2019. Those receipts are on target for slightly exceeding the \$2.9 million budget. **The City should expect to receive at least \$200,000 more than budgeted or \$2,900,000.** The 4<sup>th</sup> Quarter 2019 totals will not be received until late March 2020, and the totals for the 1<sup>st</sup> Quarter of 2020, three months after that in June.

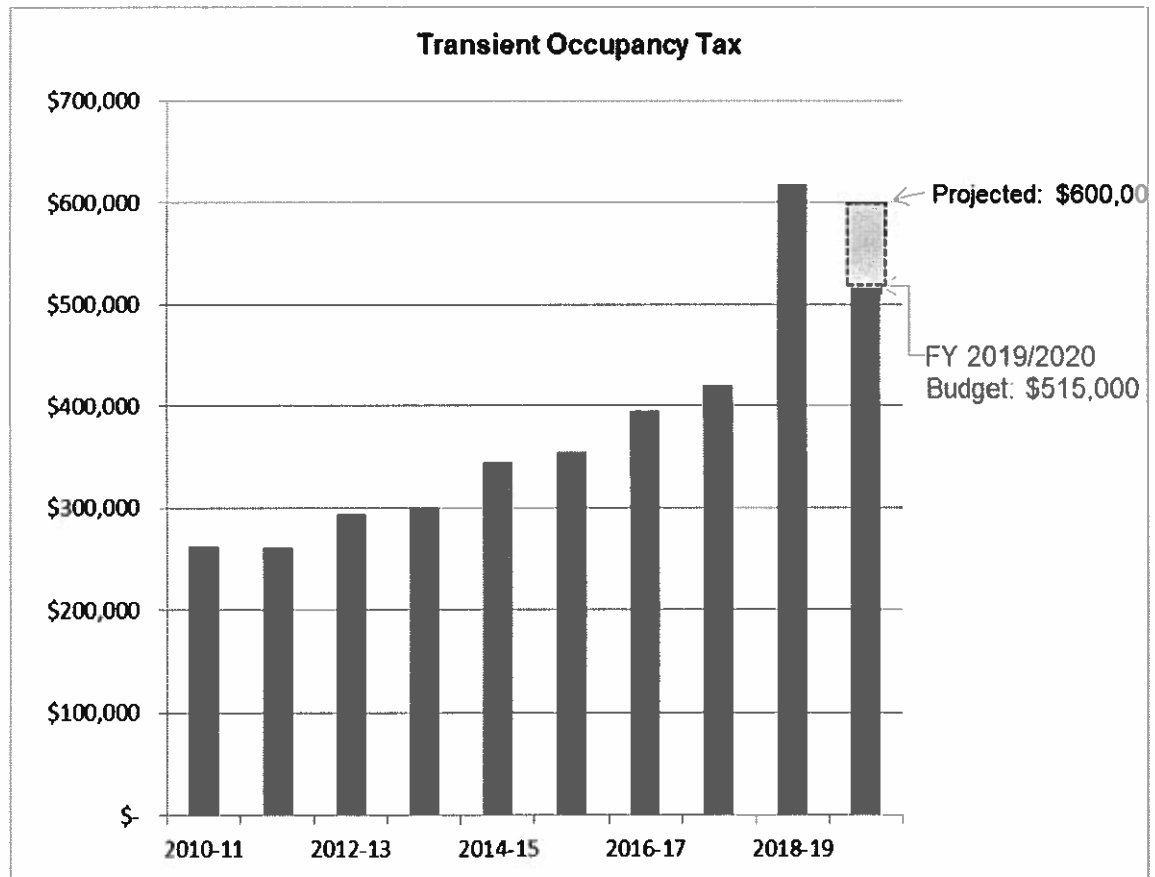
Hinderliter de Llamas & Assoc. (HdL) projects sales tax revenue to come in at \$3,055,000 a decrease of (1.3% from FY 2018/2019 actuals on an adjusted basis). HdL projects modest increases in sales tax of 0.8% and 1.3% in FY 2020/2021 and FY 2021/2022, respectively. These projections do not take into consideration increases in revenue as a result of the Camp Fire.

**b) Electricity:**

Electrical costs for the General Fund, Water Fund, and Sewer Fund are coming in as expected.

**c) Transient Occupancy Tax (TOT) Increase:**

TOT receipts are up significantly this year due to the Camp Fire. The budget projected \$515,000 in revenue. We project about a \$85,000 increase over the FY 2019/2020 Budget to \$600,000 as the graph below depicts.



**d) Vehicle License Fees:**

Vehicle License Fees (VLF) are budgeted at \$630,000 for this fiscal year, or 11% of General Fund revenue (excluding Measure A). We typically receive two payments for VLF; in January and May, respectively. The January 2019 payment was \$333,000.

The May payment should be the same. VLF will be greater than budgeted this fiscal year by approximately \$30,000. The budget is proposed to be increased accordingly.

**e) Other General Fund Revenues:**

This is the broad General Fund category that everything else falls into. In total, this consists of about 9.0-12.0% of the General Fund depending on the year. This fiscal year the total revenue anticipated was \$658,700.

Included in this category are Franchise Fees from utility companies, funds from other agencies, fines and forfeitures, Building Permit and Plan Check fees and a myriad of other revenues that do not fit in another category.

**FRANCHISE FEES:** We collect Franchise Fees from PG&E, Comcast Cable TV and Waste Management. To date, Franchise Fees from Cable TV are running as expected. We have no current information regarding PG&E Franchise Fees that typically arrive in April but expect they will come in as anticipated.

**BUILDING PERMIT/PLAN CHECK FEES:** At this point, Building Permit (\$156,935 current vs. \$125,000 budget) and Plan Check (\$16,688 current vs. \$20,000 budget) revenue projections will likely come in \$75,000 and \$5,000 greater than budgeted for the fiscal year, respectively. The budget is proposed to be increased accordingly. The City will exceed its revenue projection for Permits and Applications (\$10,609 current vs. \$2,000 budget), this is primarily due to a deposit for third party environmental report for a development project. The budget for Permits and Applications is proposed to be increased to \$12,000.

**Overall, Other General Fund Revenues are expected to come in \$91,500 more than budgeted at approximately \$750,200.**

**f) Property Tax:**

Property Taxes are collected by the County and then sent on to the various jurisdictions in January, May and June of each year. They make up about 10% of our General Fund and are projected to meet budget as proposed this year. The taxes are billed to property owners and then paid to the City in three installments.

**2. Updated General Fund Information:**

Of course, all budgets are best projections about revenues and expenditures until they are "closed out".

Using the FY 2018/2019 audit numbers and projecting anticipated revenues and expenditures for the remaining year per the budget and the variations noted, we now have a more precise picture of where we stand at this point, and where we'll be at the end of the fiscal year attached as Exhibit "A". The effect of these adjustments (i.e. increase in revenues, increase in expenditures, etc.) when weighed against the General Fund Balance, works out to a projected increase of \$318,854 at year's end. That's a \$358,060 positive swing from the projection presented as part of the FY 2019/2020 Budget Staff Report presented on June 11, 2019. The total fund balance projected as of June 30, 2020 is \$2,245,936 for the General Fund and \$1,180,209 for the Measure A fund.

**UTILITY (ENTERPRISE) FUND REVENUES:**

**A. Short term (This Fiscal year):**

The Sewer and Water System accounts are regarded as "Enterprise Accounts". Those revenues may only be used for operating and maintaining the sewer and water system.

The revenue stream for these two utilities were reviewed at the mid-point in the budget year (December 31, 2019), the results are as follows:

**SEWER FUND:** The total Sewer Fees collected at mid-year is \$1,047,199. That's just over the mid-year budget target (54%); the total fiscal year budget projection was \$1,954,150.

**WATER FUND:** The water fees collected through December 31, 2019 total \$852,941. That amount is 59% of the total fiscal year budget projection of \$1,452,360.

The Water and Sewer Enterprise Fund expenditures overall should meet FY 2019/2020 budget expectations.

**B. Long Term:**

**SEWER ENTERPRISE FUND:** The City Council approved a series of five annual 3.5% increases to the sewer rates in 2014 (Resolution No. 05-27-2014-01). The last rate increase as part of Resolution No. 05-27-2014-01 occurred on July 1, 2018. In 2019 the City Council implemented Resolution No. 07-23-2019-09. The Resolution implements five annual 3.0% sewer rate increases to account for inflation and to satisfy the rate covenant requirement as part of the 2016/2017 refunding of the City's sewer debt. Staff will continue to monitor the sewer fund balance.

**WATER ENTERPRISE FUND:** As part of Resolution 06-12-2018-01, the City Council enacted a five-year series of 3.5% annual rate increases intended to maintain a stable cash flow and to assure investors of the stability of the City. Due to decreases in water consumption, and to satisfy the rate covenant requirement as part of the 2016/2017 refunding of the City's water debt, the City approved an additional 3.5% increase for a total of 7.0% through July 1, 2022 as part of resolution No. 07-23-2019-08. Assuming consumption levels do not decline further these rate increases should produce adequate revenue to comply with rate covenant requirements. Staff will continue to monitor the water fund balance.

**EXPENDITURES OVERALL:**

We completed reviews of Department expenditure reports at the mid-year point (July 1-December 31). In general terms, expenditures are about where we expect them to be. The proposed adjustments to the FY 2019/2020 budget are indicated in Exhibit "B". Of the \$181,900 of proposed additional expenditures, \$152,700 can be attributable to the General Fund.

**REVENUE OVERALL:**

Proposed adjustments to the FY 2019/2020 budget as discussed above are indicated on page 2 of Exhibit "B". Overall, General Fund revenue is anticipated to increase by \$431,500 primarily due to increases in sales tax, Transactions and Use Tax (Measure A), TOT, and Building Permit revenue.

**PERSONNEL COSTS:**

Our largest single expense is employee wages and benefits (personnel costs). Personnel costs are expected to increase \$65,000 over budget due to benefits negotiated in the new bargaining unit agreements.

**BOTTOM LINE:**

- The City is in much better shape fiscally, as a result of Measure A (Transactions and Use) revenue.
- One Police Dispatcher was reclassified as a Dispatch Communications Supervisor, the Senior Finance Technician was reclassified to an Accounting Manager, and an Administrative Assistant was reclassified to an Administrative Services Manager.
- \$190,803 is being utilized from Measure A to fund Dispatch.
- \$309,583, \$122,281, and \$177,332 to Capital Improvement and Replacement Reserve accounts is funded for the future replacement of City equipment for the Fire, Police, and Public Works, respectively.
- \$75,000 to support Economic Development Projects.
- \$100,000 to make improvements to City Parks.
- Funding in the amount of \$3,000 for the Feral Cat Program.

- The Replacement of 2 desktop computers at City Hall, and 3 desktop computers within the Police Department.
- \$10,000 in ADA Improvements for the Library and \$15,000 to City Buildings.
- \$10,000 for safety improvements to the front counter at the Finance Department.
- \$10,000 in funding for the K-9 Program.
- \$43,900 to support the Animal Shelter Services Agreement with the County.
- \$4,200 to support a grant match for Personal Protective Equipment, radios, and fire shelters.
- \$700,000 in street projects and/or street maintenance.
- \$7,500 to support community events.
- Estimated repairs in the amount of \$100,000 set aside for the exterior of City Hall, as the project approved in FY 2018/2019 will not be completed until FY 2019/2020. Actual costs came in much less than budgeted.
- The effect of proposed budget adjustments (i.e. increases in revenues, increase in expenditures, etc.) when weighed against the General Fund Balance, works out to a projected net change in fund balance of \$318,854 at year's end.

The total fund balance projected as of June 30, 2019 is \$1,927,082 for the General Fund and \$1,155,209 for the Measure A fund. The total fund balance projected as of June 30, 2020 is \$2,245,936 for the General Fund and \$1,180,209 for the Measure A fund. These fund reserves are necessary to provide stability within the City during the next economic downturn.

**RECOMMENDATION:**

**MAYOR AND COUNCIL:**

- **APPROVE THE PROPOSED BUDGET ADJUSTMENTS AS INDICATED IN EXHIBIT "B"; and,**
- **RECEIVE THE MID-YEAR BUDGET REPORT AS PRESENTED.**

**Exhibit "A"**  
**GENERAL FUND SUMMARY**  
**AND PROJECTIONS**  
City of Corning  
Budget Summary  
**GENERAL FUND/ MEASURE A**  
**2019-20**

<b><u>MID YEAR REVIEW</u></b>	<b>General Fund <u>TOTAL</u></b>	<b>Measure A</b>
<b>Audit Balance, June 30, 2018</b>	<b>\$ <u>1,647,174</u></b>	<b>\$ <u>726,353</u></b>
<b><u>2018-2019 Actual</u></b>		
Revenues and Transfers In	\$ 5,778,056	\$ 1,168,962
Adjustments Made During the Year	\$ (139,105)	
Expenditures and Transfers Out	<b>\$ <u>(5,359,043)</u></b>	<b>\$ <u>(740,106)</u></b>
<b>Net Change in Fund Balance</b>	<b>\$ <u>279,908</u></b>	<b>\$ <u>428,856</u></b>
<b>Pre Final Audit Fund Balance, June 30, 2019</b>	<b>\$ <u>1,927,082</u></b>	<b>\$ <u>1,155,209</u></b>
<b><u>2019-2020 Budgeted</u></b>		
Revenues and Transfers In	\$ 5,498,603	\$ 1,100,000
Estimated Changes over Budget	\$ 406,500	\$ 25,000
Expenditures and Transfers Out	\$ (5,563,549)	\$ (1,100,000)
Estimated Changes over Budget	\$ (87,700)	\$ -
Salary Increases and Medical	\$ 65,000	
<b>Net Change in Fund Balance</b>	<b>\$ <u>318,854</u></b>	<b>\$ <u>25,000</u></b>
<b>Budgeted Fund Balance, June 30, 2020</b>	<b>\$ <u>2,245,936</u></b>	<b>\$ <u>1,180,209</u></b>
Adjustments Made During The Year:		
Close Out Completed BCJI and Related Funds	\$ (121,184)	
Close funds, per Council Action	\$ (4,959)	
Other Adjustments	<b>\$ <u>(12,962)</u></b>	
<b>Total</b>	<b>\$ <u>(139,105)</u></b>	



**Exhibit "B"**  
**Mid Year Budget**

Expenditures				
Account Number	Dollar Amount Change	Budgeted Amount	Total Proposed Revised Budget Amount	Description
001-6320-1700	2,900	3,300	6,200	Janitorial costs now being billed based on actual, not as an arbitrary percentage, overall cost not increasing
001-6300-2114	5,000	6,000	11,000	Above average toxicity screening for sexual assaults
001-7500-2114	30,000	30,000	60,000	Due to changes in law regarding tire tread depths and other maintenance
001-7406-2300	500	1,500	2,000	Firehouse Software Update
001-9085-4300	40,000	0	40,000	Cost to replace façade at M&M building, should be eventually recovered through lien process
076-9343-2301	(7,000)	7,000	0	Thermo Imaging Cameras already purchased
001-6320-3600	4,000	7,000	11,000	Janitorial costs for City buildings
610-6320-3600	2,000	4,200	6,200	
630-6320-3600	2,000	4,200	6,200	
610-6700-5000	800	1,000	1,800	Increased sewer equipment maintenance costs
610-7376-5200	4,000	16,000	20,000	Increased WWTP Permit and Maintenance costs should be offset in decrease in expenditures from Inframark
001-6320-6100	5,300	5,700	11,000	Janitorial costs now being billed based on actual, not as an arbitrary percentage.
<b>Total</b>	<b>89,500</b>	<b>85,900</b>	<b>175,400</b>	
<b>General Fund Total</b>	<b>87,700</b>			

Revenue				
Account Number	Proposed Budget Revise (\$)	FY 2019/20 Budgeted Amount (\$)	Total Proposed Revised Budget Amount	Description
4121	200,000	2,900,000	3,100,000	Sales Tax
4009	25,000	1,100,000	1,125,000	Transactions and Use Tax (Measure A)
4128	85,000	515,000	600,000	Transient Occupancy Taxes
4511	30,000	630,000	660,000	Vehicle License Fees
4525	1,500	1,500	3,000	Increase in Parking Tickets
4430	75,000	125,000	200,000	Building Permit
4610	5,000	20,000	25,000	Plan Check
4612	10,000	2,000	12,000	Permits and Applications
<b>Total</b>	<b>431,500</b>			