



**CITY COUNCIL
CLOSED SESSION AGENDA
TUESDAY, FEBRUARY 22, 2022
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 are 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:

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

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 NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8:

Properties: APN: 071-136-001-000 – 071-136-011-000

Agency Negotiator: Kristina Miller, City Manager

Negotiating Parties: City and Felix Bill Family LTD, Hildebrandt Family Trust, and Conway Revocable Trust

Under Negotiation: Price and Terms

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



**CITY COUNCIL
MEETING AGENDA
TUESDAY, FEBRUARY 22, 2022
CITY COUNCIL CHAMBERS IN PERSON
AT 794 THIRD STREET
OR
VIA ZOOM**

<https://us06web.zoom.us/j/9342948553?pwd=WFF2OVdjZnhldTZKRvJwZ1FSTFFTUT09>

Meeting ID: 934 294 8553

Passcode: 01252022

OR BY PHONE

(720) 707- 2699

Meeting ID: 934 294 8553

Passcode: 01252022

THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER

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 are encouraged and appreciated.

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

B. **ROLL CALL:**

Council: Dave Demo
Karen Burnett
Shelly Hargens
Jose "Chuy" Valerio
Mayor: Robert Snow

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

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

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

1. Introduction of Corning Volunteer Fire Department Officers by Fire Chief Tom Tomlinson.

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

G. **CONSENT AGENDA:** It is recommended that items listed on the Consent Agenda be acted on simultaneously unless a Councilmember or members of the audience 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 of the February 8, 2022 Closed Session and Regular City Council Meeting with any necessary corrections:

4. February 16, 2022 Claim Warrant in the amount of \$336,248.48.

5. February 16, 2022 Business License Report.

6. Authorize payment for invoice 22-216745-01 in the amount of \$8,770.25 to Armstrong Consultants, Inc. under Task Order "B" for the Airport Master Plan.

7. Accept Resignation from Planning Commissioner J.C. Pendergraft effective immediately.

8. Approve Letter of Support for the Tehama County Recycling Market Development Zone.

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

I. **REGULAR AGENDA:**

9. Presentation and acceptance of the Annual City Audit for Fiscal Year 2020/2021.

10. Annual Mid-Year Budget review and General Discussion of Fiscal Year 2021/2022.

11. Review and adopt Resolution 02-22-2022-01, a Resolution adopting without revision the City's Conflict of Interest Code.

J. ITEMS PLACED ON THE AGENDA FROM THE FLOOR:

K. COMMUNICATIONS, CORRESPONDENCE, AND INFORMATION:

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

Demo:

Burnett:

Hargens:

Valerio:

Snow:

M. ADJOURNMENT:

POSTED: FRIDAY, FEBRUARY 18, 2022



**CITY COUNCIL
CLOSED SESSION MINUTES
TUESDAY, FEBRUARY 8, 2022
CITY COUNCIL CHAMBERS
794 THIRD STREET**

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

A. CALL TO ORDER: 5:30 p.m.

B. ROLL CALL:

Council:

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

Mayor:

All members of the City Council were present.

The **Brown Act** requires that the Council provide the opportunity for persons in the audience to briefly address the Council on the subject(s) scheduled for tonight's closed session. Is there anyone wanting to comment on the subject(s) the Council will be discussing in closed session? If so, please come to the podium, identify yourself and give us your comments.

C. PUBLIC COMMENTS:

D. REGULAR AGENDA:

**1. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION PURSUANT TO SECTION 54956.9 (d)(4):
One Case**

**2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54956.8:
Property: 071-131-001
Agency Negotiation: Kristina Miller
Negotiation Parties: Jeanne Atkin, Dean Atkin, and John Atkin
Under Negotiation: Price**

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

Mayor Snow reported that there was no reportable action on the first item, and Council provided Staff direction on the second item.



**CITY COUNCIL
MEETING MINUTES
TUESDAY, FEBRUARY 8, 2022
CITY COUNCIL CHAMBERS IN PERSON
AT 794 THIRD STREET**

**OR
VIA ZOOM**

<https://us06web.zoom.us/j/9342948553?pwd=WFF2OVdJZnhldTZKRvJwZ1FSTFFTUT09>

Meeting ID: 934 294 8553

Passcode: 01252022

OR BY PHONE

(720) 707- 2699

Meeting ID: 934 294 8553

Passcode: 01252022

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

B. **ROLL CALL:**

Council: Dave Demo
Karen Burnett
Shelly Hargens
Jose "Chuy" Valerio
Mayor: Robert Snow

All members of the City Council were present.

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

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

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

1. **Proclamation: February 2022 – Teen Dating Violence Awareness & Prevention Month.** Empower Tehama Domestic Violence Victims Advocate Maggie Michael was present to accept the Proclamation.

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

A resident of 1319 Tehama Street addressed the Council on behalf of himself and his neighbors regarding the high-speed traffic occurring on Tehama Street between Houghton Avenue and Highway 99W. He stated he is hoping the Council will consider placing stop signs or speed bumps at the intersections of Tehama and West Street, and Tehama and Sixth Street to help control the speeding. He further stated they would prefer stop signs as speed bumps could cause accidents. A resident of 1312 Tehama Street voiced the same concerns stating she has lost two dogs from being hit by vehicles. A resident of 1315 Tehama Street also spoke stating she has witnessed side-by-side street racing on this Street. One of the residents of Tehama Street stated although City Workers try to keep the potholes filled, Tehama Street needs to be repaired.

Mayor Snow explained that the City Council cannot take any action on this item tonight as it was not agendaized, however the Police Chief is in attendance and will look into the situation regarding the speeding.

Waste Management representative Diane Ramirez reminded everyone about the free Recycling Program in Corning explaining that residents with existing garbage service can request, at no additional charge, a second recycling cart. A third cart can be obtained at an additional charge of \$5 per month. These services can be obtained by contacting the local office at 530/824-4690 or 800/479-8101. Ms. Ramirez also provided information about the bulky item pickup and/or drop off services provided.

City Planner 1/Recreation Coordinator Christina Meeds announced that violation letters will be posted and going out in the mail to vacant business owners tomorrow.

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 of the January 25, 2022 Closed Session and Regular City Council Meeting with any necessary corrections.**
4. **February 2, 2022 Claim Warrant in the amount of \$334,237.24.**
5. **February 2, 2022 Business License Report.**
6. **January 2022 Wages & Salaries: 428,911.55**

7. January 2022 Treasurer's Report.

8. January Building Permit Valuation Report in the amount of \$433,615.

9. January 2022 City of Corning Wastewater Operations Summary Report.

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

H. ITEMS REMOVED FROM THE CONSENT AGENDA: None.

I. REGULAR AGENDA:

10. Request City Council direction regarding Food Truck Tuesday Events.

This item was presented by City Manager Kristina Miller and City Planner 1/Recreation Coordinator Christina Meeds. They both expressed the amount of staff time spent on event scheduling and preparation for these events.

Councilor Demo stated he would like to see the events continue at the same location. Councilor Valerio stated he would like to see the events continue also. He suggested the City consider changing the months in which the events are held because in the past the weather was too hot on some of the Event dates. Councilor Burnett expressed her support for continuation of the events and that she is willing to help with the preparation. She also suggested possibly not scheduling an Event in July or August due to excessive heat during those months. Councilor Hargens stated she also supports the events and suggested possibly scheduling them in the spring and fall when it is not so hot. Mayor Snow stated he supports the events and would like them to continue to be held downtown at the same location. Mayor Snow also suggested the City partner with the Chamber of Commerce in coordinating the events.

By consensus of the City Council, the Food Truck Tuesday Events will continue to be held at the same location and dates of the Events will be chosen by City Staff.

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).

Demo: None

Burnett: Announced that the Corning Senior Center will be hosting the Chamber of Commerce Corning in the Evening event this Thursday at 5:30 P.M.

Hargens: None

Valerio: Relayed the gratitude of the Chamber of Commerce for the City's support and attendance at the annual Chamber Installation dinner. He also announced those that received and were presented awards at the dinner.

Snow: Stated that the decorations at the Chamber of Commerce Installation Dinner were great.

N. ADJOURNMENT: 7:10 P.M.

Lisa M. Linnet, City Clerk



MEMORANDUM

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: LORI SIMS
ACCOUNTING TECHNICIAN

DATE: February 16, 2022

SUBJECT: Cash Disbursement Detail Report for the
Tuesday February 22, 2022 Council Meeting

PROPOSED CASH DISBURSEMENTS FOR YOUR APPROVAL CONSIST OF THE FOLLOWING:

A.	Cash Disbursements	Ending 02-16-22	\$	257,585.41
B.	Payroll Disbursements	Ending 02-10-22	\$	78,663.07

GRAND TOTAL \$ 336,248.48

REPORT.: Feb 16 22 Wednesday
 RUN....: Feb 16 22 Time: 15:19
 Run By.: LORI SIMS

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 02-22 thru 02-22 Bank Account.: 1020

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

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
032454	02/03/22	FIR11	FIRST NATIONAL BANK OMAHA	499.90	220127	SAFETY ITEMS-FIRE
032455	02/03/22	LEE00	LEE, JACQUELINE PATTON	165.00	220203	REC INSTRUCTOR-REC
032456	02/03/22	OLS01	OLSEN, MARK & TAMI	29.00	220202	REFUND-BUSINESS LICENSE FEE
032457	02/10/22	3AC00	3A CUSTOMS	961.55	15018071	VEH REPLAC-CAP IMPROV
032458	02/10/22	ARA02	ARAMARK UNIFORM SERVICES	90.76	000309126	MAT & SUPPLIES-BLD MAINT
				94.20	000314703	MAT & SUPPLIES-BLD MAINT
				94.20	000320080	MAT & SUPPLIES-BLD MAINT
				94.20	000325166	MAT & SUPPLIES-BLD MAINT
				94.20	000330318	MAT & SUPPLIES-BLD MAINT
			Check Total.....	467.56		
032459	02/10/22	ARM02	ARMSTRONG	8770.25	222167450	AIRPORT 21-ALP UPDATE-TASK B
032460	02/10/22	ATT17	AT&T	80.25	220131	COMMUNICATIONS-FIRE
032461	02/10/22	BDI00	BDI	130.82	950230334	EQUIP MAINT-FIRE
032462	02/10/22	BIG02	BIG VALLEY SANITATION, IN	440.00	98699	BLD MAINT-AIRPORT
032463	02/10/22	BLU01	BLUEGLOBES, LLC.	99.57	004-56938	MAT & SUPPLIES-AIRPORT
032464	02/10/22	BUR08	BURNETT, KAREN S.	75.00	220122	REC INSTRUCTOR-REC
				150.00	220205	REC INSTRUCTOR-REC
			Check Total.....	225.00		
032465	02/10/22	CAR12	CARREL'S OFFICE SOLUTIONS	16.14	AR42147	MAT & SUPPLIES-LIBRARY
032466	02/10/22	CHI06	CHICO POWER EQUIPMENT	69.99	344134	MAT & SUPPLIES-
032467	02/10/22	COR12	CORNING FORD MERCURY, INC	239.68	49203	VEH REPLAC-CAP IMPROV
032468	02/10/22	CYR00	CYRACOM, LLC	25.00	1458459	COMMUNICATIONS-DISPATCH
032469	02/10/22	DEP03	DEPT OF TRANS/CAL TRANS	327.78	SL220693	Equip.Maint. St&Trf Light
032470	02/10/22	DEP12	DEPT OF JUSTICE	157.00	559150	PROF SVCS-
032471	02/10/22	DOM01	DOWN RANGE	805.80	518096	UNIFORMS/CLOTH-POLICE
				69.70	518352	UNIFORMS/CLOTH-POLICE
				94.36	518394	UNIFORMS/CLOTH-POLICE
				46.10	518663	UNIFORMS/CLOTH-POLICE
			Check Total.....	1015.96		
032472	02/10/22	FIR10	FIRST NATIONAL BANK OMAHA	64.95	02042022	COMMUNICATIONS-DISPATCH
032473	02/10/22	FIR14	FIRST NATIONAL BANK OMAHA	3198.73	02072022	OFFICE SUPPLIES-
032474	02/10/22	FIR16	FIRST NATIONAL BANK OMAHA	431.73	220127	BLD MAINT-
032475	02/10/22	INF00	INFRAMARK, LLC	77022.59	72932	PROF SVCS-
032476	02/10/22	INT15	INTERWEST CONSULTING GROU	2341.25	75663	SB2-PROF SVCS SB2-PLANNING
032477	02/10/22	MJB00	MJB WELDING SUPPLY, INC.	142.39	01372416	SMALL TOOLS-
032478	02/10/22	MUN02	MUNICIPAL CODE CORPORATIO	400.00	00369638	PROF SVCS-CITY CLERK
032479	02/10/22	PAC29	PACE ANALYTICAL SERVICES,	162.40	220114528	PROF SVCS-WTR DEPT
032480	02/10/22	PAP00	PAPE MACHINERY INC.	145.75	13295501	MAT & SUPPLIES-PARKS
032481	02/10/22	PAY01	PAYGOV.US LLC	2399.28	906	COVID 19-FINANCE
032482	02/10/22	PGE01	PG&E	2004.24	220204	ELECT-
				711.83	220204A	ELECT-
			Check Total.....	2716.07		
032483	02/10/22	PGE04	PG&E	410.40	220404	Tran#pFacility-
032484	02/10/22	PGE05	PG&E	2974.86	220204	FIRE-ELECT & GAS
032485	02/10/22	RED00	RED BLUFF DAILY NEWS	133.95	6641315	PRINT/ADVERT-CITY CLERK
032486	02/10/22	RED15	RED TRUCK ROCK YARD, LLC	53.63	1323	MAT & SUPPLIES-PARKS
				53.63	1324	MAT & SUPPLIES-PARKS
			Check Total.....	107.26		
032487	02/10/22	SCH01	LES SCHWAB TIRE CENTER	568.51	00419886	VEH OP/MAINT-POLICE
032488	02/10/22	SEI01	SEILER, ROY R., CPA	3124.00	30471	PROF SVCS-FINANCE
032489	02/10/22	SUN16	SUNBEAM SOLAR OPERATIONS	10080.10	162932	ELECT-
032490	02/10/22	THO01	THOMES CREEK ROCK CO	89.83	220131	MAT & SUPPLIES-

REPORT.: Feb 16 22 Wednesday
 RUN....: Feb 16 22 Time: 15:19
 Run By.: LORI SIMS

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 02-22 thru 02-22 Bank Account.: 1020

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

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
032491	02/10/22	TPX00	TPX COMMUNICATIONS	715.68	152707820	COMMUNICATIONS-
032492	02/10/22	WAL02	WALKER PRINTING	331.40	40922	PRINT/ADVERT-DISPATCH
032493	02/11/22	FIR05	FIRST NATIONAL BANK OMAHA	2187.85	220127	CONF/MTGS-
032494	02/11/22	GAB00	GABBARD, BRYAN	157.50	220211	REC INSTRUCTOR-REC
032495	02/11/22	NOR47	NORTHSTAR	3250.00 11550.00	78564 78565	PROF SVCS-ENGINEERING SERV PROF SVCS-PW ADMIN
Check Total.....:				14800.00		
032496	02/11/22	STR12	STROING, KYLEE	34.39	02082022	TRAINING/ED-POLICE
032497	02/15/22	BDI00	BDI	360.77	950231555	MAT & SUPPLIES-
032498	02/15/22	BIG02	BIG VALLEY SANITATION, IN	46.25	97777	CLEANING CONTRACT-STR
032499	02/15/22	BUR08	BURNETT, KAREN S.	150.00	220219	REC INTSRUCTOR-REC
032500	02/15/22	BUS01	BUSINESS CONNECTIONS	25.00	79613	MAT & SUPPLIES-REC
032501	02/15/22	CHI06	CHICO POWER EQUIPMENT	40.00	344135	CLEANING CONTRACT-STR
032502	02/15/22	COM06	COMCAST	13.20	220209	COMMUNICATIONS-PW ADMIN
032503	02/15/22	INF00	INFRAMARK, LLC	65226.54	73186	PROF SVCS-
032504	02/15/22	KNI00	KNIFE RIVER CONSTRUCTION	847.28	266856	A/C CITYWIDE-STR
032505	02/15/22	MOO07	MOORE & BOGENER, INC.	4786.16	12722	CONSULT SVCS-
032506	02/15/22	PAC29	PACE ANALYTICAL SERVICES,	162.40 316.20	220136328 220136728	PROF SVCS-WTR DEPT PROF SVCS-WTR DEPT
Check Total.....:				478.60		
032507	02/15/22	TEH15	TEHAMA CO SHERIFF'S DEPT	24.50	02112022	PROF SVCS-POLICE
032508	02/15/22	TON00	TONY'S REFRIGERATION, INC	528.25	66212	EQUIP MAINT-
032509	02/16/22	ATT13	AT&T	778.83	220211	COMMUNICATIONS-DISPATCH
032510	02/16/22	COR02	CORNING OBSERVER	72.70	220215	BOOKS/PERIODICS-LIBRARY
032511	02/16/22	CRO05	CROSS PETROLEUM	1180.13 1989.73 53.11	CL18064 CL18065 1481745IN	MAT & SUPPLIES- VEH OP/MAINT- EQUIP MAINT-SWR
Check Total.....:				3222.97		
032512	02/16/22	DHT00	DH TOOLS INC	1615.17	021622404	EQUIP MAINT-MECH MAINT
032513	02/16/22	DOW01	DOWN RANGE	172.63	518509	UNIFORMS/CLOTH-POLICE
032514	02/16/22	GRA02	GRAINGER, W.W., INC	67.77	921305976	MAT & SUPPLIES-BLD MAINT
032515	02/16/22	HOL04	HOLIDAY MARKET #32	14.40	003204250	MAT & SUPPLIES-WTR
032516	02/16/22	LAU01	LAUREL AG & WATER	32.37	INVLPI014	MAT & SUPPLIES-WTR
032517	02/16/22	MCI04	MCINTYRE, JASON	32.43	02152022	TRAINING/ED-POLICE
032518	02/16/22	NOR47	NORTHSTAR	10227.50	78593	COLSULT LIT-LGL SVCS (SOLANO)
032519	02/16/22	PGE01	PG&E	29638.73	220213	Electricity General City-
032520	02/16/22	PGE09	PG&E	208.36	220214	ELECT-STONEFOX L&L-Z1, D2
032521	02/16/22	PGE2A	PG&E	44.12	220214	ELECT-BLUE HERON CT
032522	02/16/22	VER02	VERIZON WIRELESS	228.06	989855572	COMMUNICATIONS-DISPATCH
032523	02/16/22	WHI02	WHITE JR, JAMES A.	241.50	02162022	TRAINING/ED-POLICE
Cash Account Total.....:				257585.41		
Total Disbursements.....:				257585.41		
Cash Account Total.....:				.00		

REPORT.: Feb 16 22 Wednesday
 RUN...: Feb 16 22 Time: 15:19
 Run By.: LORI SIMS

CITY OF CORNING
 Cash Disbursement Detail Report - Payroll Vendor Payment(s)
 Check Listing for 02-22 thru 02-22 Bank Account.: 1025

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

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
13016	02/10/22	BAN03	POLICE OFFICER ASSOC.	275.00	C20209	POLICE OFFICER ASSOC
13017	02/10/22	CAL37	CALIFORNIA STATE DISBURSE	138.46	C20209	WITHHOLDING ORDER
13018	02/10/22	COA05	COAST PROFESSIONAL INC.	322.45	C20209	WageOrder #WG2095564
13019	02/10/22	EDD01	EMPLOYMENT DEVELOPMENT	5757.35 1596.11 58.72 6.32	C20209 1C20209 2C20209 3C20209	STATE INCOME TAX SDI STATE INCOME TAX SDI
			Check Total.....	7418.50		
13020	02/10/22	FED00	FEDERAL PAYROLL TAXES (EF	14728.01 17708.88 4141.58 126.28 71.18 16.66	C20209 1C20209 2C20209 3C20209 4C20209 5C20209	FEDERAL INCOME TAX FICA MEDICARE FEDERAL INCOME TAX FICA MEDICARE
			Check Total.....	36792.59		
13021	02/10/22	ICM01	ICMA RETIREMENT TRUST-457	2526.24 185.00	C20209 1C20209	ICMA DEF. COMP ICMA DEF. COMP ER PD
			Check Total.....	2711.24		
13022	02/10/22	PERS1	PUBLIC EMPLOYEES RETIRE	25947.97 .00	C20209 1C20209	PERS PAYROLL REMITTANCE PERS PAYROLL REMITTANCE
			Check Total.....	25947.97		
13023	02/10/22	PERS4	Cal Pers 457 Def. Comp	2311.59 497.50	C20209 1C20209	PERS DEF. COMP. PERS DEF. COMP. ER P
			Check Total.....	2809.09		
13024	02/10/22	TEH16	TEHAMA COUNTY SHERIFF'S O	110.89	C20209	WageOrder F#20000149
13025	02/10/22	VAL06	VALIC	1994.38 142.50	C20209 1C20209	AIG VALIC P TAX AIG VALIC P TAX ER P
			Check Total.....	2136.88		
			Cash Account Total.....	78663.07		
			Total Disbursement#.....	78663.07		

Item No.: G-5

Date.: Feb 16, 2022
Time.: 3:34 pm
Run by: LORI SIMS

CITY OF CORNING
NEW BUSINESSES FOR CITY COUNCIL

Page.: 1
List.: NEWB
Group: WTFMBM

Business Name	Address	CITY/STATE/ZIP	Business Desc	Bus Start Date
A&M ENVIRONMENTAL SE 660	MANZANITA CT	CHICO, CA 95973	ENVIRONMENTAL CONSULTING	02/08/22
GREG'S HEATING & AIR 740	EAST WALKER ST.	ORLAND, CA 95963	HEATING & AIR CONDITIONING CONTRACTOR	02/15/22

**ITEM NO.: I-6
AUTHORIZE PAYMENT FOR INVOICE
22-216745-01 THE AMOUNT OF \$8,770.25
UNDER TASK ORDER "B" TO
ARMSTRONG CONSULTANTS, INC**

February 22, 2022

TO: HONORABLE MAYOR AND COUNCIL MEMBERS
FROM: KRISTINA MILLER, CITY MANAGER 
ROBIN KAMPMANN, PE; PUBLIC WORKS/ENGINEER CONSULTANT

SUMMARY:

Staff requests Council authorize payment of invoice 22-216745-01 under Task Order "B" (TO-B) for Armstrong Consultants, Inc., to provide Professional Services for the Airport Master Plan under Airport Engineering Services Agreement 2019-6 in the amount of \$8,770.25; this will be the seventh payment under Task Order "B". Services provided under Task Order "B" include Airport Narrative Project Report, Aeronautical Survey and Airport Layout Plans Update, Management & Coordination, Inventory Existing Conditions, Airport Waste Recycling, Facility Requirements, Financial Plan & Airport Layout Plan.

BACKGROUND:

On January 28, 2020 Council awarded the City Airport Engineering Services contract 2019-6 to Armstrong Consultants, Inc. The proposed services fall within this contract and can be issued as a Task Order. Council awarded Task Order "B" (TO-B) on June 8, 2021 in the amount of \$328,828 to prepare the ALP update.

FUNDING:

The grant offer for the ALP update is in the amount of \$ 328,828 therefore resulting in 100% funding for the project including the cost for the IFE.

RECOMMENDATION:

MAYOR AND COUNCIL AUTHORIZE:

- **PAYMENT FOR INVOICE 22-216745-01 IN THE AMOUNT OF \$8,770.25 UNDER TASK ORDER "B" TO ARMSTRONG CONSULTANTS, INC. FROM FUND 620-9209-3500, AIRPORT 21 Task B-AI.**



City of Corning
 794 Third Street
 Corning, CA 96021

DATE: 1/31/2022
 INVOICE NO. 22-216745-01

ATTN: Robin Kampmann, P.E., Public Works Director / City Engineer

FOR PROFESSIONAL SERVICES RENDERED:

City of Corning, California
 Corning Municipal Airport
 Engineering & Planning Services
 Task Order B
 AIP # 3-06-0053-010-2021

Element - Airport Master Plan

Element 1 - Project Management & Coordination	:\$	9,124.00	X	55%	=	\$5,018.20
Element 2 - Inventory Existing Conditions	:\$	20,068.00	X	100%	=	\$20,068.00
Element 3 - Airport Waste Recycling	:\$	4,050.00	X	90%	=	\$3,645.00
Element 4 - Facility Requirements	:\$	29,852.00	X	75%	=	\$22,389.00
Element 5 - Financial Plan	:\$	23,322.00	X	0%	=	\$0.00
Element 6 - Airport Layout Plan	:\$	58,575.00	X	15%	=	\$8,786.25
Documentation	:\$	11,942.00	X	35%	=	\$4,179.70
Meetings & Document Production	:\$	14,995.00	X	45%	=	\$6,747.75
Subconsultants	:\$	154,500.00	X	90%	=	<u>\$139,050.00</u>

Total Amount Earned to Date = \$209,883.90
 Less Amount Previously Invoiced = -\$201,113.65

Total Amount Due this Invoice = \$8,770.25



January 31, 2022

ACI # 216745

Robin Kampmann, PE
Public Works Director/City Engineer
City of Corning
794 Third Street
Corning, CA 96021

RE: Narrative Report, Aeronautical Survey and Airport Layout Plan Corning Municipal Airport

Ms. Kampmann,

Please see the information below which describes the current project status of the Corning Municipal Airport Layout Plan Update.

- Submission of Working Paper No. 1 to City and Technical Advisory Committee for review.
- Continue preparation of recommended taxiway and apron designs and supporting text.
- Continuation of development of Airport Layout Plan sheets.
- Progress on the AGIS survey is complete.

The immediate next steps for the project include:

- Completion of Airport waste recycling plan based upon City input.
- Continue development of Airport Layout Plan sheets.
- Begin development of financial plan and capital improvement program.
- Submission of recommended runway, taxiway, and apron design for City and Technical Advisory Committee review.
- Technical Advisory Committee meeting to review recommended apron, taxiway and, runway designs.

Enclosed is your invoice for services rendered for the project to date. If you have any questions, please feel free to contact us at your convenience.

Sincerely,


ARMSTRONG CONSULTANTS, INC.

Justin Pietz
Planning Manager, Principal

Enclosure: December 2021 Invoice

**ITEM NO.: G-7
ACCEPT RESIGNATION FROM
PLANNING COMMISSIONER
J.C. PENDERGRAFT
February 22, 2022**

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



SUMMARY:

On February 14, 2022, Planning Commission Chairperson J.C. Pendergraft submitted his resignation from the Planning Commission effective immediately.

BACKGROUND:

Commissioner J.C. Pendergraft was appointed to the Planning Commission by the City Council on March 14, 2017.

On February 14th Mr. Pendergraft submitted a letter of resignation from his position on the Planning Commission effective immediately. Due to personal reasons, he states that unfortunately he can no longer devote the time necessary to serve on the Commission.


Mr. Pendergraft has served the City and the Community well and he will be missed from the Commission. We thank him for his years of dedicated service.

RECOMMENDATION:

MAYOR AND COUNCIL ACCEPT THE RESIGNATION OF PLANNING COMMISSIONER J.C. PENDERGRAFT EFFECTIVE IMMEDIATELY.

**ITEM NO.: G-8
APPROVE LETTER OF SUPORT
FOR THE TEHAMA COUNTY
RECYCLING MARKET
DEVELOPMENT ZONE**

February 22, 2022

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

BACKGROUND:

The County of Tehama is pursuing 5310 funding and County Public Works is collecting letters of support for this endeavor. The goal of the 5310 Program is to improve mobility for seniors and individuals with disabilities by removing barriers to transportation services and expanding the transportation mobility options available. The FTA 5310 Program provides financial assistance for transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities.

This funding is essential to the ParaTRAX service which provides essential transportation for Seniors over 65 years of and ADA approved disabled individuals within the County. Without the ParaTRAX service, residents would not be able to get to medical appointments, shopping, banking, and any necessary day to day activities.

RECOMMENDATION:

MAYOR AND CITY COUNCIL APPROVE THE PROPOSED LETTER OF SUPPORT FOR THE TEHAMA COUNTY FTA 5310 PROGRAM.



City of Corning

794 Third St. Corning, CA 96021 (530) 824-7029

February 22, 2022

California Department of Transportation DRMT, MS 39
1120 N Street, Room 3300
PO Box 942874
Sacramento, CA 94274-0001

Re: FTA Expanded 5310 Projects Grant

To: 5310 Grants Committee

The City of Corning supports Tehama County's application for the 5310 Project Grant. I am writing as an advocate for people living with one or more significant disabilities in my position as Mayor of the City of Corning.

The goal of the 5310 Program is to improve mobility for seniors and individuals with disabilities by removing barriers to transportation services and expanding the transportation mobility options available. The FTA 5310 Program provides financial assistance for transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities.


The ParaTRAX service provides essential transportation for Seniors over 65 years of age and ADA approved disabled Individuals within the City of Corning. The City of Corning has limited services available and without the ParaTRAX service these residents would not be able to get to medical appointments, shopping, banking, and any necessary day to day activities.

The 5310 funding is important to support ParaTRAX services for residents within the City of Corning as it will help improve mobility for seniors and individuals with disabilities by removing barriers to transportation services and expanding transportation mobility options.

Thank you for your consideration.

Robert Snow,
Mayor
City of Corning

ITEM NO: 1-9
PRESENTATION AND ACCEPTANCE OF
ANNUAL CITY AUDIT FOR
FISCAL YEAR 2020/2021
FEBRUARY 22, 2022

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 2020/2021 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). 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 2020/2021 VS. FY 2019/2020

Tables 3 & 4 of the MD&A present the actual General Fund Revenues and Expenditures data for FY 2020/2021 as compared with the same data for FY 2019/2020. You will note that revenues (Table 3) increased in 2020/2021 by \$770,967 or 11.13% from the previous year. These increases were largely due increases in sales and use taxes. Fortunately, auto sales and the Wayfair decision, which requires sales tax to be paid on internet purchases regardless of whether the business has a physical presence in the State, largely offset fuel sales tax losses. From Table 4 you will note expenditures increased in FY 2020/2021 by \$340,333 or 6.16% from FY 2019/2020. Most notably, these increases in expenditures were due to increases in Public Safety expenditures.

FY 2020/2021 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” of the Audit. Overall, revenues came in significantly higher than anticipated. This was partly due to sales and use taxes exceeding our projections and a

large amount of one-time American Recovery Plan Act (ARPA) funds received. Expenditures came in significantly lower as well.

The Total General Fund balance at June 30, 2021 was 4,723,051. The Total General Fund balance at June 30, 2020 was \$3,724,365. This represents a \$998,686 increase.

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 positive "Change in Net Position" of \$58,928. This was primarily due to water rate increases. The Sewer Fund data is presented in Table 6 and also shows a Change in Net Position of \$277,498 at the close of FY 2020/2021.

The other specialized Funds such as the road funds are listed in **Exhibits B-1 through B-3**. New this year is Fund 005, which was created to track American Recovery Plan Act funds received.

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. Depreciation and Amortization are included 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, 2021.

CITY OF CORNING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

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, 2021. 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 \$44,592,637. Deferred inflows and outflows of resources were \$6,328,447 and \$1,635,645 respectively, and total liabilities were \$18,158,128 at June 30, 2021. The City's assets exceeded its liabilities by \$21,741,707 (net position) for the fiscal year reported. This is an increase of \$2,960,943 from the previous year when assets exceeded liabilities by \$18,780,764. The increase was primarily due to increases in sales and use taxes and \$922,198 of American Rescue Plan Act (ARPA) monies received. A surplus in the amount of \$2,106,601 was generated in the governmental funds and an increase of \$854,342, including prior period adjustments, in the business-type funds.

At June 30, 2021, the General Fund had a fund balance of \$4,723,051.

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 \$9,776,036 this year. This compares to the prior year ending fund balance of \$7,320,812 and is an increase of \$2,446,218 during the current year.

For the fiscal year ending June 30, 2021, the fund balance of the General Fund was \$4,723,051. 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 \$4,723,051 at June 30, 2021 equates to 9.66 months of operating expenditures, based on reported fiscal year 2020-2021 expenditures (\$5,865,769).

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 \$6,358,448 as of June 30, 2021. This compares to the prior year ending net position of \$5,504,106 showing an increase of \$854,372, after prior period adjustments, during the 2020-21 year. Effective April 2021, the City no longer controls the financial aspects for Solid Waste.

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 52 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 51 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 starting on page 59 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 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, 2021.

TABLE 1 – NET POSITION						
	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2021	2020	2021	2020	2021	2020
Assets:						
Cash and other assets	\$ 16,201,517	\$ 13,316,870	\$ 4,297,573	\$ 4,090,401	\$ 20,499,010	\$ 17,407,271
Capital asset	<u>12,976,055</u>	<u>12,589,693</u>	<u>11,117,572</u>	<u>10,901,048</u>	<u>24,093,627</u>	<u>23,490,741</u>
Total Assets	\$ <u>29,177,572</u>	\$ <u>25,906,563</u>	\$ <u>15,415,065</u>	\$ <u>14,991,449</u>	\$ <u>44,592,637</u>	\$ <u>40,898,012</u>
Deferred Outflows	\$ <u>1,144,000</u>	\$ <u>1,294,455</u>	\$ <u>491,645</u>	\$ <u>288,003</u>	\$ <u>1,635,645</u>	\$ <u>1,582,458</u>
Liabilities:						
Other liabilities	\$ 1,458,059	\$ 994,756	\$ 681,031	\$ 588,609	\$ 2,139,090	\$ 1,583,365
Long-term liabilities	<u>7,259,423</u>	<u>6,766,800</u>	<u>8,759,615</u>	<u>9,076,035</u>	<u>16,019,038</u>	<u>15,842,835</u>
Total Liabilities	\$ <u>8,717,482</u>	\$ <u>7,761,556</u>	\$ <u>9,440,646</u>	\$ <u>9,664,644</u>	\$ <u>18,158,128</u>	\$ <u>17,426,200</u>
Deferred Inflows/Revenues	\$ <u>6,220,831</u>	\$ <u>6,162,804</u>	\$ <u>107,616</u>	\$ <u>110,702</u>	\$ <u>6,328,447</u>	\$ <u>6,273,506</u>
Net Position:						
Invested in capital assets net of related debt	\$ 11,842,822	\$ 11,441,750	\$ 3,516,913	\$ 2,959,957	\$ 15,359,735	\$ 14,401,707
Restricted	-	-	1,650,046	1,650,046	1,650,046	1,650,046
Unrestricted	<u>3,540,437</u>	<u>1,834,908</u>	<u>1,191,489</u>	<u>894,103</u>	<u>4,731,926</u>	<u>2,729,011</u>
Total Net Position	\$ <u>15,383,259</u>	\$ <u>13,276,658</u>	\$ <u>6,358,448</u>	\$ <u>5,504,106</u>	\$ <u>21,741,707</u>	\$ <u>18,780,764</u>

In fiscal year 2020-21, Governmental Activities increased the City's net position by \$2,106,601 and business-type activities increased the City's net position by \$854,342, after prior period adjustments, as compared to the prior fiscal year.

As Table 2 depicts, Governmental Activities revenues increased by \$1,605,839, or 19.25%, due primarily to increases in sales and use tax, grant revenue, and ARPA monies received. Expenses in the governmental activities increased by \$551,627, or 7.56%; much of this increase is in the City's public safety and street projects combined with an increase in general government.

Business-type activities revenues increased by \$201,716 or 4.49%. The increase was due, in part to changes in customer charges. Business-type expenses decreased by <\$176,874>.

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>	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 4,073,580	\$ 4,037,507	\$4,073,580	\$ 4,037,507
Operating grants and contributions	382,872	366,860	-	-	382,872	366,860
Capital grants and Contributions	303,285	5,142	-	-	303,285	5,142
General revenues:						
Property taxes	694,262	625,019	-	-	694,262	625,019
Sales and use taxes	4,635,865	4,210,280	-	-	4,635,865	4,210,280
Occupancy taxes	415,518	553,456	-	-	415,518	553,456
Other taxes	279,473	279,564	-	-	279,473	279,564
Vehicle License In Lieu	730,670	672,747	-	-	730,670	672,747
Franchise tax	152,145	137,164	-	-	152,145	137,164
Investment earnings	42,350	86,643	13,894	36,472	56,244	123,115
Intergovernmental	1,847,614	732,701	-	-	1,847,614	732,701
Other revenue	463,748	672,387	606,679	418,458	1,070,427	1,090,845
Total Revenue	<u>9,947,802</u>	<u>8,341,963</u>	<u>4,694,153</u>	<u>4,492,437</u>	<u>14,641,955</u>	<u>12,834,400</u>
Expenses						
General government	2,447,424	2,194,351	-	-	2,447,424	2,194,351
Public safety	4,316,763	4,163,807	-	-	4,316,763	4,163,807
Transportation	557,399	361,489	-	-	557,399	361,489
Cultural Parks and Recreation	491,648	482,099	-	-	491,648	482,099
Community Development	27,967	87,828	-	-	27,967	87,828
Sewer	-	-	2,042,805	2,208,788	2,042,805	2,208,788
Water	-	-	1,583,822	1,473,962	1,583,822	1,473,962
Solid Waste	-	-	398,355	524,429	398,355	524,429
Airport	-	-	67,679	64,809	67,679	64,809
Transportation Center	-	-	18,240	15,787	18,240	15,787
Total Expenses	<u>7,841,201</u>	<u>7,289,574</u>	<u>4,110,901</u>	<u>4,287,775</u>	<u>11,952,102</u>	<u>11,577,349</u>
Increase (Decrease) in Net Position before transfers, prior period adjustments and extraordinary items	2,106,601	1,052,389	583,252	204,662	2,689,853	1,257,051
Transfers	-	(15,000)	-	-	-	(15,000)
Prior period adjustments	-	-	271,090	-	271,090	-
Increase (Decrease) in Net Position	<u>\$ 2,106,601</u>	<u>\$ 1,037,389</u>	<u>\$ 854,342</u>	<u>\$ 204,662</u>	<u>\$ 2,960,943</u>	<u>\$ 1,242,051</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 (GASB 54), 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 \$9,767,036 an increase of \$2,446,224 over the prior year. The primary reason for the increase is overall increases in sales tax, grant, and ARPA revenues.

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 \$1,013,321.

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.

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

	2021		2020		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	% change
Taxes and assessments	\$ 6,628,460	86.11%	\$ 6,199,663	89.50%	\$ 428,797	6.92%
Use of money and property Interest	12,236	0.16%	30,948	0.45%	(18,712)	(60.47%)
Licenses and permits	290,781	3.78%	289,114	4.17%	1,667	0.58%
Intergovernmental revenues	363,500	4.72%	198,007	2.85%	165,493	(18.36%)
Other revenue	<u>402,700</u>	<u>5.23%</u>	<u>208,978</u>	<u>3.03%</u>	<u>193,722</u>	<u>92.70%</u>
Total	\$ 7,697,677	<u>100.00%</u>	\$ 6,926,710	<u>100.00%</u>	\$ 770,967	<u>11.13%</u>

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

	2021		2020		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	% change
General Government	\$ 1,248,159	21.28%	\$ 1,316,446	23.82%	\$ (68,287)	(5.19%)
Public Safety	3,648,445	62.20%	3,323,339	60.15%	325,106	9.78%
Transportation	92,363	1.57%	87,590	1.59%	4,773	5.45%
Cultural Parks and Recreation	374,746	6.39%	320,947	5.81%	53,799	16.76%
Community/Economic Development	23,500	0.40%	24,610	0.45%	(1,110)	(4.42%)
Debt service	320,774	5.47%	310,302	5.62%	10,472	3.37%
Capital outlay	157,782	2.69%	142,202	2.56%	15,580	10.96%
Total	\$ 5,865,769	100.00%	\$ 5,525,436	100.00%	\$ 340,333	6.16%

Fiscal year 2020-21 General Fund revenue increased by \$770,967 (11.13%) in comparison with the prior year. Significant changes were a decrease of taxes and assessments, primarily due to an increase in sales tax and transient occupancy taxes. The schedule above reflects the changes during the year. Total General Fund expenditures increased by \$340,333 or 6.16% from the prior fiscal year indicating an increase in public safety, recreation and capital outlay.

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, 2021, the Water Fund had an increase in net position of \$58,928 and the Sewer Fund had an increase in net position of \$277,498. The Solid Waste Fund had an increase in net position of \$10,507, and the Airport and the Transportation Center have a change in net position of \$235,788 and \$531, respectively. A two-year comparison of change in net position for the major funds is provided in the following tables.

Water Fund - The net position of the Water Fund increased in fiscal year 2020-21 and decreased in fiscal year 2019-20. Operating revenues increased by 5.99% while operating expenses increased by 8.42%. The net effect was a decrease in net position in fiscal year 2020-21 compared to fiscal year 2019-20.

TABLE 5 - WATER FUND
For the periods ending June 30

	2021	2020	Increase(decrease) from prior	
	Amount	Amount	Amount	Percent
Operating Revenues	\$ 1,637,883	\$ 1,545,582	\$ 92,301	5.99%
Expenses	(1,466,946)	(1,353,044)	113,902	8.42%
Non-operating revenue (expense)	(112,009)	(106,716)	(5,293)	(4.72)%
Net operating transfers	-	-	-	00.00 %
Change in net position	\$ 58,928	\$ 85,822	\$ (26,894)	

Sewer Fund - The Sewer Fund reported a positive increase in net position in fiscal year 2020-21 compared to fiscal year 2019-20. In 2020-21 operating revenues increased offsetting smaller increases in operating expenses, the net effect being a \$277,498 increase 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

	2021	2020	Increase(decrease) from prior	
	Amount	Amount	Amount	Percent
Operating Revenues	\$ 2,311,673	\$ 2,337,114	\$ (25,441)	(1.08)%
Expenses	(1,860,236)	(2,022,212)	(161,976)	(8.01)%
Non-operating revenue (expense)	(173,939)	(165,992)	(7,947)	(4.56)%
Net operating transfers	-	-	-	00.00%
Change in net position	<u>\$ 277,498</u>	<u>\$ 148,910</u>	<u>\$ 129,038</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 2020-21, after Council approved changes, anticipated a shortfall of \$(53,481). Revenues in fiscal year 2020-21 were \$706,875, or 9.83%, more than the budget estimate. The results of the General Fund were more favorable than anticipated, with an actual net surplus of \$1,013,321 due to increases in revenue and decreases in expenditures and capital outlay.

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

	2021			2020		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues	\$ 7,190,802	\$ 7,897,677	\$ 706,875	\$ 6,839,300	\$ 6,926,710	\$ 87,410
Expenditures	(5,970,878)	(5,645,487)	325,391	(5,468,189)	(5,383,234)	84,955
Operating Result	1219,924	2,252,190	1,032,266	1,371,111	1,543,476	172,365
Capital Outlay	(192,318)	(157,782)	34,536	(521,960)	(142,202)	379,758
Transfers Out	(1,081,087)	(1,081,087)	-0-	(950,000)	(759,197)	190,803
Net Result	<u>\$ (53,481)</u>	<u>\$ 1,013,321</u>	<u>\$ 1,066,802</u>	<u>\$ (100,849)</u>	<u>\$ 642,077</u>	<u>\$ 742,926</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 (GASB 34), 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, 2021, was \$12,976,055 and \$11,117,572 respectively. This represented an increase in the net investment (net of corresponding debt) of 3.15% for governmental and a decrease in net investment of 11.65% for business-type activities.

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

	2021	2020	Increase (Decrease) \$	Increase (Decrease) %
Governmental Funds	\$ 12,976,055	\$ 12,560,797	\$ 415,258	3.30%
Business-type Funds	\$ 11,117,572	\$ 11,614,236	\$ (496,664)	(4.27)%

Long-term debt (including Compensated Absences). As of June 30, 2021, the City had total debt outstanding of \$9,524,289; this is a decrease from the total debt outstanding at June 30, 2020 of \$9,774,431. 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.

TABLE 9 - TOTAL DEBT
For the periods ending June 30

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2021	2020	2021	2020	2021	2020
Capital Leases	\$ 556,982	\$ 283,094	\$ -	\$ -	\$ 556,982	\$ 283,094
Compensated Absences	632,319	548,260	158,078	137,077	790,397	685,337
Pension Obligation Bonds	576,251	864,908	60,659	91,092	636,910	956,000
2020 Revenue						
Refunding Bonds	-	-	7,540,000	7,850,000	7,540,000	7,850,000
Total	\$ 1,765,552	\$ 1,696,262	\$ 7,758,737	\$ 8,078,169	\$ 9,524,289	\$ 9,774,431

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 \$4,635,865 in sales tax and use tax in fiscal year 2020-2021, which is not quite a fully recovery from pre-pandemic levels. Overall sales and use taxes are up \$315,569 from fiscal year 2019-2020. Transient Occupancy Taxes received in fiscal year 2020-2021 totaled \$553,446, which was down \$202,603 from fiscal year 2019-2020. The decrease in Transient Occupancy Taxes is likely as a result of the COVID-19 pandemic. These losses were partially offset by an increase in motor vehicle in lieu taxes (private used auto sales taxes), which increased by \$100,971 from fiscal year 2019-2020 to fiscal year 2020-2021.

In 2020-2021 the City was notified that it will receive \$1,844,396 in American Rescue Plan Act (ARPA) revenues payable in two installments, the first of which has been recorded as revenue in 2020-21. The City

plans to utilize these funds to extend water and sewer infrastructure to the westside of Interstate 5. Doing so, will increase the sales tax base and diversify City sources of revenue creating greater financial stability.

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 May of 2014, the City Council implemented Resolution No. 05-27-2014-01. The Resolution implements five annual 3.5% sewer rate increases to account for inflation and set aside net revenues to fund future repairs and facility replacement. The last rate increase as part of Resolution No. 05-27-2014-01 occurred on July 1, 2014.

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 City may need to consider further water and sewer rate increases, if bad debt as a result of the COVID-19 pandemic is not recovered.

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 \$808,649 in State Gas Taxes, Senate Bill 1 funds, and local transportation taxes during the year; that is only \$101 per year per resident. The balance of the funds spent on roads comes from the City General Fund and available State and Federal funding. In the next few years, there will be two large road and pedestrian improvement projects funded through local transportation taxes and Safe Routes to Schools funding

The City Recreation Program is currently largely grant-funded. In fiscal year 2022-2023 the grant funding will terminate. At that point, the recreation program will become a general fund expense. The City received \$8.5 million in grant funding to construct a city plaza, recreation center, splash pad and amphitheater. Construction of the new facilities are expected to be completed in 2025. At that point, the City will need to increase recreation staffing to support the new facility.

For Fiscal Year 2020-2021 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. The Dispatch Records Supervisor position has been filled. There remains five dispatchers, including the dispatch supervisor.

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 full-time Maintenance Workers and a field supervisor. A part-time maintenance worker is utilized as well. Only the Director and the Public Works Secretary are in the office. Beginning in October of 2019 the City initiated a contract with a consulting firm for Public Works Director and City Engineer 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: I-10
ANNUAL MID-YEAR BUDGET
REVIEW AND GENERAL
DISCUSSION-FY 2021/2022
FEBRUARY 22, 2022

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, 2022.

APPROVED BUDGET:

The Fiscal Year 2021/22 Budget projected total revenues (excluding transfers) of \$13,395,853. General Fund Revenues (including Measure A) are expected to make up about 55.4% (\$7,417,609) of total revenues. The City Council maintains primary discretion over how the General Fund is expended.

The remainder, about 44.6% (\$5,978,244) of revenues originates from sources other than General Fund revenues and must be allocated (expended) for specific purposes, such as grant-funded projects, or for 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 2021-22 Budget projected total expenditures (excluding transfers) of \$14,179,938, of that amount \$7,643,411 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 2021/22 General Fund Budget (including Measure A) projected total revenues of \$7,417,609. Sales Tax (excluding Measure A Transactions and Use Tax) was projected to generate 50% of the total General Fund Revenues, or \$3,230,000. Sales Tax and Measure A Tax combined total 57.9% of General Fund Revenue (including Measure A).

1. General Fund Revenue FY 2021/2022:

- 1. Projected Sales Tax (Account 4121 and 4009)** -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 (Truck stops), we are heavily reliant on sales tax from fuel sales. That being said, the 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 29% in fiscal year 2020/2021. Lower fuel costs equate to less sales and lower sales tax revenue for us. Accordingly higher fuel prices right now are not affecting demand. People want to get out and travel. As a result, we can expect sales tax from fuel to increase as compared to previous years.

At this moment, we have complete sales tax data for two calendar quarters for FY 2021/22; the 2nd and 3rd quarters of 2021. Those receipts are on target for exceeding the \$3.23 million budget for the General Fund and the \$1,170,000 in Transactions and Use (Measure A) tax. For the General Fund (Account 4121), the City should expect to receive approximately \$430,000 more than budgeted or \$3,660,000. The budget is

proposed to be increased accordingly. Transactions and Use Tax (Measure A-Account 4009) is expected to come in \$180,000 higher than budgeted. The budget is proposed to be increased accordingly to \$1,350,000.

The 4th Quarter 2021 totals will not be received until late March 2022, and the totals for the 1st Quarter of 2022, three months after that in June.

2. **Transient Occupancy tax (Account 4128)**- Revenue receipts are higher than originally anticipated. The budget is proposed to be increased from \$525,000 to \$645,000.
3. **Vehicle License Fees (Account 4511)**- Vehicle License Fees (VLF) are budgeted at \$720,000 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 2022 payment was \$391,936. The May payment should be the same. VLF will be greater than budgeted this fiscal year by approximately \$60,000. The budget is proposed to be increased accordingly.
4. **Franchise Fees (Accounts 4123, 4124, 4125)**: We collect Franchise Fees from PG&E, Comcast Cable TV, and Waste Management. 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.
5. **BUILDING PERMIT/PLAN CHECK FEES**: At this point, Building Permit (\$45,878 currently vs. \$150,000 budget) and Plan Check (\$13,488 current vs. \$25,000 budget). Building Permit fees are proposed to be reduced \$30,000 to \$120,000. Plan Check fees are proposed to be increase \$5,000 to \$30,000.
6. **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 12% 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.
7. Various Minor Revenue adjustments are proposed to **Homeowners Exemption (Account 4515)**, **Public Works Miscellaneous Income (Account 4540)**, **Credit Card Processing Fee (Account 4588)**, and **Park Lights (Account 4655)** based on current receipts. These adjustments equate to a (\$1,500) decrease in revenue total.

The total of these general fund revenue adjustments amounts to a projected increase by \$583,500 at year's end, as depicted in Exhibit B.

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, 2021), the results are as follows:

SEWER FUND: The total Sewer Fees revenues at December 31 is \$1,064,391. The total fiscal year budget projection is \$2,140,000. Revenues are in line with projections. Sewer fund expenditures are on target except for electricity costs. Electricity (Account 610-6410-5000) is proposed to be increased by \$1,400 to \$7,500.

WATER FUND: Water revenues through December 31 total \$888,454. The total fiscal year budget projection is \$1,685,000. Revenues are in line with projections. Water fund expenditures are also on target except for electricity costs. Electricity (Account 630-6410-7100) is proposed to be increased by \$70,000 to \$300,000.

While revenues are on target, the City is experiencing over \$100,000 in bad debt as a result of not being able to shut off water for non-payment. Should utility users not repay these debts, the City may have to raise rates to remain in compliance with its rate covenant. It is hoped those impacted by the COVID-19 pandemic will take advantage of the Utility Payment Assistance Programs made available. The City also received funding from a State of California Arrearages Grant program to offset a portion of these losses.

The Water and Sewer Enterprise Fund expenditures overall should meet FY 2021/2022 budget expectations.

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, except for the following instances displayed in Exhibit A.

PERSONNEL COSTS:

Our largest single expense is employee wages and benefits (personnel costs). The City is experiencing increases in overtime costs in Police and Fire Dispatch as a result of coverage for employees on quarantine/isolation orders and medical leave. The budget is proposed to be increased by \$49,000 total for Police and Fire Dispatch, as indicated in Exhibit A.

BOTTOM LINE:

The total fund balance as of June 30, 2021 is \$4,723,051 for the General Fund (including Measure A). The total fund balance projected as of June 30, 2022 is anticipated to be \$4,793,902 including the Measure A fund. These fund reserves are necessary to provide stability within the City during the next economic downturn. The City should examine City priorities (what is the long-term vision), long-term employment and facility needs of the City. Currently the City does not set aside any funds for the replacement of building as the City grows. Undoubtedly at some point all departments will outgrow their current facilities.

The City is in a much better fiscal condition because of Measure A Revenue. The City is at a point where it can begin as part of its strategic planning process to really focus its efforts and budget priorities on improvements of value to the community, while keeping in mind on existing staffing and workload levels.

RECOMMENDATION:

MAYOR AND COUNCIL:

- **APPROVE THE PROPOSED BUDGET ADJUSTMENTS AS DEPICTED IN EXHIBIT A AND B; and,**
- **RECEIVE THE MID-YEAR BUDGET REPORT AS PRESENTED.**

EXHIBIT A: Proposed Mid-Year Budget Adjustments

Expenses	Department	Description	Approved Budget FY 2021-2022	Proposed Mid Year Budget Adjustments	\$ Change	Explanation
001-5850-2119	Police Dispatch	Comp Time Cashed	25,000	40,000	15,000	Medical leave, COVID leave
001-5200-2119	Police Dispatch	Overtime	10,000	15,000	5,000	Medical leave, COVID leave
001-5850-2302	Fire Dispatch	Comp Time Cashed	20,000	45,000	25,000	Medical leave, COVID leave
001-9713-2302	Fire Dispatch	Overtime	11,000	15,000	4,000	Medical leave, COVID leave
001-6750-2300	Fire	Building Maint.	4,000	6,000	2,000	Unanticipated Maintenance to Roll-Up Door
001-9112-3000	Streets	Traffic Control Improvements	28,155	29,000	845	Freight for push buttons came in higher than anticipated
001-6700-3100	Streets and Traffic Lights	Equipment Maintenance	17,000	22,000	5,000	Traffic light maintenance costs are high this year
001-6187-6200	Pool	Lifeguard Certification and Testing	2,500	5,500	3,000	The cost and number of lifeguards requiring certification/recertification is greater than previous years.
001-3160	Transportation Center	LED Sign Infrastructure	-	35,000	35,000	LED sign at Transportation Center
075-9391-6101	Parks Special Projects	Parks Capital Outlay	-	277,000	277,000	Additional capital outlay for Clark Park Playground and \$250,000 Parking lot improvements. It is not anticipated the full renovation of the Woodson Park bathroom will be complete this year.
001-9304-6101	Parks Special Projects	Parks Equipment		177,952	177,952	Children's Park, Northside Park, and \$50,452 of Clark Park Grant- Funded Improvements
001-6300-1600	General City	Professional Services	200	1,000	800	CDBG Home and Program Income Reporting
001-6313-1600	General City	Senior Center	4,000	10,000	6,000	Additional contribution to Senior Center approved at 11-09-2021 City Council Meeting
001-6250-3600	Building Maintenance	Small Tools	100	250	150	General increases in costs
610-6410-5000	Sewer	Electricity	6,100	7,500	1,400	Repayment of Energy Efficiency Improvements. The City has experienced usage savings for the last two years. The difference in usage is now being repaid as a 0% on-bill financing loan.
630-6410-7100	Water	Electricity	230,000	300,000	70,000	
001-6410-1600	General City	Electricity	52,000	75,000	23,000	
001-6410-6100	Parks	Electricity	18,000	21,000	3,000	
001-6410-1700	Library	Electricity	12,400	16,500	4,100	
Grand Total					658,247	
Total General Fund Budget Adjustments						586,847
Total Water Fund (630) Budget Adjustments						70,000
Total Sewer Fund (610) Budget Adjustments						1,400

EXHIBIT B

Fund:001 Name :General Fund				
Revenue Account	Description	Adopted FY 2021-2022 Budget	Proposed Budget Adjustment	NEW FY 2021-2022 Proposed Budget
4121	Sales-Use Tax	3,230,000	430,000	3,660,000
4128	Transient Occupancy Tax	525,000	120,000	645,000
4430	Building Permit	150,000	(30,000)	120,000
4511	MtrVeh In Lieu/Tax	720,000	60,000	780,000
4515	Home Owners Exemption	10,000	(2,000)	8,000
4540	Public Works, Misc. Income	-	1,500	1,500
4588	CREDIT CARD PROCESSING FEE	2,000	(2,000)	-
4610	Bldg.Insp./Plng.Ck.Fees	25,000	5,000	30,000
4655	Park Lights	-	1,000	1,000
Total Revenue Adjustment			\$ 583,500	

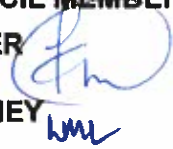
Fund:002 Name :Sales Tax T&U (Measure A)				
Revenue Account	Description	Adopted FY 2021-2022 Budget	Proposed Budget Adjustment	NEW FY 2021-2022 Proposed Budget
4009	Sales Tax(T&U)	1,170,000.00	180,000	1,350,000
Total Revenue Adjustment			180,000	

Fund:003 Name: American Recovery Plan Act				
Revenue Account	Description	Adopted FY 2021-2022 Budget	Proposed Budget Adjustment	NEW FY 2021-2022 Proposed Budget
	ARPA Revenue	-	922,198	922,198
Total Revenue Adjustment			922,198	-

**ITEM NO: I-11
REVIEW AND ADOPT RESOLUTION
02-22-2022-01 A RESOLUTION
ADOPTING WITHOUT REVISION THE
CITY'S CONFLICT OF INTEREST
CODE**

February 22, 2022

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. 02-22-2022-01 TO APPROVE WITHOUT ANY REVISIONS THE CITY OF CORNING CONFLICT OF INTEREST CODE.

RESOLUTION NO.: 02-22-2022-01

**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 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 22nd day of February, 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Robert Snow, Mayor

ATTEST:

Lisa M. Linnet, City Clerk

I, Lisa M. Linnet, City Clerk of the City of Corning, California, DO HEREBY CERTIFY that the foregoing Resolution, Resolution No. 02-22-2022-01, 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 22nd day of February, 2022 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.