



**CITY COUNCIL
CLOSED SESSION MEETING
TUESDAY, FEBRUARY 22, 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:** 6:00 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.

C. **PUBLIC COMMENTS:** None

D. **REGULAR AGENDA:**

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

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

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**

F. **CLOSED SESSION:** 6:30 p.m.

Mayor Snow announced that there were no reportable actions.



**CITY COUNCIL
MEETING MINUTES
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 at (720) 707- 2699

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

1. **ROLL CALL:**

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

All members of the City Council were present.

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

THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER

3. INVOCATION: Led by Councilor Burnett.**4. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, PRESENTATIONS:****1. Introduction of Corning Volunteer Fire Department Officers by Fire Chief Tom Tomlinson.**

Chief Tomlinson introduced the new Corning Volunteer Fire Department Officers which are: 1st Assistant Chief Daymon Schlereth; 2nd Assistant Chief Jeff Nelson; Captain's Rocky Peterson, Jerod Smith, and Billy Wooten. Chief Tomlinson stated that although Councilman and Fire Department Volunteer Dave Demo has stepped down as an Officer of the department after many years of service; he still remains an active and valued member of the Volunteer Fire Department.

5. PUBLIC COMMENTS AND BUSINESS FROM THE FLOOR:

Police Chief Fears addressed the Council regarding Police Department staffing levels and budget. He stated that staffing within the Police Department has remained the same for many years with some positions remaining frozen. He further stated that over these same years, there have been within the City, an increase in new Housing Developments, Commercial businesses, Parks, etc. which all require additional service by the Police Department. He requested that the staffing level at the Department be reviewed, and consideration be given to filling some, if not all, of the frozen positions in light of the City growth and current need.

6. 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 with any necessary corrections the Minutes of the following meetings:

a. February 8, 2022 Closed Session and Regular City Council Meeting; and

b. March 1, 2022 Special City Council Meeting.

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.

Councilor Valerio moved to approve Consent Items 2-8; Councilor Burnett seconded the motion. **Ayes: Snow, Demo, Burnett, Valerio, and Hargens. Absent/Abstain/Opposed: None. Motion was approved by a 5-0 vote.**

7. ITEMS REMOVED FROM THE CONSENT AGENDA: None.**8. REGULAR AGENDA:**

Items 10 & 11 were presented prior to Item 9 as City Auditor Don Reynolds was not yet present.

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

Presented by City Manager Kristina Miller who stated that this report largely relies on information from the fiscal year mid-point, which is December 31, 2022. She stated that the Fiscal Year 2021/22 Budget projected total revenues (excluding transfers) of \$13,395,853. The General Fund Revenues (including Measure A) projected total revenues of \$7,417,609 or 55.4% of total revenues. General Fund Revenues are faring very well, to the point of almost returning to pre-pandemic levels. The City Council maintains primary discretion over how these funds are expended.

The remainder, about 44.6% (\$5,978,244 of revenues originate 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. (these are referred to as non-discretionary because the Council has little choice regarding how they are spent).

City Manager Miller presented the projected Sales Tax, emphasizing that the City is heavily reliant on sales tax from fuel sales which has been decreasing significantly in the last six years. That being said, we expect sales tax from fuel to increase as compared to previous years. Currently the City has 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. She stated that the City should expect to receive approximately \$430,000 more than budgeted or \$3,660,000 for General Fund Account 4121, and Account 4090 (Measure A) is expected to come in \$180,000 higher than budgeted.

- Transient Occupancy Taxes (TOT's) are expected to come in higher at \$120,000 higher than budgeted (from \$525,000 to \$645,000).
- Vehicle license fees are projected at \$60,000 higher than expected.
- Building fees are proposed to be reduced \$30,000 to \$120,000 and plan check fees expected higher at \$5,000 to \$30,000.
- Franchise Fees (PG&E, Comcast Cable TV, and Waste Management) are expected to come in as anticipated. Property Taxes collected by the County make up about 12% of the City's General Fund and are projected to meet budget as proposed.
- 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.

Enterprise Funds have to be used for specific purpose. The sewer funds are coming in as expected, however electrical costs are higher than expected. Water fees are also experiencing higher electrical costs. She mentioned the deficits in water and sewer delinquent debts and possible options for the City to recoup these debts.

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.

She concluded by stating 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. She emphasized that these fund reserves are necessary to provide stability within the City during the next economic downturn.

Mayor Snow stated that one of the adjustment costs is for the Clark Park improvements approved during the budget process and mistakenly left out of the Budget; part of the adjustment amount is to correct this.

Ms. Miller explained the depreciation process and the need for setting aside funds for building accommodation for staff growth.

Mayor Snow stated his belief that we need to start now looking at budgeting for long term staffing levels. Councilors Demo and Burnett agreed.

Councilor Demo moved to approve the proposed Budget Adjustments as depicted in Exhibit A and B and receive the Mid-Year Budget Report as presented. Councilor Hargens seconded the motion. **Ayes: Snow, Demo, Burnett, Valerio, and Hargens. Absent/Abstain/Opposed: None. Motion was approved by a 5-0 vote.**

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

Presented by City Attorney Collin Bogener. Councilor Demo moved to adopt Resolution 02-252-2022-01, a Resolution to approve without any revisions the City of Corning Conflict of Interest Code. Councilor Burnett seconded the motion. **Ayes: Snow, Demo, Burnett, Valerio, and Hargens. Absent/Abstain/Opposed: None. Motion was approved by a 5-0 vote.**

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

Presented by City Manager Kristina Miller on behalf of Don Reynolds. She stated that the City received a clean audit, nothing was found of concern relating to the City's finances. She presented the "MD&A" (Management's Discussion and Analysis).

Following the presentation and discussion, Councilor Hargens moved to receive and accept the Annual Audit for Fiscal Year ending June 30, 2021. Councilor Demo seconded the motion. **Ayes: Snow, Demo, Burnett, Valerio, and Hargens. Absent/Abstain/Opposed: None. Motion was approved by a 5-0 vote.**

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

K. COMMUNICATIONS, CORRESPONDENCE, AND INFORMATION: None.

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: None

Burnett: Reported on the Corning Chamber of Commerce Corning in the Evening Event held at the Senior Center.

Hargens: Reported on attendance at the Tripartite Board Meeting.

Valerio: Reported that in coordinating with the Chamber of Commerce the Food Truck Tuesday Dates have been chosen, they will be April 5th; May 3rd; September 6th; and October 4th.

Snow: None.

Chief Fears announced that Feb. 26th the annual Police/Fire Awards will be held at the Corning Veterans Hall.

M. ADJOURNMENT: 7:40 p.m.

Lisa M. Linnet, City Clerk