



**CITY OF CORNING  
SPECIAL CITY COUNCIL  
CLOSED SESSION MINUTES  
TUESDAY, MARCH 14, 2017  
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:**

**Darlene Dickison  
Dave Linnet  
Jose "Chuy" Valerio  
Robert Snow  
Douglas Hatley Jr.**

**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:**

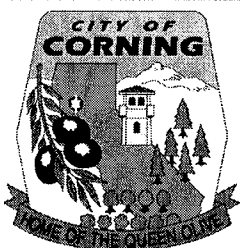
- 1. CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO SECTION 54957.6:  
Agency Negotiator: William May, Labor Relations Consultant  
Bargaining Units: Management, Public Safety, Dispatcher, and Miscellaneous**

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

Mayor Hatley announced that the Council met in closed session with the City's Labor Negotiator and gave him direction.

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**Lisa M. Linnet, City Clerk**



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

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

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

E. **PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, PRESENTATIONS**: None

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

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

1. Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.
2. Waive the reading and approve the Minutes of the February 28, 2017 City Council Closed Session, Joint Meeting of the City Council & City Commissions and the Regular City Council Meetings with any necessary corrections. (Removed – to be presented at the March 28, 2017 Meeting).
3. March 9, 2017 Claim Warrant - \$320,550.72.
4. March 9, 2017 Business License Report.
5. February 2017 Wages & Salaries: \$311,022.98.
6. February 2017 Treasurer's Report.
7. January 2017 Building Permit Valuation Report in the amount of \$249,881.05.
8. February 2017 Building Permit Valuation Report in the amount of \$190,182.83.
9. February 2017 City of Corning Wastewater Operations Summary Report.
10. Approve recommended appointment of James Pendergraft to the Planning Commission.
11. Waive recreational use fee for the 9<sup>th</sup> annual Tucker Mesker Memorial Scholarship Softball Tournament Fund Raiser at Yost Park.

Mayor Strack stated that item 11 is removed for further discussion.

Councilor Linnet moved to approved Consent Items 1, and 3-10; Item 2 to be presented at the March 28, 2017 Meeting. Councilor Dickison seconded the motion. **Ayes: Hatley, Dickison, Linnet, Valerio and Snow. Opposed/Abstain/Absent: None. Motion approved by a 5-0 vote.**

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

11. Waive recreational use fee for the 9<sup>th</sup> annual Tucker Mesker Memorial Scholarship Softball Tournament Fund Raiser at Yost Park.

Mayor Hatley stated that there is a correction to this item. He clarified that it was mistakenly listed as the Tucker Mesker Memorial Scholarship Softball Tournament Fund Raiser. It is a request to waive the recreational fees for Corning Westside American Legion Baseball Team Fund Raiser to be held at Yost Park on Friday & Saturday, April 7<sup>th</sup> and 8<sup>th</sup>. Councilor Snow moved to waive the recreational use fees for the Corning Westside American Legion Baseball Team Fund Raiser and Councilor Linnet seconded the motion. **Ayes: Hatley, Dickison, Linnet, Valerio and Snow. Opposed/Abstained/Absent: None. Motion was approved by a 5-0 vote.**

I. **PUBLIC HEARINGS AND MEETINGS**:

12. Public Hearing – Adopt Resolution 03-14-2017-01 authorizing the recording of Resolution 03-14-2017-01 and attached Notice of Liens for Delinquent and Uncollected Water and/or Sewer Fees in the combined amount of \$9,584.13 on Properties located within the City's "Sphere of Influence" and listed on Exhibit "A".

Mayor Hatley opened the Public Hearing at 6:37 p.m.; with no comments the public hearing was closed at 6:37 p.m. Councilor Dickison moved to adopt Resolution 03-14-2017-01 and authorize the City Clerk to record Liens in the combined amount of \$9,584.13 for delinquent water and/or sewer service on the properties listed on attached Exhibit "A". Councilor Snow seconded the motion. **Ayes: Hatley, Dickison, Linnet, Valerio and Snow. Opposed/Abstained/Absent: None. Motion was approved by a 5-0 vote.**

**J. REGULAR AGENDA:****13. Approve Law Enforcement Police Academy Trainee sponsorship.**

Police Chief Jeremiah Fears presented this item. Chief Fears briefed the Council on the current staffing and explained the overtime and hardships experienced by the department as a result of the lack of staffing as a result of vacancies, vacations, illness, workers' compensation, etc. He further stated the difficulties experienced in regards to recruitment. He explained that he entered law enforcement through City sponsorship. He then explained the financial costs to the City of a Police Academy Trainee sponsorship which consists of: Current costs of six month Butte College Basic Law Enforcement Academy this semester is \$4,243; and the Department is seeking approval to offer a beginning monthly Police Trainee salary of \$2,904 plus benefits (including medical, dental and vision) which is derived using the current (as of December 2016) Police Community Service Officer Step A salary. Upon successful completion of the law enforcement basic academy, the sponsored Police Trainee may then be offered a Police Officer position. He stated the City is hoping to fill two positions via this sponsorship. He announced that he currently has 18 interested individuals located in the City. The next academy starts June 9<sup>th</sup> and the process will take approximately a year and a half before candidates come on board.

City Attorney Jody Burgess suggested that the City should consider language to protect the City in the event of injury while Trainee is attending the Academy, or should they not complete the Academy. An audience member suggested not making the Trainees employees of the City while they are completing the Academy, but rather just pay the tuition. She asked if the City were to make the Trainees an employee while attending the Academy, would they be in CalPERS. She then referenced the City of Anderson's Policy. Mr. Burgess further suggested including a conditional job offer based upon various items such as passing a psychological exam. He also stated that the contract could include that the Trainee remain employed with the City for a period of time (3 years) or they reimburse the City for costs incurred.

Following further discussion, Councilor Linnet moved to approve immediate offering to a qualified Law Enforcement Basic Academy Recruit, the position of Police Trainee with the City of Corning, and further extend this offer as a means to fill remaining and future vacancies through a Police Trainee Sponsorship Recruitment Option. Councilor Snow seconded the motion. **Ayes: Hatley, Dickison, Linnet, Valerio and Snow. Opposed/Abstained/Absent: None. Motion was approved by a 5-0 vote.**

**14. Approve designation of Gary Strack as "Hearing Officer" relative to the Abandoned Vehicle Abatement Program.**

City Manager Kristina Miller briefed the Council on this item stating that the City currently does not have a Hearing Officer relative to the Vehicle Abatement Program as the previous officer has passed away. Mr. Strack has volunteered to serve in this capacity. We currently have a request for an appeal. Councilor Dickison moved to appoint Gary Strack as Hearing Officer to preside at Hearings related to abandoned, wrecked, dismantled or inoperative vehicles in accordance with City of Corning Municipal Code Chapter 10.32. Councilor Valerio seconded the motion. **Ayes: Hatley, Dickison, Linnet, Valerio and Snow. Opposed/Abstained/Absent: None. Motion was approved by a 5-0 vote.**

**15. Approve Progress Pay Estimate No. 1 in the amount of \$43,755.76 and accept Notice of Completion to Durham Pump, Inc. for the 60 HP pump and motor installation at the Blackburn Well.**

Presented by Public Works Director Dawn Grine. Ms. Grine informed the Council that the project has been completed and the well is back on line. Councilor Snow moved to approve Progress Payment Estimate No. 1/Final in the amount of \$43,662.14 (amount differs from Agenda due to reduction in sales tax) to Durham Pump, Inc. and accept the Notice of Completion. Councilor Dickison seconded the motion. **Ayes: Hatley, Dickison, Linnet, Valerio and Snow. Opposed/Abstained/Absent: None. Motion was approved by a 5-0 vote.**

**16. Implications of Proposition 64: Recreational Use of Marijuana and Directions to Staff.**

City Manager Kristina Miller briefed the Council on Proposition 64 and asked for Council direction on how they would like the City to proceed. She stated that 53.76% of Corning voters voted in

support of Prop. 64; however the calculated votes Countywide confirms that the Proposition failed with only 48.53% in support. She stated that Proposition 64:

- Allows each residence to grow up to 6 marijuana plants regardless of the number of persons over 21 years of age residing in the home, only 6 living plants may be cultivated at one time. This is despite the current City Ordinance banning indoor grows inside the primary residence. At a minimum our local Ordinance must be amended to allow up to six plants within the primary residence. However, she stated we can regulate where the grow can occur, specify that they be behind lock and key, and state that grows are not allowed in a room where someone is sleeping, i.e. a bedroom.
- Proposition 64 does not affect the City's authority to impose taxes on recreational marijuana.
- Marijuana cultivated for personal use is exempt from cultivation tax and Medical Marijuana is exempt from State/Local sales tax, but not State or local excise taxes.

If the City bans commercial cultivation, personal outdoor cultivation, or retail sales of marijuana or marijuana products, it is **ineligible** to receive State Grant Funds funded through the new State Excise Taxes that take effect on January 1, 2018. She stated that it is estimated, should the City allow commercial cultivation, personal outdoor cultivation and retail sales of marijuana/marijuana products, in a few years the Grant could fund 1-2 Police Officer positions. If the City were to allow dispensaries, recreational marijuana is not exempt from sales or excise taxes. The City can impose excise taxes for the dispensing, cultivation, manufacturing, and transportation of marijuana. The City can establish business regulatory fees for the reasonable regulatory costs for issuing licenses and permits, performing investigations, inspections, and audits and enforcing regulations.

Ms. Miller also informed the Council that the tax funds generated from the 3 Dispensaries located in Shasta Lake City was \$416,000 in 2016. She announced that the County Board of Supervisors and local Cities (Red Bluff, Tehama and Corning) will hold a Joint Meeting on Monday, March 20<sup>th</sup> in the Board of Supervisors Chambers in Red Bluff to further discuss the implications and regulations associated with Proposition 64.

City Attorney Jody Burgess provided additional information related to Proposition 64 summarizing the Proposition and provisions, i.e. not have more than 6 marijuana plants per residence regardless of the number of residents; private residence or an accessory structure (not and/or). Mr. Burgess provided additional information relating to language the City could utilize for regulating purposes such as: Proximity to a school; must be kept locked and inaccessible to children, regulating locations of indoor cultivation, etc.

Planning Consultant John Stoufer stated that the City's current Ordinance, established in 2010, addresses Medical Use, not recreational. The complaints that the City received then was odor and the Dispensary/Collective we had in town. He then asked if the City could differentiate between recreational and medicinal; Mr. Burgess stated that the City could. Councilor Linnet confirmed that this is still in violation of Federal law; Mr. Burgess stated that it was.

Councilor Linnet stated that he would prefer to wait until after the Joint Meeting on March 20<sup>th</sup>. City Manager Miller stated that she believed that the hope for the meeting was that each jurisdiction would bring some ideas. Councilor Linnet stated his concern that the City could be held accountable or prosecuted; Mr. Burgess stated that the Federal Government could disallow Federal Funds to the City.

An audience member stated that there are three issues the Council could consider as direction that are discretionary issues, i.e. ban or not ban, allow retail sales, personal outdoor cultivation. Can the City still zone where it could be located; he was informed yes. Chief Fears stated near the Truck Stops would be preferable. City Manager Miller stated through discussions with the City of Shasta Lake, they suggested if allowed, zone it for a location that can be easily monitored. Mr. Stoufer stated that if approved, a Dispensary would be required to be licensed through the State of California.

City Manager Miller stated that she believed she understood the direction of the City Council. No action was required at this time.

**17. Ratify Memorandum of Understanding (MOU) between the City and the Corning Management Association Bargaining Unit.**

City Manager Miller briefed the Council on this item stating that the Council approved three-year negotiated benefits for the Management Association. She outlined the recommended changes from the previous year's MOU and the associated costs to the City. An audience member stated her concerns regarding the wage increases that would cause ballooning of the unfunded liability with the CalPERS Retirement. Another audience member asked whether the MOU's would be locked for the three year term; he was informed that they would. He then asked if any excess funding resulting from the tax increase would be utilized to improve streets, etc. per approval by the City Council. Councilor Linnet moved to ratify the Memorandum of Understanding between the City of Corning and the City of Corning Management Association for the period of January 1, 2017 through December 31, 2019. Councilor Snow seconded the motion. **Ayes: Hatley, Dickison, Linnet, Valerio and Snow. Opposed/Abstained/Absent: None. Motion was approved by a 5-0 vote.**

**18. Ratify Memorandum of Understanding between the City and the Corning Dispatchers Association Bargaining Unit.**

City Manager Miller briefed the Council on this item, listing the negotiated benefits. She also stated the financial costs to the City and noted that some of the financial impacts have been adjusted due to a typo, (cost for of the 1.5% increase the 1<sup>st</sup> year would be \$6,500, \$13,000 and \$19,500 based upon current employee staffing/step levels). Councilor Snow moved to ratify the Memorandum of Understanding between the City of Corning and the City of Corning Dispatchers Association Unit for the period of January 1, 2017 through December 31, 2019. Councilor Valerio seconded the motion. **Ayes: Hatley, Dickison, Linnet, Valerio and Snow. Opposed/Abstained/Absent: None. Motion was approved by a 5-0 vote.**

**19. Ratify Memorandum of Understanding between the City and the Corning Miscellaneous Bargaining Unit.**

City Manager Miller briefed the Council on this item stating that as with the previous two MOU's the term will be 3 years. She then stated the negotiated benefits and financial costs to the City. She stated the corrected costs for the 1.5% salary increase each year of the MOU. Councilor Dickison moved to ratify the Memorandum of Understanding between the City of Corning and the City of Corning Miscellaneous Bargaining Unit for the period of January 1, 2017 through December 31, 2019. Councilor Valerio seconded the motion. **Ayes: Hatley, Dickison, Linnet, Valerio and Snow. Opposed/Abstained/Absent: None. Motion was approved by a 5-0 vote.**

**20. LED Streetlight Upgrade – Informational Item Only.**

Public Works Director Dawn Grine provided information regarding the change out of the current street lighting to LED Street lights for 444 Street Lights within the City. This will generate an anticipated savings of \$8,135.93 in the first year; in a year and a half the savings is expected to be \$23,129 annually. She then explained the process and notifications that will be sent to residents. An audience member stated concerns related to health issues in relation to higher wattage noting that the wattage proposed is lower than what is suggested to cause problems.

**21. Fire Department seeks authorization to develop Specifications for a Frontline Engine & Extrication Equipment.**

Fire Chief Spannaus briefed the Council on this item. City Manager Miller clarified that once the Specifications are developed it will come back to Council in the 2017/2018 FY. Councilor Dickison moved to authorize the Fire Department to create Specifications for an Urban-Interface Engine and replacement extrication equipment. Councilor Snow seconded the motion. **Ayes: Hatley, Dickison, Linnet, Valerio and Snow. Opposed/Abstained/Absent: None. Motion was approved by a 5-0 vote.**

**22. Fiscal Year 2016-2017 Mid-Year Budget review and general discussion.**

This item was presented by City Manager Miller. She provided background information on the 2016/2017 FY Budget as there are now three new Council members before updating the Council on the current financial status of the City emphasizing the City continues to be heavily reliant on fuel sales tax and concluded by presenting the following:

- Staff expects to finish FY 2016-17 with a positive net change in Fund balance of \$252,677 resulting in a projected fund balance of \$1,212,557.
- City Departments are instructed to continue to minimize expenditures where feasible (with respect to the General Fund) for the remainder of the fiscal year.
- Capital Improvement is not authorized this fiscal year. The City's capital has not been funded appropriately in previous years due to tight budgets. Many of the City's equipment has reached the end of its service life without adequate funding for replacement; the City needs to prioritize Capital Improvement funding in the future.
- Prior to development of the Fiscal Year 2017/18 Budget, staff will ask the Council to prioritize expenditure of excess Measure "A" tax dollars received, if any.
- The City needs to increase its reserves to a minimum of six months of General Fund expenditures so that it can more readily adjust to volatility in fuel sales tax revenues. At the end of the current fiscal year it is anticipated the City will have three months of expenditures in reserves.

Councilor Dickison moved to:

- Receive the Mid-Year Budget Report for information & discussion;
- Approve \$16,097 for the one-time expense for the State Board of Equalization to implement the Measure A Transactions and Use Tax;
- Approve \$44,000 for the cost to sponsor two recruits in the Police Academy;
- Approve the 2016 Streets Project budget in the amount of \$71,950, \$41,850, \$20,100, and \$33,500 in accounts 108-9293-3001- Federal RSTP/Street Projects, 109-9293-3001-Gas Tax/2015 Street Projects, 110-9293-3001-Gas Tax/2016 Street Projects, and 111-3001-Gas Tax/2017 Street Projects.

Councilor Linnet seconded the motion. **Ayes: Hatley, Dickison, Linnet, Valerio and Snow. Opposed/Abstained/Absent: None. Motion was approved by a 5-0 vote.**

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

**L. COMMUNICATIONS, CORRESPONDENCE AND INFORMATION:**

Planning Commission Meeting has been moved to Thursday, March 16<sup>th</sup> at 6:30 p.m.

**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).

**Dickison:** Reported that the Community Action Tripartite Board Meeting will be held here (Corning City Council Chambers) on March 16<sup>th</sup> at 3 p.m. The Public Hearing on unmet needs in Tehama County for people in poverty will begin at 4 p.m. The 2017 Food Giveaway will be held on August 25<sup>th</sup> between the hours of 9-12. The Senior Center is having a "Paint and Sip" event on March 19<sup>th</sup> at the Center, cost is \$35; this Friday they are having the St. Patrick's Day party at 11 a.m., reservations are required.

**Linnet:** March 25<sup>th</sup> (last Saturday of the month) the Electronics Disposal will be held at the City's Park & Ride across from City Hall from 8 a.m. to noon.

**Valerio:** Chamber met today, they had a closed session.

**Snow:** Nothing.

**Hatley:** Nothing

**N. ADJOURNMENT!: 8:12 p.m.**

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**Lisa M. Linnet, City Clerk**