

**MINUTES
CORCORAN CITY COUNCIL,
JOINT POWERS FINANCE AUTHORITY,
SUCCESSOR AGENCY FOR CORCORAN RDA
& HOUSING AUTHORITY
REGULAR MEETING
Monday, February 1, 2016**

The regular session of the Corcoran City Council was called to order by Vice Mayor Cartwright, in the City Council Chambers, 1015 Chittenden Avenue, Corcoran, CA at 6:00 P.M.

ROLL CALL

Councilmembers present: Mark Cartwright, Raymond Lerma, Sidonio Palmerin, and Jim Wadsworth

Councilmembers absent: Jerry Robertson

Staff present: Karla Cruz, Michael Farley, Rick Joyner, Kindon Meik, Soledad Ruiz-Nuñez, Baldomero Rodriguez, Reuben Shortnacy, and Kevin Tromborg

Press present: Jeanette Todd, "The Corcoran Journal"

INVOCATION

Invocation was presented by Meik.

FLAG SALUTE

The flag salute was led by Lerma.

1. PUBLIC DISCUSSION

Dennis Tristao, 1515 Norboe Avenue, asked Council if there would be an opportunity for public comment on staff reports. Vice Mayor Cartwright assured him there would be time for public comment.

2. CONSENT CALENDAR

Following Council discussion a **motion** was made by Wadsworth and seconded by Lerma to approve Consent Calendar. Motion carried by the following vote:

AYES: Mark Cartwright, Raymond Lerma, Sidonio Palmerin, and Jim Wadsworth

NOES: None

ABSENT: Jerry Robertson

2-A. Approval of minutes of the City Council regular meeting of January 19, 2016.

2-B. Approval of minutes of the City Council special meeting of January 26, 2016.

2-C. Authorization to read ordinances and resolutions by title only.

3. APPROPRIATIONS

Following Council discussion a **motion** was made by Lerma and seconded by Palmerin to approve the Warrant Register dated February 1, 2016. Motion carried by the following vote:

AYES: Mark Cartwright, Raymond Lerma, Sidonio Palmerin, and Jim Wadsworth

NOES: None

ABSENT: Jerry Robertson

4. PRESENTATIONS – None
5. PUBLIC HEARINGS – None
6. WRITTEN COMMUNICATIONS – None

7. STAFF REPORTS

7-A. The City Manager, Kindon Meik, gave a report detailing the City of Corcoran's water system, the current debt service and water rates. The last water rate increase was in 2009. As part of the corrective action plan needed, Meik recommended a 16% increase in water rates, a reduction of \$120,000 in water fund expenses, and the use of \$150,000 in reserves to meet debt service coverage and to be in compliance with the bond covenants for the fiscal year. Following Meik's report and presentation City Attorney, Michael Farley, clarified that the proposed rate increase did not require the Proposition 218 process because it was an implementation of previously approved rates which had not been put into effect. Following Farley's explanation, Eric Scriven, of NHA Advisors, further explained the need to raise rates in order to create an aggressive approach towards meeting the bond covenants. He advised a strong approach would look favorable to rating agencies. Scriven also advised Council that taking no action could lead to a lower credit rating, more difficulties in securing lending or financing for future projects, and the possibility of having to implement an even higher rate increase at a later date.

Proceeding Scrivens' report, there was oral testimony from Ruth Ontiveros, 609 Denton, who expressed concerns for senior citizens and the impact the proposed fees would have on low income residents; Jess Martinez, 24405 6 ½, stated he agreed with Ontiveros and suggested the City look into a ¼ or ½ cent sales tax; Dennis Tristao, 1515 Norboe Ave, presented a letter written by the Corcoran Tax Payers Association; Janet Watkins, 1614 Heffner Ave, suggested funds be drawn from the reserves and stated she agreed with the increase but thought it could be delayed. There being no further comments public comment was declared closed at 7:11p.m.

Following public comment, Council discussed all information provided to them by the public and staff. Councilman Wadsworth **motioned** for approval of Resolution 2820 implementing a 16% rate increase for water rates in order to meet debt service coverage requirements, there being no second the motion failed.

Vice Mayor Cartwright elicited other suggestions for a different motion from the Council. Councilman Lerma discussed the possibility of utilizing water reserve funds to meet the bond covenants thereby avoiding a raise in water rates. Councilman Palmerin agreed with the suggestion to avoid raising rates.

Following Council discussion a **motion** was made by Lerma and seconded by Palmerin to use debt reserves instead of a rate increase to meet bond covenants.

AYES: Lerma and Palmerin

NOES: Cartwright and Wadsworth

ABSENT: Robertson

The motion did not pass due to lack of a majority vote.

Councilman Wadsworth discussed the importance of raising rates and proposed a solution that might benefit both viewpoints from Council.

Following further discussion a **motion** was made by Wadsworth and seconded by Palmerin to approve Resolution 2820 as amended with an increase of water rates by 8%, and utilize up to \$300,000 of water reserve money to meet the needed revenue amount, and proceed with a water rate study.

AYES: Lerma, Palmerin, Wadsworth, and Cartwright

NOES: None

ABSENT: Robertson

At 7:36 p.m. Council took a brief recess. At 7:38 p.m. the Council meeting was reconvened.

7-B. Acting as the Board of the Successor Agency of the Corcoran Redevelopment Agency and following discussion a **motion** was made by Wadsworth and seconded by Palmerin to approve Resolutions 2821, 2822, and 2823 authorizing the City Manager, acting as the Executive Director of the Successor Agency, to enter into contracts for Bond Counsel, Municipal Advisor and Placement Agent for the refunding of Redevelopment Agency Tax Allocation Bonds Series 2004.

AYES: Mark Cartwright, Raymond Lerma, Sidonio Palmerin, Jim Wadsworth

NOES: None

ABSENT: Jerry Robertson

7-C. Following Council discussion a **motion** was made by Palmerin and seconded by Lerma to authorize the Public Works Director to initiate negotiations on a design/build contract with Integrated Engineers Inc. for sludge agitation system at the Water Treatment Plant.

AYES: Mark Cartwright, Raymond Lerma, Sidonio Palmerin, Jim Wadsworth

NOES: None

ABSENT: Jerry Robertson

7-D. Following Council discussion a **motion** was made by Lerma and seconded by Palmerin to appoint Jim Wadsworth as the City representative to the Kings Waste and Recycling Authority Board.

AYES: Mark Cartwright, Raymond Lerma, Sidonio Palmerin, Jim Wadsworth

NOES: None

ABSENT: Jerry Robertson

7-E. Following Council discussion a **motion** was made by Lerma and seconded by Wadsworth to approve budget amendments for the water fund.

AYES: Mark Cartwright, Raymond Lerma, Sidonio Palmerin, Jim Wadsworth

NOES: None

ABSENT: Jerry Robertson

7-F. The Community Development Director presented information on upcoming resolutions and ordinances requiring Council action.

8. **MATTERS FOR MAYOR AND COUNCIL**

8-A. Council received information items.

8-B. Staff received referral items.

8-C. Committee reports.

9. **CLOSED SESSION**

At 7:04 p.m. Council recessed to closed session pursuant to:

9-A. **PENDING LITIGATION** (Government Code § 54956.9). It is the intention of this governing body to meet in closed-session concerning:

Conference with legal counsel – ANTICIPATED LITIGATION (Government Code § 54956.9(d)). **Initiation of litigation** (Government Code § 54956.9(d)(4)).

Number of potential cases is: 1 .

The regular meeting was reconvened at 8:18 p.m. Vice Mayor Cartwright reported direction was provided on item 9-A.

ADJOURNMENT

 8:19 P.M.



Karla Cruz, City Clerk



Jerry Robertson, Mayor

APPROVED DATE: February 16, 2016