

City Council, Regular Meeting
Civic Center Council Chambers
777 Cypress Avenue
Redding, California
December 4, 2007 7:00 p.m.

The Pledge of Allegiance to the Flag was led by Council Member Stegall.

The Invocation was offered by Police Chaplain Charlene Payment.

The meeting was called to order by Mayor Dickerson with the following Council Members present: Bosetti, Jones, Murray, and Stegall.

Also present were City Manager Starman, Assistant City Manager/Police Chief Moty, City Attorney Duvernay, Assistant City Attorney Frediani, Electric Utility Director Feider, Development Services Director Hamilton, Transportation and Engineering Director Tippin, Fire Chief Fry, Personnel Director Johnson, Community Services Director Niemer, Police Lieutenant Mayberry, Police Sergeant Long, City Clerk Strohmayer, Assistant City Clerk Sherman, and Executive Assistant Stribley.

REORGANIZATION OF THE CITY COUNCIL - Selection of Mayor, Vice Mayor, and Mayor Pro Tempore
(A-050-060)

MOTION: Made by Council Member Murray, seconded by Council Member Bosetti appointing Vice Mayor Stegall to the office of Mayor, Mayor Pro Tempore Bosetti to the office of Vice Mayor, and Council Member Jones to the office of Mayor Pro Tempore for one-year terms expiring December 2008. The Vote: Unanimous Ayes.

PRESENTATION - Honoring Mayor Emeritus Dick Dickerson
(A-050-060)

On behalf of the City Council, Mayor Stegall presented Mayor Emeritus Dick Dickerson with a Gavel Plaque in recognition and appreciation of his service as Mayor of the City Council and for his service to the community. Mayor Stegall commented that Mr. Dickerson was the epitome of a statesman.

PRESENTATION - Certificate of Appreciation to Dick Dickerson from Healthy Shasta
(A-050-060)

Amy Pendergast, Shasta County Public Health representing Healthy Shasta, presented Mayor Emeritus Dickerson with a collage of photos depicting his participation in various events, such as “Walk with the Mayor,” designed to highlight a healthy lifestyle and for his continued commitment toward a healthy community.

Council Member Dickerson thanked City Clerk staff, City staff, and the community for the honor of having served as Mayor and related that it had been a pleasure and privilege to participate in so many community events as Mayor, observing that his presence was always met with true appreciation from the public.

PRESENTATION - “Meritorious Conduct Award” by the Redding Fire Department
(A-050-140)

Fire Chief Fry presented both California Highway Patrol Motor Carrier Specialist II Joel Arbuckle and Officer Sean Brigett with “Meritorious Conduct Awards” for their heroism in saving a person from a burning home on November 1, 2007, at Placer and Magnolia Streets.

PUBLIC COMMENT
(P-150)

Rose Merlot, Redding Resident, expressed concern regarding the wide-spread and growing prescribing of psychotropic antidepressant drugs to children by the medical community.

CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar:

Approval of Minutes: Special Meetings of September 17, 2007 and October 15, 2007; Special and Regular Meetings of November 6, 2007

Approval of Payroll and Accounts Payable Registers

(A-050-100-500)

It is recommended that Accounts Payable Register No. 9, check numbers 857147 through 857727 inclusive, in the amount of \$9,036,475.23, for the period of November 1, 2007, through November 16, 2007; Accounts Payable Register No. 10 check numbers 857728 through 857968 inclusive, in the amount of \$10,266,582.30, for the period of November 17, 2007, through November 30 2007; Payroll Register No. 9 electronic deposit transaction numbers 218237 through 219076 and check numbers 538156 through 538283 inclusive, in the amount of \$2,490,367.43, for the period of October 21, 2007, through November 3, 2007; and Payroll Register No. 10 electronic deposit transaction numbers 219127 through 219958 and check numbers 538292 through 538449 inclusive, in the amount of \$2,485,901.85, for the period of November 4, 2007, through November 17, 2007, be approved.

TOTAL: \$24,279,326.81

Treasurer's Report - October 2007

(A-050-100-600)

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| Total Treasurer's Accountability | - | \$156,951,251.37 |
|----------------------------------|---|------------------|

| | | |
|---|---|------------------|
| Total City of Redding Funds, Funds Held in Trust, and Funds of Related Entities | - | \$272,757,723.98 |
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ACR133 Report and Cash Reconciliation

(F-205-095-650)

It is the recommendation of the Administrative Services Director that the ACR133 Report and the Proof of Cash Reconciliation for October 2007 be accepted.

Ordinance - Amending Redding Municipal Code chapters 16.01 through 16.05, adopting the 2007 California Building, Electrical, Mechanical, and Plumbing Codes

(C-110-200/C-110-250/C-110-350/C-110-400)

It is the recommendation of the Development Services Director that Ordinance No. 2401 be adopted, an ordinance of the City Council of the City of Redding amending Redding Municipal Code Chapters 16.0 through 16.05, repealing Section 16.01.020, amending and renumbering Sections 16.01.030 through 16.01.060, 16.02.010, 16.03.010, 16.04.010, and 16.05.010 and making Findings of Facts relative to local climatic, geologic, and topographic conditions, relating to the adoption of the 2007 California Building Standards Code.

Donation of Surplus Computer and Related Equipment - Restoration Enterprises

(B-050-100-700)

It is the recommendation of the Support Services Director that the City Council authorize donation of surplus computer and related equipment, including old communications equipment, to Restoration Enterprises, a non-profit organization that supplies refurbished equipment to worthy causes for a minimal amount.

Resolution - Amending City Council Policy No. 1302 - Street Banner Program (Temporary Noncommercial Street Banners within the Public Right-of-Way)

(A-050-060-555 & L-010-500-050)

It is the recommendation of the Electric Utility Director and the Development Services Director that Resolution No. 2007-217 be adopted, a resolution of the City Council of the City of Redding, revising City Council Policy No. 1302-Street Banner Program (Temporary Non Commercial Street Banners within the Public Right-of-Way), relating to the size and manner of hanging banners, approved locations, and other minor revisions.

Monthly Financial Report - Electric Utility

(B-130-070)

It is the recommendation of the Electric Utility Director that the City Council approve the Electric Utility's Monthly Financial Report for October 2007. Retail power sales revenue was \$242,290 or 0.8% above projections and wholesale power sales through October were \$10,466,995 or 104.0% above projections. Operating revenue after energy costs was

\$528,237 or 3.7% below expectations. The total cost of electricity through October 2007 was \$11,340,888 (41.1%) above projections. The Utility's net operating results through October is \$4,485,000.

Notice of Completion - Bid Schedule No. 3935, Installation of a Fourth 115/12kV Transformer Bank at Canby Substation
(B-050-020 & E-090-140-180)

It is the recommendation of the Electric Utility Director that Bid Schedule No. 3935 (Job No. 9294), Installation of a Fourth 115/12kV Transformer Bank at Canby Substation awarded to Cal-Electro, Inc., be accepted as satisfactorily completed and that the City Clerk be authorized to file a Notice of completion. The final cost was \$914,450.

Award of Bid - Bid Schedule No. 4095, Furnishing Primary Splice Boxes
(B-050-100 & E-090)

It is the recommendation of the Electric Utility Director that Bid Schedule No. 4095, Furnishing Primary Splice Boxes be awarded to Jensen Precast Company, Inc. To furnish primary splice boxes for the period of January 1, 2008, to December 31, 2008, in an approximate amount of \$280,842, and that the Purchasing Officer be authorized to extend the bid award one year at the same price, terms, and conditions if mutually agreed.

Award of Bid - Bid Schedule No. 4094, Electric Utility Trench and Excavation
(B-050-100 & E-090)

It is the recommendation of the Electric Utility Director that Bid Schedule No. 4094, Electric Utility Trench and Excavation be awarded to Cox & Cox Construction, Inc. to furnish electric utility trench and excavation work for the period of January 1, 2008, to December 31, 2008, in the approximate amount of \$819,318.50, and that the Purchasing Officer be authorized to extend the bid award one year at the same price, terms, and conditions if mutually agreed.

Agreement - Siemens Demag Delaval Turbomachinery, Inc. to perform Level C maintenance on Redding Power Generating Unit 5
(E-120-150-500)

It is the recommendation of the Electric Utility Director that the City Council authorize the City Manager to execute an agreement with Siemens Demag Delaval Turbomachinery, Inc. to perform Level C maintenance on Redding Power Generating Unit 5 in the amount of \$4,445,687 plus taxes estimated in the amount of \$480,000 to be performed in April 2009.

Resolution - Approving Amended and Restated Northern California Power Agency (NCPA) Joint Powers Agreement
(E-120-400)

It is the recommendation of the Electric Utility Director that Resolution No. 2007-218 be adopted, a resolution of the City Council of the City of Redding authorizing the Mayor to execute the Amended and Restated Northern California Power Agency (NCPA) Joint Powers Agreement increasing the annual assessment of NCPA members from 10 cents per peak kW to 15 cents per peak kW and extending the time to withdraw from NCPA from 30 days to two years.

Installation of Playground Equipment - Active 20-30 Club of Redding
(P-050-030)

It is the recommendation of the Community Services Director that the City Council accept the offer from the Active 20-30 Club of Redding to install new play equipment at Alta Mesa Park in partnership with KaBOOM!, a non-profit organization that coordinates community-built playground construction projects.

Monthly Financial Report - General Fund
(B-130-070)

It is the recommendation of the City Manager that the City Council accept the General Fund's Monthly Financial Report for October 2007. Total revenue at the end of October is \$15.9 million or \$1,072,938 (6.4%) below staff's cash flow projection. Expenditures at month end, excluding encumbrances, total \$23,175,348 or \$5,158,331 (18.3%) below staff's original projection. Encumbrances total \$1,862,284.

Resolution - Summarily Vacating a Portion of a Public Service Easement at 2594 Warm Spring Lane (A-3-07)
(A-010-040)

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2007-219 be adopted, a resolution of the City Council of the City of Redding, summarily vacating (A-3-07) a portion (75-feet wide) of public service easement "E" shown on the map of Alder Creek Subdivision (formerly Hacienda Heights) Unit 8, located at 2594 Warm Spring Lane, by property owner Bruce Becker, as it is not required for public use; recorded August 17, 2004, in Book 23 of Maps at Page 52, Shasta County Records.

Resolution - Summarily vacating a public service easement located at 3125 Laver Street (A-4-07), by the City of Redding
(A-010-040)

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2007-220 be adopted, a resolution of the City Council of the City of Redding, summarily vacating a 15-foot public service easement (A-4-07) "B," because it is not required for public use, as shown on the Map of Clover Acres Subdivision, Unit 2, located at 3125 Laver Street, by Ochoa-Shehan, Inc. recorded February 17, 2006, in Book 23 of Maps at Page 94, Shasta County Records.

Award Request for Proposal - Request for Proposal No. 4079, Consultant Services for the Stillwater Business Park Project; and
Consultant Services Agreement - PB Americas
(B-050-100 & E-050-500)

It is the recommendation of the Transportation and Engineering Director that Request for Proposal (RFP) No. 4079, Consultant Services for the Stillwater Business Park Project be awarded to PB Americas, Inc. To provide construction management services for the Stillwater Business Park Project in an amount not-to-exceed \$1.1 million, that the City Manager be authorized to approve contract amendment increases up to \$200,000, and that the Mayor be authorized to execute a Consultant Services Agreement for same.

Council Member Jones advised that, for consistency in his opposition of the Stillwater Business Park Project, he will vote no on this item. The Vote:

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| AYES: | Council Members - Bosetti, Dickerson, Murray, and Stegall |
| NOES: | Council Members - None |
| ABSTAIN: | Council Members - Jones |
| ABSENT: | Council Members - None |

First Amendment to Lease Agreement - Hawes River Acres for agricultural and pasturing activities at Redding Municipal Airport
(C-070-100 & A-090-100)

It is the recommendation of the Transportation and Engineering Director that the City Council approve the First Amendment to the Lease Agreement with Hawes River Acres for agricultural and pasturing activities at Redding Municipal Airport, adding 80 additional acres to the agreement for a total of 639 acres for a total amount of \$5,163.12 per year.

Second Amendment to the Gift Shop Lease Agreement - John and Judy Goold at Redding Municipal Airport
(C-070-100 & A-090-100)

It is the recommendation of the Transportation and Engineering Director that the City Council approve the Second Amendment to the Gift Shop Lease Agreement with John and Judy Goold at the Redding Municipal Airport providing additional square footage to the shop.

Additional Contingency Funds - Bid Schedule No. 4067, Sacramento River Trail Extension
(B-050-020 & P-050-460-700)

It is the recommendation of the Transportation and Engineering Director that the City Council approve additional contingency funds in the amount of \$25,000 (from Proposition 12 grant funds) for Bid Schedule No. 4067 (Job No. 2181), Sacramento River Trail Extension Projects awarded to Site Work Solutions, Inc. to increase the length of the bridge railing at each approach to improve safety of the trail and prevent potential drop-offs.

Accept Improvements - Tuscany Villas Subdivision Phase 1
(S-101-094)

It is the recommendation of the Transportation and Engineering Director that the City Council accept the improvements for the Tuscany Villas Subdivision Phase 1 (S-10-05), located south of Oasis Road and east of Gold Hills Drive, by Chase & Taylor, LLC, as satisfactorily completed and that the City Clerk be instructed to return securities to the developer.

Resolution - Accepting Streets and Improvements in Clover Creek Village Subdivision Units 1-4

(S-101-051 & S-070-230)

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2007-221 be adopted, a resolution of the City Council of the City of Redding, accepting streets for maintenance and operation in the Clover Creek Village Subdivision Units 1-4 (S-15-02 & S-13-04); and accept improvements, located west of Airport Road and east of the Clover Creek Preserve, by Clover Creek Development Co., LLC; and that the improvements be accepted as satisfactorily completed, and that the City Clerk be instructed to return securities to the developer.

Resolution - Accepting Streets and Improvements in Clover Acres Subdivision Unit 1
(S-101-069 & S-070-230)

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2007-222 be adopted, a resolution of the City Council of the City of Redding, accepting streets for maintenance and operation in the Clover Acres Subdivision Unit 1 (S-20-03) located south of Forest Hills Drive at the south end of Wimbledon Drive, by Ochoa & Shehan, Inc., that the improvements be accepted as satisfactorily completed, and that the City Clerk be instructed to return securities to the developer.

Resolution - Accepting Streets and Partial Improvements in Bel Air Estates Subdivision Unit 1A

(S-101-037 & S-070-230)

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2007-223 be adopted, a resolution of the City Council of the City of Redding, accepting streets for maintenance and operation in the Bel Air Estates Subdivision Unit 1A (S-1-01) located south of Quartz Hill Road at the east end of Stanford Drive, by Ochoa & Shehan, Inc.; that the improvements be accepted (excepting the street lights) as partially completed; and that the City Clerk be instructed to return appropriate securities, withholding a sufficient amount to secure street light completion.

Resolution - Accepting Streets and Improvement in River Ridge Park Subdivision Unit 5
(S-100-654-600 & S-070-230)

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2007-224 be adopted, a resolution of the City Council of the City of Redding, accepting streets for maintenance and operation in River Ridge Park Subdivision Unit 5 (S-6-01) located south of Quartz Hill Road and east of River Ridge Drive, by Ochoa & Shehan, Inc., that the improvements be accepted as satisfactorily completed, and that the City Clerk be instructed to return securities to the developer.

Resolution - Appropriating Accrued Interest Funds for Wetlands Mitigation Activities at the Old Oregon Trail Wetlands Mitigation Site

(B-130-070 & S-060)

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2007-225 be adopted, a resolution of the City Council of the City of Redding, approving and adopting the 16th amendment to City Budget Resolution No. 2007-127 appropriating \$32,750 for wetlands mitigation at the Old Oregon Trail Wetlands Mitigation Site for fiscal year 2007-08.

Renewal of Agreement - Shasta County Opportunity Center (SCOC) for recyclable material sorting services

(S-020-550)

It is the recommendation of the Municipal Utilities Director that the City Council approve renewal of the Agreement with the County of Shasta through the Health and Human Services Agency, Social Services Branch, Opportunity Center to provide recyclable material sorting services for 30-months in the amount of \$25,000 for the first year, \$26,000 per month the second year and \$27,000 the final year.

Award of Bid - Bid Schedule No. 4087, Purchase of Cable Reeving Roll-off Truck for the West Central Landfill

(B-050-100 & S-020-900)

It is the recommendation of the Municipal Utilities Director that Bid Schedule No. 4087, Purchase of Cable Reeving Roll-off Truck for the West Central Landfill be awarded to Redding Freightliner in the amount of \$130,493.22 and authorizing the sale of a 1993 Volvo GM roll-off surplus truck with proceeds deposited to the West Central Landfill Division's Equipment Replacement Fund.

MOTION: Made by Council Member Jones, seconded by Council Member Bosetti, that all the foregoing items on the Consent Calendar be approved and adopted as recommended with the exception of the item approved by separate vote as indicated above. The Vote:

- AYES: Council Members - Bosetti, Dickerson, Jones, Murray, and Stegall
- NOES: Council Members - None
- ABSTAIN: Council Members - None
- ABSENT: Council Members - None

Ordinance No. 2401 and Resolution Nos. 2007-217, 2007-218, 2007-219, 2007-220, 2007-221, 2007-223, 2007-224, and 2007-225 are on file in the Office of the City Clerk.

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PUBLIC HEARING - Five-year (2007/08 to 2012/13 fiscal years) Capital Improvement Plan RESOLUTION - Approving same for City-sponsored projects (B-130-010)

The hour of 7:00 p.m. having arrived, Mayor Stegall opened the public hearing regarding the Five-year Capital Improvement Plan (CIP) for fiscal years 2007-08 through 2012-13 for City-sponsored projects.

The following document is on file in the Office of the City Clerk:

Affidavit of Publication - Notice of Public Hearing

City Clerk Strohmayer advised that no protests were received.

Engineering and Transportation Director Tippin explained that the CIP is a multi-year schedule for public improvements that is reviewed annually in accordance with state law to ensure consistency with the General Plan. He advised that the purpose of the CIP is to identify long-term projects, schedule capital expenditures, serve as an effective tool in implementing the General Plan, and as a reference tool to assist future budgeting decisions and reporting of the Impact Fee Fund. The CIP is generated from the existing budget, the General Plan, and individual facilities plans developed for Airports, Electric Utility, Public Safety, Parks and Recreation, Solid Waste, Storm Drainage Utility, Streets and Roads, Wastewater and Water Utilities. He pointed out that there are 118 projects listed in the proposed CIP with expenditures totaling \$480,039,973 primarily focused on fiscal years 2007-08 through 2012-13. Mr. Tippin said that because project funding is subject to the biennial budget process, the CIP does not commit funds or approve specific projects, and added that the CIP is not an operating budget for the City, but a list of projects the City believes it can afford to build, but does not include all the projects the City needs or wants.

Mr. Tippin recommended adoption of a resolution approving the CIP for fiscal years 2007-08 to 2012-13.

Gary Cadd, Redding resident, asked that the Capital Improvement Plan include traffic signalization at Wisconsin Drive off Placer Road.

Mayor Stegall determined that no other individual wished to address this matter and closed the public hearing.

Council Member Murray expressed concern that Facility Capital Planning for the Redding Convention Center and storm drain area projects are unfunded beyond 2013.

MOTION: Made by Council Member Jones, seconded by Council Member Murray, adopting Resolution No. 2007-226, a resolution of the City Council of the City of Redding, adopting the Redding Capital Improvement Plan (CIP) focusing on fiscal years 2007-08 to 2012-13.

The Vote:

AYES: Council Members - Bosetti, Dickerson, Jones, Murray, and Stegall
 NOES: Council Members - None
 ABSTAIN: Council Members - None
 ABSENT: Council Members - None

Resolution No. 2007-226 is on file in the Office of the City Clerk

UPDATE ON MAJOR PROJECTS - Homeless outreach, illegal camping and transient issues

(A-050-080 & P-150-150)

Police Lieutenant Mayberry and Sergeant Long provided slides of the Redding Police Department's Homeless Outreach Program and efforts to eliminate illegal camping and transient issues in the City. Sergeant Long pointed out that while many homeless individuals refuse outreach efforts, choosing to live as a transient, multi-agency programs and efforts for those who wish to return to a standard lifestyle and permanent housing are very successful. He added that the program transitioned six homeless families this year.

Sergeant Long stated that calls for service regarding illegal camping and transient issues have increased significantly since 2003, with transient camps posing significant health hazards such as vicious dogs, drug paraphernalia and other types of waste. He stated that these problems impact not only the Police Department, but the Parks and Fire Departments as well as the California Department of Fish and Game. Mr. Long said that control of illegal camping and transient issues can only be achieved through vigorous enforcement of laws, community cleanup, and community safety.

No action was required on this informational item.

IMPLEMENTATION PLAN FOR GOVERNMENT ACCOUNTING STANDARDS BOARD STATEMENT 45

(P-100-150)

City Manager Starman explained that the purpose of the Government Accounting Standards Board 45 (GASB 45) is to deal with post-employee benefits, specifically health care. He said that when an employee retires from City service, the City pays one-half of the health insurance premium, if the retiree chooses, which (at this time) is approximately \$576. He stated that a City Council workshop was held on May 18 of this year and a report was presented which quantified the value of these health benefits at approximately \$94 million over 30 years which includes current retirees and those in the City work force who will retire in the next 30 years.

Mr. Starman related that GASB 45 requires disclosure and reporting of the incurred liability but does not require that funds be set aside to ensure the amount into the future. He believed, however, that a proactive approach, setting aside a certain amount toward the benefits, would be advisable. He recalled that the report presented at the May workshop suggested an irrevocable trust fund for that purpose and related that CalPers will be able to provide that type of service after January 1, 2008.

Mr. Starman recommended that in fiscal year 2008-09, the City begin to place monies in a retirement trust fund, probably with CalPers, and in future years begin to increase the set aside amount by 1% each year to reach the annual figure suggested by the consultant study.

Mr. Starman pointed out that the current health benefits enjoyed by retirees are not vested benefits and it could be argued that when facing financial adversity, those benefits could be withdrawn, however, he stated that retirees based their financial future when those promises were made, and he recommended that those promises be honored.

Mr. Starman stated that it appeared the focus of consideration should be on current and future employees when considering the financial impacts to the City for health benefits. He stated that premium increases in the last few years have been as high as 15% and staff is not recommending cutbacks, but possibly caps or some more reasonable amount. He advised that there are several recommendations for consideration, such as changes with regard to Medicare, cap on benefits, providing a vesting period for employees to receive health benefits at retirement, or a two-tiered benefit system. However, he cautioned that since most employees are covered under labor contracts, the meet and confer process would be necessary prior to moving forward with the suggested options.

Gary Cadd, Redding resident, questioned whether City taxpayers should be paying health care benefits for City retirees who are on Medicare and supported the suggestions designed to reduce the financial impacts to the City.

Mayor Stegall, and Council Members Dickerson and Jones expressed support for staff's recommendations and asked that additional saving alternatives be explored.

Council Member Bosetti asked that actual monetary savings be attached to each of the four recommendations in order to make a more informed decision.

Council Member Murray acknowledged that these issues were subject to meet and confer process, but suggested that as of January 1, 2008, the benefit system should be bifurcated so that no future employees are hired under the current benefit schedule.

In response to Council Member Murray, Mr. Starman advised that a report could be returned within 30 days, except for Council Member Bosetti's request for quantifying savings, which will take additional work by the GASB 45 report consultant.

MOTION: Made by Council Member Murray, seconded by Council Member Jones, directing staff to prepare a report, by the second meeting in January 2008, proposing bifurcation of the employee health benefits system for future employees and providing parameters for future labor contract negotiations to reach this goal.

The Vote: Unanimous Ayes

REDDING TOURISM MARKETING BUSINESS IMPROVEMENT DISTRICT FOR PROMOTION AND TOURISM - Redding Hotel/Motel Association

(A-170)

Support Services Director Kersten recalled that in October 2006, the Redding Hotel/Motel Association (RHMA) introduced a proposal for a citywide tourism Business Improvement District (BID) primarily funded by a 1% lodging industry assessment to provide additional revenue for tourism promotions and advertising. He said that recently, representatives from the seven largest properties approved moving forward with a request to the City Council for conceptual approval of the Tourism Marketing Business Improvement District (TMBID), which includes the following:

1. Increase the Redding Convention Visitor Bureau (RCVB) funding from 20% to 50% of its total budget for direct marketing;
2. Develop a TMBID and through a 1% fee added to all lodging properties in Redding, utilize the approximate \$400,000 per year generated specifically for marketing and advertising;
3. Provide a matching \$100,000 of hotel assessment program funds with an additional \$100,000 from the RCVB Enterprise Fund; and
4. Assign City Tourism Officer Warren to manage and coordinate the City's advertising budget with those funds from the TMBID.

Mr. Kersten explained that the RHMA believes that more than 50% of the hotel owners favor the proposal and he recommended that the City Council provide conceptual approval of the proposal in order to move forward, and present it to the hotel industry in Redding with a two-year limitation period.

Hilltop Best Western Hotel owner, Steve Gaines, provided slides of the proposal advising that the while the original intent of the Transient Occupancy Tax (TOT) was that it be used for destination marketing, last year only \$171,000 was used for that purpose. Mr. Gaines said that allocation of funds would be predetermined and only used for business-related matters such as destination advertising. He anticipated that if this matter receives conceptual approval by the City Council, the proposal will be returned to the City Council for a resolution of intent to form the TMBID in March 2008.

In response to City Council concerns that smaller hotels will be forced into participating, Mr. Starman pointed out that the matter is conceptual at this time.

Council Member Murray suggested that the City not advance an additional \$100,000, but allow the BID to take any additional proceeds from increases in TOT if the proposal is successful.

It was the consensus of the City Council to conceptually approve the proposal.

LAND VALUE BASIS FOR PARK IN-LIEU FEES

(F-205-600)

Development Services Director Hamilton recalled that the City's Subdivision Ordinance establishing in-lieu fees for parklands based on the fair market value of the land otherwise required for park dedication was last updated in October 2006. He related that these fees (Quimby Act fees) and the amount of land provided should be adequate to address future park needs to support both single- and multiple-family residential development. Mr. Hamilton said that the fee was established last year at \$1,936 per lot because of a combined average sales price of \$132,382 per acre for all types of residential land. However, because a smaller sample of land parcels was available this year for evaluation, and a wide variation in prices paid, the fee increase would have been \$3,336 (almost 70%) using standard criteria.

Mr. Hamilton recommended that, due to the volatility in the market place, consideration of the fee increase be deferred until just prior to the annual update of the Schedule of Fees and Service Charges.

MOTION: Made by Council Member Murray, seconded by Council Member Jones, deferring action on the update to the established Quimby Act Park In-Lieu fees until the regularly scheduled City Council meeting of July 1, 2008. The Vote: Unanimous Ayes

FUNDING SOURCES FOR CONSTRUCTION OF A NEW PUBLIC SAFETY FACILITY

(C-050-555 & A-050-270)

City Manager Starman recalled that a new Public Safety Facility (Facility) has been a priority project for several years. He said that during the City Council meeting of December 19, 2006, Council conceptually approved, as the preferred site for the Facility, the California Department of Forestry (Calfire) building property and directed staff to work with lobbyists to relocate Calfire. However, it was acknowledged at that time that funding for the new Facility was non-existent and staff was directed to develop funding alternatives for the needed Facility.

Mr. Starman related that the estimated cost of a new Facility would be \$35 million, and he identified potential funding resources as follows:

1. Redding Redevelopment Agency contributions for elimination of blight - \$5 million.
2. Proceeds from the sale of the existing police Facility - \$1 million.
3. Public Benefits contribution (Redding Electric Utility) - \$500,000.
4. Community Development Block Grant (CDBG) contribution - \$500,000

He stated that those amounts total \$7 million, leaving \$28, million to be financed. One possible alternative for financing the remaining amount would be a 30-year bond (5%) sale. Mr. Starman explained that the annual debt service would amount to \$1.9 million, less the \$50,000 per year currently being paid to lease the Investigations Division building, for a final total of \$1.85 million per year in debt service. He said that the annual debt service could be addressed in several ways:

1. Allocate up to \$600,000 a year from the Redding Electric Utility (REU) Generating Unit 6 in-lieu fee.
2. Institute a police impact fee up to \$500,000.
3. Reduce the General Fund Street maintenance budget up to \$650,000 annually.
4. Reduce Turtle Bay Exploration Park contribution in the amount of \$350,000 annually.
5. Reduce General Fund City Departmental budgets by an additional .5% up to \$150,000.
6. Sell the City-owned Stratte property to reduce General Fund obligation of \$200,000 annually.
7. Delay hiring future personnel providing up to \$400,000 annually.
8. Increase the Transient Occupancy Tax (TOT) from 10% to 12% providing \$800,000 annually. (This would require voter approval)
9. Place a sales tax increase initiative of .25% on the next ballot to generate approximately \$6 million annually. (This would require voter approval)

Mr. Starman pointed out that the sales tax initiative may be more palatable if it included a stipulation that revenue generated from the tax increase would be dedicated for construction of the Facility only and that it carry a sunset clause eliminating the tax increase once the Facility is completed.

He recommended that the City Council determine the funding sources preferred and direct staff to develop a financing plan. He also recommended that initial design work begin and asked that the Council approve circulation of a Request for Proposal for Schematic Design and Drawings and direct staff to continue to work with Calfire to acquire the property on Cypress Avenue.

Police Chief Moty provided slides of the current police Facility demonstrating the overcrowding and lack of space in the Facility.

Maggie Redman and Jerry Peters, representing Turtle Bay Exploration Park, urged the City Council not to reduce funding to Turtle Bay.

Gary Cadd, Redding resident, supported construction of a new Facility and a sales tax increase as suggested, but he urged that impact fees and street maintenance reductions be removed from consideration.

Council discussion and support for various funding sources as identified varied widely, and by consensus, staff was directed to bring back a report quantifying the savings of certain potential funding sources as discussed and to explore additional alternative funding sources for construction of a new Public Safety Facility in an amount not-to-exceed \$35 million.

RESOLUTION OF NECESSITY - Acquire a public service easement on property owned by Everett & Carla Brown, et al., for electric transmission line right-of-way for Stillwater Business Park
(C-070-010 & E-050-500)

MOTION: Made by Council Member Murray, seconded by Council Member Bosetti, continuing the Resolution of Necessity to acquire a public service easement on property owned by Everett & Carla Brown, et al., located on Hartnell Avenue at Hwy 44, for electric transmission line right of way for Stillwater Business Park, to the regular City Council meeting of December 18, 2007. The Vote: Unanimous Ayes

ACQUISITION OF A PUBLIC SERVICE EASEMENT - Property owned by David & Cindee Denton, located at 4620 Desperado Trail, for electric transmission line right of way for Stillwater Business Park
(C-070-010 & E-050-500)

MOTION: Made by Council Member Murray, seconded by Council Member Bosetti, tabling the acquisition of a public service easement on property owned by David & Cinder Denton, located at 4620 Desperado Trail, for electric transmission line right of way for Stillwater Business Park, as the matter was settled. The Vote: Unanimous Ayes

ACQUISITION OF A PUBLIC SERVICE EASEMENT - Property owned by Bradford & Jacqueline Evans, located on Old Oregon Trail, for electric transmission line right of way for Stillwater Business Park
(C-070-010 & E-050-500)

MOTION: Made by Council Member Murray, seconded by Council Member Bosetti, tabling the acquisition of a public service easement on property owned by Bradford & Jacqueline Evans, located on Old Oregon Trail, for electric transmission line right of way for Stillwater Business Park, for electric transmission line right of way for Stillwater Business Park, as the matter was settled. The Vote: Unanimous Ayes

ACQUISITION OF A PUBLIC SERVICE EASEMENT - Property owned by James & Deborah Huber, located on Hartnell Avenue, for electric transmission line for Stillwater Business Park
(C-070-010 & E-050-500)

MOTION: Made by Council Member Murray, seconded by Council Member Bosetti, tabling the acquisition of a public service easement on property owned by James & Deborah Huber, located on Hartnell Avenue, for electric transmission line for Stillwater Business Park, as the matter was settled. The Vote: Unanimous Ayes

ACQUISITION OF A PUBLIC SERVICE EASEMENT - Property owned by Joe L. Sanders, located at 4425 Desperado Trail, Assessors Parcel Number 054-220-005, for electric transmission line for Stillwater Business Park (C-070-010 & E-050-500)

MOTION: Made by Council Member Murray, seconded by Council Member Bosetti, tabling the acquisition of a public service easement on property owned by Joe L. Sanders, located at 4425 Desperado Trail, Assessors Parcel Number 054-220-005, for electric transmission line for Stillwater Business Park, as the matter was settled.

The Vote: Unanimous Ayes

ACQUISITION OF A PUBLIC SERVICE EASEMENT - Property owned by Irvin & Carol Scarbrough, located at 3655 Argyle Road, for electric transmission line for Stillwater Business Park (C-070-010 & E-050-500)

MOTION: Made by Council Member Murray, seconded by Council Member Bosetti, tabling the acquisition of a public service easement on property owned by Irvin & Carol Scarbrough, located at 3655 Argyle Road, for electric transmission line for Stillwater Business Park, as the matter was settled. The Vote: Unanimous Ayes

RESOLUTION OF NECESSITY - Acquire public service easement on property owned by Colburn R. & Valdene Thomason for electric transmission line for Stillwater Business Park (C-070-010 & E-050-500)

MOTION: Made by Council Member Murray, seconded by Council Member Bosetti, continuing the Resolution of Necessity to acquire a public service easement on property owned by Colburn R. & Valdene Thomason, located between Argyle Road and Old Oregon Trail, for electric transmission line for Stillwater Business Park, to the regular City Council meeting of December 18, 2007. The Vote: Unanimous Ayes

CONTINUED RESOLUTION OF NECESSITY - Acquisition of Property for a public service easement on property located at 5155 Stillwater Parkway, at the east end of Rancho Road, owned by Stevenson, et al., for electric transmission line for Stillwater Business Park (C-070-010 & E-050-500)

MOTION: Made by Council Member Murray, seconded by Council Member Bosetti, tabling the acquisition of a public service easement on property on property located at 5155 Stillwater Parkway, at the east end of Rancho Road, owned by Stevenson, et al., for electric transmission line for Stillwater Business Park, as the matter was settled.

The Vote: Unanimous Ayes

ORAL REPORT - City Council Member attendance at conferences/meetings reimbursed at City expense (Requirement of Assembly Bill 1234) (A-050-060)

Mayor Stegall reported attending a Northern California Power Agency meeting in Roseville, California last week.

ADJOURNMENT

There being no further business, at the hour of 10:25 p.m., Mayor Dickerson declared the meeting adjourned.

APPROVED:

Mayor

ATTEST:

City Clerk