

City Council, Regular Meeting
Civic Center Council Chambers
777 Cypress Avenue
Redding, California
May 6, 2008 7:00 p.m.

The Pledge of Allegiance to the Flag was led by Barbara Harrison.

The Invocation was offered by Police Chaplain Debbie Ivey.

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

Also present were City Manager Starman, Assistant City Manager Tippin, City Attorney Duvernay, Development Services Director Hamilton, Electric Utility Director Feider, Economic Development Director Zauher, City Clerk Strohmayer, and Executive Assistant Stribley.

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PRESENTATION - Appreciation Plaque to Randy Memeo for service on the Redding Planning Commission
(B-080-300)

Mayor Stegall presented a City of Redding Clock with appreciation plaque and a City Council Proclamation to Randy Memeo commending him for eight years of service on the Redding Planning Commission.

Mr. Memeo thanked the City Council for the opportunity to serve the community.

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CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar:

Approval of Minutes - Regular and Special Meetings of April 15, 2008; and Special Meeting of April 21, 2008

Approval of Payroll and Accounts Payable Registers
(A-050-100-500)

It is recommended that Accounts Payable Register No. 20, check numbers 861993 through 862467 inclusive, in the amount of \$14,218,729.13, for the period of April 14, 2008, through April 30, 2008; and Payroll Register No. 21 electronic deposit transaction numbers 228921 through 229779 and check numbers 539837 through 539965 inclusive, in the amount of \$2,475,942.15 for the period April 6, 2008, through April 19, 2008, be approved.
TOTAL: \$16,694,671.28

Treasurer's Report - March 2008
(A-050-100-600)

Total Treasurer's Accountability	-	\$140,612,108.94
Total City of Redding Funds, Funds Held in Trust, and Funds of Related Entities	-	\$260,308,278.65

ACR133 Report and Cash Reconciliation
(F-205-095-650)

It is the recommendation of the Finance Officer that the ACR133 Report and the Proof of Cash Reconciliation for March 2008 be accepted.

Real Estate Listing Agreement - Cushman & Wakefield of California, Inc. for the Stillwater Business Park
(E-050-500)

It is the recommendation of the Economic Development Director that the City Council authorize the City Manager to execute a Real Estate Listing Agreement with Cushman & Wakefield of California, Inc. for the Stillwater Business Park on a 6% commission basis for a term of one-year beginning June 1, 2008.

Council Member Jones advised he would vote no on this matter for consistency with previous votes regarding the Stillwater Business Park.

The Vote:

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

Amendment to Supply and Professional Services Agreement - EmeraChem Power, LLC for the Redding Power Plant Unit 6 project
 (E-120-150-676)

It is the recommendation of the Electric Utility Director that the City Council authorize the Mayor to execute an Amendment to the Supply and Professional Services Agreement (C-4901) with EmeraChem Power, LLC to provide an EMx™ emissions control system and associated technical services for the Redding Power Plant Unit No. 6 Project in the approximate amount of \$9,526,920.

Third Amendment to the Library Services Agreement - Library Services and Systems, LLC (L-050)

It is the recommendation of the Community Services Director that the City Council authorize the City Manager to execute the Third Amendment to the Library Services Agreement (C-4556) with Library Services and Systems, LLC (LSSI) to update the operating budget for the Redding Municipal Library and branch libraries (Burney and Anderson) to reflect annual inflationary adjustments.

First Amendment to Authorization of Service #07-01 - Mead & Hunt (A-090-100)

It is the recommendation of the Transportation and Engineering Director that the City Council approve the First Amendment to Authorization of Service #07-01 with Mead & Hunt, Inc. to provide additional engineering services for construction of the westside taxilane, Municipal Boulevard extension and t-hangar taxilane, and the reconstruction of Taxiways A and B at Redding Municipal Airport in an amount not-to-exceed \$58,000.

License Agreements - Experimental Aircraft Association and Hillside Aviation, Inc. for Aviation Day 2008 at Benton Airpark (A-090-020)

It is the recommendation of the Transportation and Engineering Director that the City Council authorize the Mayor to execute License Agreements with Experimental Aircraft Association and Hillside Aviation, Inc. for use of a portion of Benton Airpark to conduct Aviation Day 2008, on Sunday, June 15, 2008, from 7:00 a.m. until mid-afternoon.

Accept Improvements - The Villages at Shasta View Gardens Subdivision (S-101-081)

It is the recommendation of the Transportation and Engineering Director that the City Council accept as satisfactorily completed the remaining improvements for The Villages at Shasta View Gardens Subdivision (S-15-04), located west of Shasta View Drive and south of Tarmac Road, by Village Development Company, and that the City Clerk be instructed to return securities to the developer.

Resolution - Accepting streets and improvement for Brooks Valley Subdivision (S-070-230 & S-100-065)

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2008-39 be adopted, a resolution of the City Council of the City of Redding accepting streets for maintenance and operation in Brooks Valley Subdivision (S-42-90), located east of Twin View Boulevard and north of Valley Ridge Drive, by Brooks Valley, LLC, that the improvements be accepted as satisfactorily completed, and that the City Clerk be instructed to return securities to the developer.

Resolution - Authorizing grant applications to the California Integrated Waste Management Board (G-100-070 & S-070-200)

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2008-40 be adopted, a resolution of the City Council of the City of Redding authorizing the City Manager to submit and execute grant applications to the California Integrated Waste Management Board through its Rubberized Asphalt Concrete Chip Seal Program in an amount up to \$300,000 the first year and \$150,000 per year thereafter for street maintenance.

Third Amendment to Lease Agreement - Hawes River Acres
(C-070-100 & A-090-100)

It is the recommendation of the Transportation and Engineering Director that the City Council approve the Third Amendment to the Lease Agreement with Hawes River Acres to remove 389 acres of pasture land located on Redding Municipal Airport property from the Hawes Lease in order to begin construction of the Stillwater Business Park.

Notice of Completion - Bid Schedule No. 4080, 2007 Sidewalk Repair Project
(B-050-020 & S-070-285)

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4080 (Job No. 2297), 2007 Sidewalk Repair Project awarded to Frank Medina be accepted as satisfactorily completed, and that the City Clerk be authorized to file a Notice of Completion with the Shasta County Recorder. The final cost was \$203,683.15.

License Agreement - The McConnell Foundation for use of Kutras Lake boat ramp
(S-070-050-050 & P-050-650)

It is the recommendation of the Transportation and Engineering Director that the City Council authorize the Mayor to execute a License Agreement with The McConnell Foundation to allow public use of the Kutras Lake boat ramp during the Cypress Bridge Reconstruction Project.

Supplemental Public Road Crossing Agreement - Union Pacific Railroad re South Bonnyview Road Widening Project
(T-100-300 & S-070-100-708)

It is the recommendation of the Transportation and Engineering Director that the City Council authorize the Mayor to execute a Supplemental Public Road Crossing Agreement with Union Pacific Railroad (UPRR) relative to the South Bonnyview Road Widening Project and authorize the Mayor to accept an easement for the necessary right-of-way from UPRR for widening the at-grade rail crossing at South Bonnyview Road at a cost of approximately \$830,000 and an additional \$35,031 for the right-of-way.

Letter to Legislators - Federal Aviation Administration Reauthorization Bill
(L-040-070 & A-090-100)

It is the recommendation of the Transportation and Engineering Director that the City Council authorize the Mayor to execute a letter to Senators Boxer and Feinstein and Congressman Herger, opposing efforts by the International Association of Fire Fighters (IAFF) to include new Aircraft Rescue and Fire Fighting (ARFF) standards in the Federal Aviation Administration (FAA) Reauthorization Bill requiring airports (all sizes) to comply with the National Fire Protection Association standards.

Resolution - Authorizing grant application to the U.S. Department of Transportation for Small Community Air Service Development Program for Redding Municipal Airport
(G-100-070 & A-090-100)

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2008-41 be adopted, a resolution of the City Council of the City of Redding authorizing the City Manager to submit and execute all necessary documents for receive a federal grant to the U.S. Department of Transportation through the Small Community Air Service Development Program in the amount of \$500,000 to aid in the expense of providing air service between Redding Municipal Airport and Salt Lake City, and authorizing Mead & Hunt to prepare the grant application.

Short-Term Water Transfer Agreements - Glenn Colusa Irrigation District and the McConnell Foundation
(W-030-700)

It is the recommendation of the Municipal Utilities Director that the City Council authorize the City Manager to execute an Option Agreement with Glenn Colusa Irrigation District and a Water Use Agreement with The McConnell Foundation to provide supplemental surface water supplies to the City to make up for cutbacks to the City's Federal Water Service Contract supply (75% of the Buckeye Contract supply) for a period of one year.

MOTION: Made by Council Member Dickerson, seconded by Council Member Murray, that all the foregoing items on the Consent Calendar be approved and adopted as recommended above 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

Resolution Nos. 2008-39, 2008-40, and 2008-41 are on file in the Office of the City Clerk.

PUBLIC HEARING - Community Development Block Grant (CDBG), and Home Investment Partnerships (HOME) Program

RESOLUTION - Approving 2008-09 Action Plan and funding recommendations (G-100-030-100/G-100-030-053/G-100-075)

The hour of 7:00 p.m. having arrived, Mayor Stegall opened the public hearing regarding the 2008-09 Action Plan and funding recommendations for the Community Development Block Grant (CDBG) Program and the Home Investment Partnerships (HOME) Program.

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.

Assistant City Manager Tippin advised that, as an "entitlement city," Redding is required each year, by the Department of Housing and Urban Development (HUD), to develop and implement plans, programs, and projects that provide decent housing and economic opportunities for low- and moderate-income individuals and families. The Community Development Advisory Committee (CDAC) recently concluded its review process and finalized recommendations for use of CDBG and HOME Programs funds for the 2008-09 program year and has submitted an Action Plan (Plan) for consideration.

Mr. Tippin related that this year, the total amount available for CDBG allocations is approximately \$826,199 and \$540,132 in HOME funds, and he reviewed allocated funding amounts for various activities.

Mr. Tippin stated that the CDAC and staff recommend that the City Council adopt a resolution accepting the proposed 2008-09 Action Plan and funding recommendations regarding CDBG and HOME funds as contained in the Action Plan, and authorize the City Manager to execute all necessary papers and file the Plan with HUD.

Maggie John, Executive Director of Shasta Women's Refuge, urged the City Council to reconsider CDBG contributions to the Women's Refuge which were denied this year. She expressed concern that the rationale for denial focused on the ability of the Women's Refuge to obtain additional revenue through fund-raising efforts. She maintained that fund-raising abilities and/or opportunities should not be considered when determining distribution of CDBG monies. Ms. John suggested that because 82% of sexual assault victims and 62% of domestic violence victims using the services at the Women's Refuge live in the City, that the City Council add the Women's Refuge to its Biennial budget as a line item to ensure this valuable service continues to be available to City residents.

Mayor Stegall, and Council Members Dickerson and Bosetti concurred that organizations should not be penalized based on fund-raising efforts and urged staff to consider adding a line item for the Women's Refuge to the upcoming budget review.

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

City Manager Starman advised that this matter will be discussed during the mid-year budget review.

MOTION: Made by Council Member Dickerson, seconded by Council Member Bosetti, adopting Resolution No. 2008-42, a resolution of the City Council of the City of Redding accepting the 2008-09 Action Plan and funding recommendations relating to the Community Development Block Grant Program, the Home Investment Partnerships Program, and other

federal programs, and authorizing the City Manager to execute all necessary documents and submit the Action Plan to the U.S. Department of Housing and Urban Development.

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. 2008-42 is on file in the Office of the City Clerk

APPOINTMENT - Resident Advisory Board Member to the Redding Housing Authority (B-080-650-275 & H-150)

MOTION: Made by Council Member Murray, seconded by Council Member Jones, appointing Monique Taylor as Resident Advisory Board Member to the Redding Housing Authority to serve an unexpired term ending December 31, 2008.

The Vote: Unanimous Ayes

UPDATE ON MAJOR PROJECTS - Stillwater Business Park (A-050-080 & E-050-500)

Economic Development Director Zauher related that the Stillwater Business Park (Park) bid package was made available on April 18, 2008, and will be opened May 22, 2008. He stated that the bid award recommendation should come before the City Council for consideration on June 3, 2008, and if approved, Park ground breaking should commence June 12, 2008. He advised that marketing of the Park is underway and the process components are moving into place.

No action was required on this informational item.

AGREEMENT - County of Shasta for the Sexual Assault Response Team (P-150-150 & S-010)

City Manager Starman recalled that in 2007, the City Council authorized the City to partner with Shasta County in preserving the much-needed program referred to as the Sexual Assault Response Team (SART). SART is composed of nurses trained to perform forensic examinations on victims of sexual assault. While SART has historically been the responsibility of Shasta County, the City paid \$500 for each medical examination totaling approximately \$15,000 per year. However, in January 2007, the City Council approved a one-time funding contribution of \$50,000, sharing the cost with Shasta County, to ensure preservation of the program. He stated that the County has asked the City to share in funding the program again this year in the amount of \$34,000.

Mr. Starman recommended that the City Council authorize the City Manager to execute an Agreement with the County of Shasta to provide partial funding in the amount of \$34,000 for the Sexual Assault Response Team (SART) for fiscal year 2008-09.

MOTION: Made by Council Member Murray, seconded by Council Member Dickerson, authorizing the City Manager to execute an Agreement with the County of Shasta to provide partial funding in the amount of \$34,000 for the Sexual Assault Response Team (SART) for fiscal year 2008-09. The Vote: Unanimous Ayes

INCENTIVES TO STIMULATE RESIDENTIAL CONSTRUCTION ACTIVITY (F-205-600/E-090-100/G-100-080)

City Manager Starman pointed out that new home construction has declined dramatically throughout the nation, and Redding, is no exception. Likewise, he said permit activity in the City has experienced a significant decline from more than 600 permits being issued just two years ago, to 200 permits issued last year.

Mr. Starman related that when approving incentives for the City's target neighborhoods recently, the City Council expressed interest in providing incentives throughout the City. In response, staff is proposing five possible incentives geared to the single-family homeowner including remodels, renovations and new construction. The incentives are as follows:

1. Reduce the cost of certain building fees by 50% for a four-month period;
2. Delay collection of all City development impact fees on new residential construction until final inspection is complete (to improve cash flow);

3. Enhance Redding Electric Utility's (REU) Rebate Program by up to 50% for the four-month period for items such as air conditioners and residential insulation;
4. Decrease the interest rate to 0% for the City's Homeowner Rehabilitation Loan Program for the four-month period; and
5. Delay the scheduled Construction Cost Index (CCI) adjustment for some of the development fees for July 2008 through January 2009.

Mr. Starman stated that the incentives are fixed for a four-month period to encourage construction prior to the close of 2008 to generate jobs as soon as possible. He explained that at the end of 2008, fees would return to normal processing fees.

Mr. Starman recommended that the City Council approve the incentive proposals for residential construction, in concept, and direct the City Attorney's office to prepare the appropriate ordinance and resolutions.

Council Member Murray expressed concern that the City would not be recouping the necessary costs associated with the permitting process.

Tim Maclean of Sharrah, Dunlap, Sawyer, and Mary Machado of Shasta Voices, urged the City Council to approve the incentives to stimulate residential construction.

MOTION: Made by Council Member Jones, seconded by Council Member Bosetti, approving the residential construction incentive proposal, in concept, and directing the City Attorney's office to prepare the appropriate ordinance and resolutions.

The Vote: Unanimous Ayes

TOURISM MARKETING BUSINESS IMPROVEMENT DISTRICT

(A-170-015-004)

Support Services Director Kersten recalled that the City Council, at its meeting of December 4, 2007, conceptually approved formation of the Tourism Marketing Business Improvement District (TMBID) to provide tourism marketing for the hotels in the City. He further recalled that on March 18, 2008, Council approved a public meeting for this evening and a public hearing to be held June 3, 2008. Mr. Kersten said formation of a 1% lodging assessment of the TMBID could provide up to \$100,000 annually for promotions, and Redding hoteliers have demonstrated their approval with a 90% approval rating in favor of formation of the TMBID.

Mr. Kersten stated that in light of the fact that no public comment was received this evening, no further action was necessary until the public hearing on June 3, 2008.

MONTHLY FINANCIAL REPORT - Electric Utility

(B-130-070)

Electric Utility Director Feider commented that the financial results for March 2008 are slightly less positive. He said that retail power sales revenue was \$1,149,746 (1.8%) below projections and wholesale power sales through March totaled \$22,928,058 or 133.2% above projections. Operating revenue after energy costs was \$3,328,620 or 14.5% below expectations. The total cost of energy through March was \$25,386,991 or 42.4% above plan. The Utility's negative net operating results through March are \$3,680,056.

Mr. Feider recommended that the City Council accept the Electric Utility Monthly Financial Report.

It was the consensus of the City Council to accept the Monthly Financial Report for the Electric Utility Department through March 2008.

SALE OF REDDING POWER PLANT LIQUID PROPANE AND ASSOCIATED STORAGE FACILITIES/EQUIPMENT

(E-120-150)

Electric Utility Director Feider recalled that in 1993, Redding Electric Utility (REU) purchased backup liquid propane fuel facilities for the Redding Power Plant consisting of five storage tanks with a 273,248 gallon capacity. Over the past 14 years, REU has never had to utilize the backup propane system. He said that since California deregulation of electricity systems, the backup system is no longer required by law and the proceeds from sale of the propane and the associated facilities is estimated at \$500,000.

Mr. Feider recommended that the City Council authorize staff to solicit offers for the purchase of liquid propane, associated storage facilities and equipment located at the Redding Power Plant pursuant to Redding Municipal Code Chapter 4.20, and apply proceeds to REU's operating reserves.

MOTION: Made by Council Member Murray, seconded by Council Member Bosetti, authorizing staff to solicit offers for the purchase of Redding Electric Utility's (REU) liquid propane and associated storage facilities and equipment located at the Redding Power Plant pursuant to Redding Municipal Code Chapter 4.20 and apply the proceeds to REU's operating reserves. The Vote: Unanimous Ayes

GENERAL FUND MONTHLY FINANCIAL REPORT

(B-130-070)

City Manager Starman advised that the weak economy continues to soften sales tax and building-related fees are in a downward trend. He stated that a more thorough update will be provided during the mid-year budget review. However, Mr. Starman pointed out that property tax allocations are very close to projections.

Mr. Starman reported that total revenue at the end of March was \$44.5 million or \$2,014,911 (4.4%) below staff's cash flow projection. Expenditures at month end, excluding encumbrances, total \$53,437,054 or \$8,209,455 (13.4%) below staff's original projection. Encumbrances total \$2,342,546.

Mr. Starman recommended that the City Council accept the General Fund's Monthly Financial Report for March 2008.

It was the consensus of the City Council to accept the Monthly Financial Report for the Electric Utility Department through March 2008.

AWARD REQUEST FOR PROPOSALS - Request for Proposals Schedule No. 4125, Construction Management Services for the Hilltop Drive Streetscape Project; and
CONSULTANT SERVICES AGREEMENT - Caltrop Corporation

(B-050-100 & A-170-015-003)

Assistant City Manager Tippin related that in cooperation with the Hilltop Hotel Business Improvement District (HHBID), the City developed design documents to improve the aesthetics of the Hilltop Drive corridor between Cypress Avenue and the SR 44 overcrossing. He related that the improvements will include undergrounding utilities, new sidewalks and driveways, new street-side landscape, and landscaped medians. Mr. Tippin related that a Request for Proposal (RFP) for architectural and engineering services for the project was circulated in February, and, after careful review, Caltrop Corporation was selected to provide those services. He provided a brief review of the process used to evaluate and select the most qualified bidder based on experience, an understanding of the scope of work, ability to meet schedules, maintain the projected budget, and commitment to the project.

Mr. Tippin recommended that Request for Proposals Schedule No. 4125, Construction Management Services for the Hilltop Drive Streetscape Project be awarded to Caltrop Corporation in an amount not-to-exceed \$319,983.19, to provide construction management services for the Hilltop Drive Streetscape Project, that staff be authorized to draft a consultant services agreement and that the Mayor be authorized to execute a Consultant Services Agreement with Caltrop Corporation for same.

MOTION: Made by Council Member Bosetti, seconded by Council Member Murray, awarding Request for Proposals Schedule No. 4125, Construction Management Services for the Hilltop Drive Streetscape Project to Caltrop Corporation in an amount not-to-exceed \$319,983.19, to provide construction management services for the Hilltop Drive Streetscape Project, authorize staff to draft a consultant services agreement, and that the Mayor be authorized to execute a Consultant Services Agreement with Caltrop Corporation for same. The Vote: Unanimous Ayes.

ORDINANCE - Amending Redding Municipal Code Chapter 2.20 relative to the duties and functions for the elected and appointed positions of City Treasurer and Administrator of the Office of the City Treasurer

(A-050-100)

City Attorney Duvernay provided highlights of the Report to City Council dated April 18, 2008, incorporated herein by reference, stating that the duties and functions of the elected

City Treasurer have not been reviewed or changed for the last 33 years. He stated that the proposed ordinance codifies the status quo without changing the current structure of the department or the duties and functions of the City Treasurer. Mr. Duvernay said, however, it creates the position of Administrator of the Office of the City Treasurer and designates certain duties and functions of that portion of the department.

Mr. Duvernay recommended that the City Council offer an ordinance for first reading amending the Redding Municipal Code Chapter 2.20-City Treasurer by repealing Sections 2.20.010 through 2.20.080 and adding new Sections 2.20.010 through 2.20.090 relating to defining and describing the duties of the elected position of City Treasurer and the appointed position of Administrator of the Office of the City Treasurer.

MOTION: Made by Council Member Murray, seconded by Council Member Dickerson amending the Redding Municipal Code Chapter 2.20-City Treasurer by repealing Sections 2.20.010 through 2.20.080 and adding new Sections 2.20.010 through 2.20.090 relating to defining and describing the duties of the election position of City Treasurer and the newly-established appointed position of Administrator of the Office of the City Treasurer.

The Vote: Unanimous Ayes

Council Member Murray offered Ordinance No. 2408 for first reading, an ordinance of the City Council of the City of Redding amending Redding Municipal Code Chapter 2.20-City Treasurer by repealing Sections 2.20.010 through 2.20.080 and adding new Sections 2.20.010 through 2.20.090 relating to defining and describing the duties of the elected position of City Treasurer and the newly-created, appointed position of Administrator of the Office of the City Treasurer.

MOTION: Made by Council Member Murray, seconded by Council Member Dickerson, that the full reading of Ordinance No. 2408 be waived, and that the City Attorney be instructed to read the full title. The Vote: Unanimous Ayes

RESOLUTION - Appropriating Park Development funds for legal fees and costs associated with defending the lawsuit filed by Dale Stickney Construction, Inc. relative to the Redding Sports Park

(B-130-070/P-050-600-200/L-100)

City Attorney Duvernay recalled that in 2004, the City Council approved the sale of lease revenue bonds to provide funding for construction of City athletic fields and park projects, including the Sports Complex (Big League Dreams) and four soccer fields. He pointed out that through the bid process, Dale Stickney Construction was selected to construct the Sports Complex and soccer fields and, due to a variety of issues, litigation ensued.

Mr. Duvernay stated that the litigation with Dale Stickney Construction has reached the mediation process, but an additional \$750,000 (to be used for legal fees and/or expenses of defending the litigation) is needed at this time. He advised that appropriating Park Development Funds for this purpose (which represent the final proceeds of the Lease Revenue Bonds in 2004 sold for the Sports Complex and soccer fields construction), constitutes an appropriate use. Mr. Duvernay advised that a potential settlement is under consideration through a mediator and it is hoped the litigation issue will be resolved.

Mr. Duvernay recommended that the City Council adopt a resolution appropriating \$750,000 in Park Development Funds for legal fees and/or expenses of defending the Dale Stickney Construction v. City of Redding litigation.

Leona McCoach, Community Services Advisory Commission (CSAC) member, opposed expenditure of Park Development Funds for this purpose, pointing out that the Commission was not allowed to review the report or make recommendations. She explained that this amount constitutes almost 100% of the funding for this fiscal year for parks, that it may impact the City's credibility when collecting park funds from developers if funds are to be used for anything other than parks, and there is no stipulation to repay the Park fund. She urged the City Council to insist that the funds be repaid to the Park fund at a some point.

Council Member Murray concurred with the CSAC, stating that he would oppose the resolution unless repayment to the Park fund was made a condition of approval.

MOTION: Made by Council Member Murray, seconded by Council Member Stegall, adopting Resolution No. 2008-43, a resolution of the City Council of the City of Redding,

approving and adopting the 31st amendment to City Budget Resolution No. 2007-127, appropriating \$750,000 from the Park Development Fund for legal fees and costs associated with defending the lawsuit filed by Dale Stickney Construction, Inc., for fiscal year 2007-08, and that the transferred funds be treated as an amount of money that should be repaid to the Parks Fund, and directing staff to return at a future date with the methodology of repayment to the Park Fund. The Vote:

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

Motion failed for lack of a majority.

MOTION: Made by Council Member Jones, seconded by Council Member Bosetti, adopting Resolution No. 2008-43, a resolution of the City Council of the City of Redding, approving and adopting the 31st amendment to City Budget Resolution No. 2007-127, appropriating \$750,000 from the Park Development Fund for legal fees and costs associated with defending the lawsuit filed by Dale Stickney Construction, Inc. for fiscal year 2007-08.

The Vote:

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

Resolution No. 2008-43 is on file in the Office of the City Clerk

RESOLUTION - Amending the Memorandums of Understanding (MOU) with Service Employees International Union (SEIU)-Clerical, Technical, and Professional Employees and Supervisory/Confidential Employees Units (P-100-050-124 & P-100-050-126)

Personnel Director Johnson provided highlights of the Report to City Council dated April 25, 2008, advising that contract negotiations with the Service Employees International Union (SEIU)-Clerical, Technical, and Professional Employees and Supervisory/Confidential Employees Units are complete. She stated that the major provisions of the amended Memorandums Of Understanding (MOU's) are as follows:

1. The MOU's term is five and one-half years;
2. The cost-of-living adjustments are .72% effective April 6, 2008, 4% effective January 1, 2009, 3% effective January 1, 2010, 3% effective January 1, 2011, and 3.5% effective January 1, 2012 through the end of the term of the MOUs;
3. Employees hired after May 6, 2008, will pay 100% of the retiree premium for Health and Welfare Benefits should they elect to participate in the City's Benefit program upon retirement;
4. Employees will pay 10% of their Health and Welfare Benefits Premium effective April 6, 2008, and receive an offset of \$1,512 for the first year only;
5. Prescription drug co-pay increases effective July 1, 2008, and July 1, 2009;
6. Retirement enhancement through the Public Agency Retirement System (PARS) 2.7% at 55 years of age (10-years vested with the City of Redding) effective January 1, 2009 (the employees pay for this enhancement);
7. Increase in annual uniform allowance from \$400 to \$600 for Police and Fire Miscellaneous employees and from \$700 to \$800 for the Parking Violation Officer to be paid on a bi-weekly basis.

Ms. Johnson stated there were additional changes, such as removal of the language regarding annual equity studies.

Ms. Johnson recommended that the City Council adopt a resolution amending the SEIU MOUs for a term of five and one-half years, effective April 6, 2008.

Willie Preston, Shasta, thanked the City Council for addressing the GASB45 issue by eliminating retirement medical benefits for those hired after May 6, 2008. He voiced concern regarding annual cost of living (COLA) increases, the use of in-house employees to negotiate employment contracts citing a possible conflict of interest, and questioned the

net fiscal impact to the City. He suggested that a set dollar amount be offered to existing employees to pay for medical benefits rather than percentages of the benefit.

In response, City Manager Starman clarified that the negotiations and resulting contracts are consistent with the City’s 10-Year Financial Plan, although future predictions in the economy would be very difficult at this juncture. He advised that with regard to negotiation services, this and past Councils have determined that in-house personnel have provided the best results in the negotiation process with the most reasonable cost, and the City Council provides direction in the process. He observed that with each 1% increase in the contracts with SEIU (representing more than 350 employees) it equates to approximately \$230,000 annually.

Council Member Murray added that the City currently is holding some positions vacant in a soft-hiring freeze, but Council is working diligently to bring costs into line with taxpayer expectations which cannot be done overnight.

Council Member Jones stated that he could not support the cost-of-living-adjustments provided in the contracts and would be voting no.

Mayor Stegall and Council Members Bosetti and Dickerson believed negotiations concluded on a positive note for the taxpayers, pointing out that it is a give-and-take process.

MOTION: Made by Council Member Murray, seconded by Council Member Bosetti, adopting Resolution No. 2008-44, a resolution of the City Council of the City of Redding, approving the provisions of the Memorandums of Understanding entered into with the Service Employees International Union-Clerical, Technical, and Professional Employee’s unit and the Supervisory/Confidential Employees’ Unit, effective April 6, 2008. The Vote:
AYES: Council Members - Bosetti, Dickerson, Murray, and Stegall
NOES: Council Members - Jones
ABSTAIN: Council Members - None
ABSENT: Council Members - None

Resolution No. 2008-44 is on file in the Office of the City Clerk

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

Mayor Stegall attended the Northern California Power Agency Federal Policy Forum in Washington, D.C. on April 20 and 21, 2008, to lobby California’s Senators and Representatives.

Council Members Jones and Bosetti reported attending Joe Gonsalves and Sons’ (City’s lobbyist) Client Cities 2008 Appreciation Dinner and legislative update in Sacramento on April 29, 2008.

ADJOURNMENT

There being no further business, at the hour of 9:13 p.m., Mayor Stegall declared the meeting adjourned.

APPROVED:

Mayor

ATTEST:

City Clerk