

City Council, Special Meeting
 Civic Center Council Chambers
 777 Cypress Avenue
 Redding, California
 August 5, 2008 4:15 p.m.

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

The Invocation was offered by Police Chaplain Charlene Payment.

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, Transportation and Engineering Director Crane, Fire Chief Fry, Police Chief Moty, City Clerk Strohmayer, and Executive Assistant Stribley.

PUBLIC COMMENT

(C-050-550)

Vi Klaseen, Redding resident, said that the proposed police facility is an important project and sorely needed. She urged the City Council to place an initiative before the voters to determine if the community is willing to provide the necessary construction funding through increased sales tax. She did not support altering current plans for the facility to fit any existing "big box" building.

(P-050-435)

Bill Ulch, Redding resident, urged removal of the brush along the trail by the river in the Parkview Neighborhood pointing to a correlation with the reduced number of police calls for service in the area after removal of excess vegetation.

(S-010)

Charles Alexander, Redding resident, opposed placing a parolee reentry-facility in Redding as proposed by the California Department of Corrections and Rehabilitation, and Shasta County.

(C-050-550)

Ian Kirk, Redding businessman, expressed concern regarding the apparent lack of a funding mechanism to construct a new police facility and did not support borrowing against the future financial vitality of the community. He suggested that a committee to research funding sources be comprised of real estate and investment experts, that the City purchase construction plans from another agency that has recently built a police facility, and that the City's website be modified to allow live input from the community during City Council meetings.

CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar:

Approval of Minutes - Regular Meeting of July 1, 2008, and Special Meetings of June 16 and July 1, 2008

Approval of Payroll and Accounts Payable Registers

(A-050-100-500)

It is recommended that Accounts Payable Register No. 1, check numbers 864356 through 864789 inclusive, in the amount of \$8,031,594.33, for the period of July 1, 2008, through July 11, 2008; Accounts Payable Register No. 2, check numbers 864790 through 865394 inclusive, in the amount of \$32,745,160.80, for the period of July 14, 2008, through July 31, 2008; Payroll Register No. 1 electronic deposit transaction numbers 234668 through 235644 and check numbers 540739 through 540960 inclusive, in the amount of \$3,121,921.07 for the period June 29, 2008, through July 12, 2008; and Payroll Register No. 2 electronic deposit transaction numbers 235691 through 236674 and check numbers 540969 through 5415096 inclusive, in the amount of \$2,738,110.57 for the period July 13, 2008, through July 26, 2008, be approved. TOTAL: \$46,636,786.77

Treasurer's Report - June 2008

(A-050-100-600)

Total Treasurer's Accountability - \$154,916,854.93

Total City of Redding Funds, Funds Held in

Trust, and Funds of Related Entities - \$326,899,113.48

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 June 2008 be accepted.

Ordinance - Amending Redding Municipal Code Chapter 9.20 - *Fire Prevention*, re designation of a Very High Fire Hazard Severity Zone

(F-210 & P-150-070)

It is the recommendation of the Fire Chief that Ordinance No. 2416 be adopted, an ordinance of the City Council of the City of Redding amending Redding Municipal Code (RMC) Section 9.20.060-Designation of Very High Fire Hazard Severity Zone and Fire Safe Building Construction and Methods Manual for Wildland-Urban Interface for compliance with Cal Fire updates.

Appointment - City Council Liaison to the Stillwater Business Park

(E-050-500 & A-050-060)

It is the recommendation of the Mayor that Council Member Murray be appointed as Council Liaison to the Stillwater Business Park.

Project Status Report - Update on Major Projects

(A-050-080)

It is the recommendation of the City Manager that the City Council accept the Project Status Report for July 2008.

Resolution - Intention to abandon a portion of the Polk Street and setting public hearing

(A-010-100)

It is the recommendation of the Development Services Director that Resolution No. 2008-141 be adopted, a resolution of the City Council of the City of Redding, declaring its intention to abandon a portion of the Polk Street (3460 Polk Street) right-of-way (A-3-08) adjacent to 1025 Sutter Street and Geary Street, and setting public hearing for September 2, 2008.

Grant Agreement - Accepting ownership of Redding Municipal Library inventory

(G-100 & L-050)

It is the recommendation of the Community Services Director that the City Council approve the Grant Agreement to accept, from the County of Shasta, ownership of all furniture, fixtures, equipment, and collection materials at the Redding Municipal Library.

Agreement - Shasta County Office of Education

(E-060-630/^G-100-070/P-150-150)

It is the recommendation of the Police Chief that the City Council authorize the Police Chief to execute an Agreement to partner with the Shasta County Office of Education to accept a Safe Schools/Healthy Student federal grant in the amount of \$110,000 annually for four years to provide a full-time School Resource Officer at Oasis School.

Mayor Stegall advised she would abstain from discussion and voting on this item due to her husband's service on the Board of Directors for the Shasta County Office of Education.

The Vote:

AYES: Council Members - Bosetti, Dickerson, Jones, and Murray

NOES: Council Members - None

ABSTAIN: Council Members - Stegall

ABSENT: Council Members - None

Grant - California Integrated Waste Management Board for street maintenance project funding; and

Resolution - Allocating grant funds for the 2008 Polymer Modified Asphalt Rubber chip seal and microsurface project currently under construction

(G-100-070/S-070-200/B-130-070)

It is the recommendation of the Transportation and Engineering Director that the City

Council accept the California Integrated Waste Management Board grant through its Rubberized Asphalt Concrete Chip Seal Grant Program in the amount of \$137,030 for the City’s 2008 Polymer Modified Asphalt Rubber Chip Seal and Microsurface Project.

It is further recommended that Resolution No. 2008-142 be adopted, a resolution of the City Council of the City of Redding approving and adopting the 39th amendment to City Budget Resolution No. 2007-127 in the amount of \$137,030 for street maintenance for fiscal year 2008-09.

Notice of Completion - Bid Schedule No. 4133, Replace AC Surfacing 2008 Project (B-050-020 & S-070-200)

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4133 (Job No. 2008), Replace AC Surfacing 2008 Project awarded to Ron Hale Construction, Inc. be accepted as satisfactorily complete and that the City Clerk be authorized to file a Notice of Completion with the Shasta County Recorder. The final cost was \$437,242.55.

Resolution - Accepting streets and improvements in Summerfield Meadows Subdivision Unit 2 (S-100-711 & S-070-230)

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2008-143 be adopted, a resolution of the City Council of the City of Redding, accepting for maintenance and operation the streets in the Summerfield Meadows Subdivision Unit 2 (S-10-01), located west of Sacramento Drive, by Summerfield Meadows Development, Inc.; that the improvements be accepted as satisfactorily completed, and that the City Clerk be instructed to return the securities to the developer.

Reject Non-Responsive Low Bid and Award of Bid - Bid Schedule No. 4157, One 24,000 lb Wheel Loader; and authorize selling surplus 1989 Fiat Front-loader Equipment No. 391 (B-050-100 & S-020-550)

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4157, One 24,000 lb Wheel Loader not be awarded to low bidder Western Power and Equipment because it did not meet bid specifications and was therefore non-responsive; that Bid Schedule No. 4157, One 24,000 lb Wheel Loader be awarded to Pape Machinery in the amount of \$131,489, that the 1989 Fiat Front-loader Equipment No. 391 be declared surplus and authorize the sale of said equipment with proceeds deposited to the Solid Waste Utility Rolling Stock 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 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

Ordinance No. 2416 and Resolution Nos. 2008-141, 2008-142, and 2008-143 are on file in the Office of the City Clerk.

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APPOINTMENTS - Community Development Advisory Committee (B-080-600-100)

Mayor Stegall recommended the appointment of Staci Bertagna to the Community Development Advisory Committee to serve an unexpired term ending December 1, 2008, and provided a brief summary of Ms. Bertagna’s qualifications and experience.

Council Members Jones and Bosetti stated that Ms. Bertagna possessed a minimal level of experience, therefore, they would not support the appointment.

Mayor Stegall expressed concern about her colleague’s expressed opinions relative to inexperience, and questioned how one obtains experience without first being given an opportunity to serve.

MOTION: Made by Council Member Dickerson, seconded by Council Member Murray, appointing Staci Bertagna to the Community Development Advisory Committee (CDAC) to serve an unexpired term ending December 1, 2008. The Vote:

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

Staci Bertagna thanked the City Council for the appointment and expressed confidence that her qualifications, experience, and background in social work would be an asset to the Committee.

LETTER OF AGREEMENT - Turtle Bay Exploration Park installation of a thermal energy storage system
 (E-090-100 & C-070-250-250)

Electric Utility Director Feider related that Redding Electric Utility (REU) promotes the use of Thermal Energy (ice) Storage (TES) systems whenever possible. Because Turtle Bay Exploration Park (Turtle Bay) wishes to remain true to its environmental purpose, and because its current system is mechanically compatible and the costs for the project are very attractive, it has agreed to showcase the system for REU. He stated that REU has evaluated the system and its potential to reduce 100 kW during peak times which will benefit REU and its rate payers.

Mr. Feider advised that costs for the TES at Turtle Bay will be funded through the Public Benefits Program in an amount not-to-exceed \$140,000. He said that should the City Council authorize the project, REU would execute a Letter of Agreement (LOA) with Turtle Bay outlining the project cost reimbursement plan, REU's expectation for the TES System performance and hours of operation, and remote monitoring of the system. He added that the TES system is in operation at several City facilities and is available to any REU-serviced private or nonprofit business mechanically configured to accept the system and he encouraged them to apply for an evaluation.

Mr. Feider recommended that the City Council approve the LOA between REU and Turtle Bay to provide 100% installation costs, plus 10% contingencies of the TES through the Public Benefits Program.

Council Member Jones expressed concern regarding the amount of funding already provided to Turtle Bay, and asked that the annual City subsidy of \$350,000 be reduced by the amount of the TES installation.

In response to a motion made by Council Member Jones to approve staff's recommendation but reduce the annual subsidy to Turtle Bay for the current year by a like amount, City Attorney Duvernay cautioned that the motion was not properly agendized and could only be allowed by accepting the recommendation and directing staff to return for future consideration of the annual subsidy to Turtle Bay.

City Manager Starman added that the matter is not time sensitive and could be discussed in its entirety at a future meeting.

Council Member Dickerson did not support the motion commenting that budget discussions are scheduled for the regular City Council meeting on August 19th and would be a more appropriate forum for subsidy issues.

Council Member Murray also did not support the motion pointing out that any energy savings, wherever it occurs, is of greater benefit to the ratepayers and to the City than to Turtle Bay.

Council Member Jones amended his motion as follows:

MOTION: Made by Council Member Jones, seconded by Council Member Bosetti, approving the Letter of Agreement between Redding Electric Utility (REU) and Turtle Bay Exploration Park to provide 100% installation costs, plus 10% contingencies of the Thermal Energy Storage System through the REU Public Benefits Program, and directing staff to prepare a report for consideration at a future meeting to reduce Turtle Bay's annual subsidy for the current year by a like amount.

The Vote:

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

Motion failed for lack of a majority.

MOTION: Made by Council Member Murray, seconded by Council Member Dickerson, approving the Letter of Agreement between Redding Electric Utility (REU) and Turtle Bay Exploration Park to provide 100% installation costs, plus 10% contingencies of the Thermal Energy Storage System through the REU Public Benefits Program.

The Vote:

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

RESOLUTION - Approving the long-term Gas Supply Agreement with M-S-R Energy Authority; issuance of Gas Revenue Bonds; certain Redding related portions of the Official Statement; and related actions
 (E-120-501 & E-120-058)

Electric Utility Director Feider recalled that on July 1, 2008, the City Council authorized participation in the newly-formed M-S-R Energy Authority (Authority) and authorized Redding Electric Utility (REU) to complete a 30-year gas prepay program under the new Joint Powers Agency. He stated that the Authority will purchase gas on behalf of its members (the City of Santa Clara, the City of Redding, and the Modesto Irrigation District [M-S-R]) and M-S-R will agree to purchase the gas in the amount of \$1.8 billion (the City of Redding's share is \$600 million over 30 years) from Citigroup Energy, Inc. with the issuance of bonds providing prepayment of that amount. He added that under this Agreement the City will have no obligation except to purchase the gas from the Authority.

Mr. Feider advised that startup costs for REU with the Authority will be approximately \$20,000 to \$30,000 per year, but it is estimated that this proposal will save approximately \$1.5 million to \$2.4 million per year for the 30-year life of the Agreement.

Mr. Feider recommended that the City Council approve the execution of a Long-Term Gas Supply Agreement with the Authority, adopt a resolution approving the issuance by the Authority of a not-to-exceed \$1.8 billion aggregate principal amount of M-S-R Energy Authority Gas Revenue Bonds Series 2008, in one or more series, approving the form of and authorizing delivery of the Supply Agreement, and approving the portion of the Official Statement relating to the Bonds describing Redding Electric Utility, and any changes as the Authorized City Representative to the Authority may require or approve.

MOTION: Made by Council Member Murray, seconded by Council Member Dickerson, adopting Resolution No. 2008-144, a resolution of the City Council of the City of Redding, approving the issuance by the Authority of a not-to-exceed \$1.8 billion aggregate principal amount of M-S-R Energy Authority Gas Revenue Bonds Series 2008 in one or more series, approving the form of and authorizing execution and delivery of a Long-Term Gas Supply Agreement with the Modesto-Santa Clara-Redding (M-S-R) Authority, and the portion of the Official Statement relating to the Bonds describing Redding Electric Utility, and any changes as the Authorized City Representative to the Authority may require or approve.

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. 2008-144 is on file in the Office of the City Clerk.

MONTHLY FINANCIAL REPORT - Electric Utility
 (B-130-070)

Electric Utility Director Feider related that the Redding Electric Utility completed the fiscal year with \$1.7 million negative projections for the fiscal year, but it was driven by the low

hydro system this year which is 25% below projections. He stated that the hydro system will be low for at least the first portion of the current fiscal year as well.

Mr. Feider reported that retail power sales revenue through June was \$1,401,716 (1.7%) below projections and wholesale power sales through June totaled \$36,528,630 or 130.0% above projections. Operating revenue after energy costs was \$4,855,028 or 14.6% below expectations. The total cost of energy through June was \$40,245,457 or 49.9% above projections. The Utility's negative net operating results through June are \$8,851,673.

Mr. Feider recommended that the Redding Electric Utility Monthly Financial Report for June 2008 be accepted.

MOTION: Made by Council Member Bosetti, seconded by Council Member Jones, accepting the Redding Electric Utility Monthly Financial Report for June 2008.

The Vote: Unanimous Ayes

SUPPLY AND PROFESSIONAL SERVICES AGREEMENT - Siemens Power Generation, Inc.

AMENDMENT to AGREEMENT - EmeraChem Power LLC; and

RESOLUTION - Appropriating funds for the Unit 5 control system upgrade and addition of two new staff positions for Redding Electric Utility (REU)

(E-120-150-675/^E-120-150-676/^B-130-070/^P-100-060)

Electric Utility Director Feider explained that the construction of Generating Unit 6 at the Redding Power Plant will require upgrades to Generating Unit 5 and costs were included for that Unit. It was planned to upgrade Unit 5 at the same time as construction of Unit 6 because many operations require the units to "communicate" via shared systems; however, it appears that the costs for the upgrades were slightly underestimated. He stated that Siemens Power Generation, Inc. can provide a Distributed Control System (DCS) for Units 5 and 6 in the amount of \$1,364,377.

Mr. Feider related that the emission systems for the generating units require annual maintenance which necessitates renting a crane and is very cumbersome. He stated that EmeraChem Power can provide a built-in crane system eliminating the need for crane rentals and manlift devices and provide an added margin of safety. The Supply Agreement with EmeraChem Power will allow for future savings to ratepayers on the standard cleaning of the emissions system and provide efficiency for maintenance of both Units 5 and 6.

When discussions began regarding construction of Unit 6, Mr. Feider recalled it was estimated that staffing levels would need to increase by six positions. He believed it prudent to hire two of those positions at this time; Automation Specialist with a salary range of \$4,881 to \$7,782 and Maintenance Planner/Materials Coordinator with a salary range of \$4,128 to \$6,533, which will be unrepresented classifications.

Mr. Feider recommended that the City Council authorize the Mayor execute a Supply and Professional Services Agreement with Siemens Power Generation, Inc. (Siemens) to provide a Distributed Control System (DCS) and associated technical services for Units 5 and 6 in the amount of \$1,364,377, and that the City Manager be authorized to approve change orders in an aggregate amount not-to-exceed \$125,000; that the Mayor be authorized to execute an amendment to the Supply and Professional Services Agreement with EmeraChem Power LLC to provide a catalyst handling system for Unit 6 in the amount of \$868,000, and that the City Manager be authorized to approve change orders in an aggregate amount not-to-exceed \$475,000; and that a resolution be adopted increasing the appropriation for Unit 5's DCS in an amount not-to-exceed \$1,365,000, and approving the addition of two new staff positions to facilitate and operate Unit 6.

MOTION: Made by Council Member Murray, seconded by Council Member Dickerson, authorizing the Mayor to execute a Supply and Professional Services Agreement with Siemens Power Generation, Inc. (Siemens) to provide a Distributed Control System (DCS) and associated technical services for Units 5 and 6 in the amount of \$1,364,377 and authorizing the City Manager to approve change orders in an aggregate amount not-to-exceed \$125,000; authorizing the Mayor to execute an amendment to the Supply and Professional Services Agreement with EmeraChem Power LLC to provide a catalyst handling system for Unit 6 in the amount of \$868,000, and authorizing the City Manager to approve change orders in an aggregate amount not-to-exceed \$475,000; and that Resolution No. 2008-145 be adopted, a resolution of the City Council of the City of Redding, approving

and adopting the 40th amendment to City Budget Resolution No. 2007-127 appropriating \$830,000 for the Unit 5 DCS upgrade and the addition of two new positions to facilitate and operate Unit 6 as unrepresented classifications, Automation Specialist with a salary range of \$4,881 to \$7,782 and Maintenance Planner/Materials Coordinator with a salary range of \$4,128 to \$6,533. 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. 2008-145 is on file in the Office of the City Clerk

ORDINANCE - Amending Redding Municipal Code Chapter 11.12 - Speed Limits (T-080-750)

Transportation and Engineering Director Crane related that engineering and traffic surveys, prepared in conformance with the Manual on Uniform Traffic Control Devices, can be conducted to determine speed zones at interval maximums of seven years, or more frequently if significant changes to the road segment occur. He explained that Redding Municipal Code Section 11.12.010 sets out various streets where speed zones are established, and this evening's Report to City Council dated July 22, 2008, addresses Lake Boulevard from St. Marks Street to Clay Street (a new speed zone would be established to create a transition between a 45 mph and 35 mph on Lake Boulevard), Viking Way from Abernathy Lane to Old Oregon Trail (an update in the speed zone to 40 mph would be established on Viking Way), and for Old Oregon Trail from Hartnell Avenue to Harley Leighton Road (a speed zone of 40 mph would be established).

Mr. Crane recommended that an ordinance be offered for first reading by title only and the full reading waived, amending Redding Municipal Code Section 11.12.010 to establish the new speed zones in the City.

MOTION: Made by Council Member Murray, seconded by Council Member Jones approving the amendment to Redding Municipal Code (RMC) Section 11.12.010 establishing speed zones for Lake Boulevard from St. Marks Street to Clay Street (to establish a transition zone from 45 miles per hour to 35 miles per hour, Viking Way from Abernathy Lane to Old Oregon Trail to 40 mph, and Old Oregon Trail from Hartnell Avenue to Harley Leighton Road, 40 mph. The Vote: Unanimous Ayes

Council Member Murray offered Ordinance No. 2417 for first reading, an ordinance of the City Council of the City of Redding amending Redding Municipal Code Section 11.12.010 establishing speed zones as set forth above.

MOTION: Made by Council Member Murray, seconded by Council Member Jones, that the full reading of Ordinance No. 2417 be waived, and that the City Attorney be instructed to read the full title. The Vote: Unanimous Ayes

ORDINANCE - Amending Redding Municipal Code Section 6.14.150, amending definitions of authorized games at the Casino Club Card Room (L-070-030)

City Attorney Duvernay related that field representatives from the Department of Justice Division of Gambling Control which regulates Card Rooms visited the Casino Club. They subsequently informed the City that the City's Definitions of Authorized Games did not cover the card games of "Texas Hold Em" and "Omaha" which are played at the Casino Club. Mr. Duvernay stated that the Redding Municipal Code section relative to cardrooms should be amended to define and describe the authorized games played at the Casino Club, and to ensure compliance with the Gambling Control Act and policies of the State Department of Justice.

Mr. Duvernay recommended that an ordinance be offered for first reading by title only and the full reading waived, amending RMC Section 6.14.150 to conform with the State Department of Justice, Division of Gambling Control policies and licensing approvals.

MOTION: Made by Council Member Jones, seconded by Council Member Murray, approving the amendment to Redding Municipal Code (RMC) Section 6.14.150-Authorized Games to comply with the State Department of Justice, Division of Gambling Control policies and licensing approvals. The Vote: Unanimous Ayes

Council Member Jones offered Ordinance No. 2418 for first reading, an ordinance of the City Council of the City of Redding amending RMC Section 6.14.150-Authorized Games.

MOTION: Made by Council Member Jones, seconded by Council Member Murray, that the full reading of Ordinance No. 2418 be waived, and that the City Attorney be instructed to read the full title. 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)

Council Member Murray reported participating in a Sacramento Division of the League of California Cities' Executive Committee teleconference meeting.

ADJOURNMENT

There being no further business, at the hour of 6:04 p.m., Mayor Stegall declared the meeting adjourned.

APPROVED:

Mayor

ATTEST:

City Clerk