

City Council, Regular Meeting  
 Civic Center Council Chambers  
 777 Cypress Avenue  
 Redding, California  
 November 4, 2008 7:00 p.m.

The Pledge of Allegiance to the Flag was led by Fran Jenkins.

The Invocation was offered by Police Chaplain Ray Foust.

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, Electric Utility Director Hauser, Finance Director Strong, City Clerk Strohmayer, Assistant City Clerk Mize, and Executive Assistant Stribley.

-----

PUBLIC COMMENT

(C-070-200)

Naval Senior Chief Petty Officer Rob Burroughs requested that the City consider donating land in the area of Knighton Road near the location of the new Veterans Home and the Redding Municipal Airport for a Northern California Veterans Museum and Heritage Center. He said the purpose of the museum and heritage center is to honor veterans as well as provide a venue to educate the youth of the community about the sacrifices veterans have made for the country.

-----

CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar:

Approval of Minutes - Regular and Special Meetings of October 21, 2008

Approval of Payroll and Accounts Payable Registers

(A-050-100-500)

It is recommended that Accounts Payable Register No. 8, check numbers 867754 through 868155 inclusive, in the amount of \$10,729,304.89, for the period of October 18, 2008, through October 31, 2008; and Payroll Register No. 8 electronic deposit transaction numbers 241571 through 242453 and check numbers 541791 through 541922 inclusive, in the amount of \$2,735,596.44 for the period October 5, 2008, through October 18, 2008, be approved. TOTAL: \$13,464,901.33

Treasurer's Report - September 2008

(A-050-100-600)

Total Treasurer's Accountability	-	\$146,182,704.81
----------------------------------	---	------------------

Total City of Redding Funds, Funds Held in Trust, and Funds of Related Entities	-	\$300,697,012.90
---	---	------------------

ACR133 Report and Cash Reconciliation

(F-205-095-650)

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

Award of Bid - Bid Schedule No. 4184, two boiler feedwater pumps for the Redding Power Plant Unit 6 Generation Project  
 [B-050-100 & E-120-150-676]

It is the recommendation of the Electric Utility Director that Bid Schedule No. 4184, two boiler feedwater pumps for the Redding Power Plant Unit 6 Generation Project be awarded to Sulzer Pumps, Inc. in the amount of \$314,833.45 including sales tax but excluding delivery costs estimated in the amount of \$2,000 and \$3,462 for the waiver of progress payments.

Reliability Standards Performance Agreement - Sacramento Municipal Utility District  
[E-090]

It is the recommendation of the Electric Utility Director that the City Council authorize the Electric Utility Director to execute the Reliability Standards Performance Agreement with the Sacramento Municipal Utility District (SMUD) to implement new Reliability Standards recently enacted by the Federal Energy Regulatory Commission (FERC) relative to possible future fines.

Resolution - Prohibiting parking in designated areas pursuant to Redding Municipal Code Section 11.240.040  
[P-030-250]

It is the recommendation of the Police Chief that Resolution No. 2008-175 be adopted, a resolution of the City Council of the City of Redding prohibiting parking on certain designated areas of Oasis Road, Shasta View Drive and Hilltop Drive pursuant to Redding Municipal Code (RMC) Section 11.24.040 and correcting an error from the changes adopted on June 3, 2008.

Resolution - Accepting and appropriating Highway Safety Improvement Program funding for widening Buena Ventura Boulevard at State Route 273  
[G-100-070/B-130-070/S-070-100-065]

It is the recommendation of the Transportation and Engineering Director that the City Council accept a grant from the Highway Safety Improvement Program (HSIP) in the amount of \$708,750 to fund the Buena Ventura Boulevard Widening at State Route 273 Project (Project).

It is further recommended that Resolution No. 2008-176 be adopted, a resolution of the City Council of the City of Redding approving and adopting the 45<sup>th</sup> amendment to City Budget Resolution No. 2007-127 accepting and appropriating \$708,750 for the Project for fiscal year 2008-09.

Authorization of Service #08-04 - Mead & Hunt for Phase Two Design Services for runway safety area improvements at Benton Airpark, C-4389  
[A-090-020]

It is the recommendation of the Transportation and Engineering Director that the City Council approve Authorization of Service #08-04 with Mead & Hunt, Inc. for Phase Two Design Services for runway safety area improvements at Benton Airpark in the amount of \$141,800 subject to receipt of a grant from the Federal Aviation Administration (FAA) for 95% of the amount and a future state grant for 2.5% of the necessary funds.

Final Map - Preserve Development Subdivision  
[S-101-131]

It is the recommendation of the Transportation and Engineering Director that the City Council approve the Final Map for the Preserve Development Subdivision, (S-1-06), located at Preserve Boulevard and Airport Road by Clover Creek Development, LLC, and that the City Clerk be instructed to file the map with the Shasta County Recorder.

Resolution - Authorizing submittal of an application to the California Integrated Waste Management Board for a Tire-Derived Product Grant FY 2008-09 (Seventh Cycle)  
[G-100-170 & P-150-050-500]

It is the recommendation of the Municipal Utilities Director that Resolution No. 2008-177 be adopted, a resolution of the City Council of the City of Redding approving submittal of an application for grant funds in the amount of \$65,000 to \$68,000 to the California Integrated Waste Management Board for a Tire-Derived Product Grant FY 2008-09 (Seventh Cycle) and that the City Manager be authorized to execute all necessary documents.

Agreement - Basic Laboratory of Redding for professional laboratory services to analyze various water, wastewater, and soil samples  
[W-010 & W-030]

It is the recommendation of the Municipal Utilities Director that the City Council approve the agreement with Basic Laboratory of Redding in the estimated amount of \$130,000 per year, pursuant to City Council Policy No. 1501, to provide professional laboratory services to analyze drinking water, surface water, wastewater, groundwater, sludge, and landfill leachate samples, and authorize the Purchasing Officer to execute same.

**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. The Vote:

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

-----

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

Electric Utility Director Hauser related that the financial results for the Redding Electric Utility (REU) for September 2008 are slightly less positive. He said that retail power sales revenue was \$620,200 (2.3%) above projections and wholesale power sales through September totaled \$11,564,820 or 142.9% above projections. Operating revenue after energy costs was \$234,934 or 1.7% below expectations. The total cost of energy through September was \$12,494,030 or 57.2% above plan. The Utility's net operating results through September are \$5,551,222.

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

In response to Council Member Bosetti, Mr. Starman advised that due to the current financial crisis throughout the nation, the approved 30-year Take and Pay Contract with Citigroup for natural gas was not executed. He stated that it would probably be at least a year or two before the financial picture stabilized and, in the interim, the City would negotiate the sales as best it could. He added that the problem has been exacerbated by a very low hydro power year and would continue to decline if an additional year of limited rain was experienced. He advised that staff will bring a more detailed report on the financial status of REU and the possibility of increased rates in the very near future.

Mr. Hauser related that Assembly Bill 32 ( AB32) "California Global Warming Solutions Act of 2006" that proposes to reduce greenhouse gas emissions to 1990 levels by the year 2020, has the potential to create significant rate changes for REU customers. He believed that once a Scoping Plan was developed by the California Air Resources Board, the impacts to ratepayers would be more defined.

**MOTION:** Made by Council Member Murray, seconded by Council Member Jones, accepting the Electric Utility Monthly Financial Report for September 2008.

The Vote: Unanimous Ayes

GENERAL FUND MONTHLY FINANCIAL REPORT - September 2008  
 [B-130-070]

City Manager Starman advised that the weak economy continues to soften sales tax and building-related fees and although the State just adopted a new budget, it is projecting that there will be an additional \$10 billion deficit due to declining property tax revenue. The Governor called a special session of the Legislature to address the projected revenue shortfall and cities and counties are bracing for the possibility that their budgets, already stretched to unhealthy limits, will be further impacted.

Finance Director Strong reported that total revenue at the end of September was \$14.1 million or \$624,645 (4.3%) below staff's cash flow projection. Expenditures at month end, excluding encumbrances, total \$20,057,365 or \$1,152,960 (6.0%) below staff's original projection. Encumbrances total \$2,724,480. He stated that property tax revenues were as anticipated, but the sales tax, Transient Occupancy Tax (TOT), and building permit fees were significantly reduced.

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

Council Member Bosetti expressed concern that the State would appropriate the City's financial reserves set aside over the years for such financial crises.

**MOTION:** Made by Council Member Jones, seconded by Council Member Bosetti, accepting the General Fund Monthly Financial Report through September 2008.  
The Vote: Unanimous Ayes

ADJOURNMENT

There being no further business, at the hour of 7:31 p.m., Mayor Stegall declared the meeting adjourned.

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk