

City Council, Regular Meeting
 City Council Chambers
 777 Cypress Avenue
 Redding, California
 November 18, 2008, 7:00 p.m.

The Pledge of Allegiance to the flag was lead by Ms. Issac Lowe.

The Invocation was provided by Redding Police Chaplain Ray Foust.

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

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, Police Chief Hansen, Community Services Director Niemer, Senior Planner Manuel, City Clerk Strohmayer, Assistant City Clerk Mize, and Executive Assistant Stribley.

PUBLIC COMMENT

(C-070-010)

Attorney Jeff Swanson, representing Thomason Development, advised that a proposal to donate 35 acres of real property in the Oasis Road area by Thomason Development would be forthcoming. He cautioned that Hawkins Development was planning a commercial development project in the Knighton Road area of the county that would adversely impact City revenues. He stated his client hoped that the City would use the donated property in a similar fashion to the Stillwater Business Park project to set the stage for future development along Oasis Road and Interstate 5.

(A-050-060)

Mayor Stegall acknowledged the services of recently deceased, Dorsa Sidney Rogers, who served as Director of Family Planning, Inc. in Shasta County from 1971 to 1986. She read a Mayor's Proclamation honoring Ms. Rogers for her service to the community and related she would present the Proclamation to Ms. Rogers' daughter in Sacramento.

CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar.

Approval of Minutes - Regular and Special Meetings of November 4, 2008

Approval of Payroll and Accounts Payable Register

(A-050-100-500)

It is recommended that Accounts Payable Register No. 9, check numbers 868156 through 868618 inclusive, in the amount of \$11,199,306.94, for the period of November 1, 2008, through November 14, 2008; and Payroll Register No. 9, electronic deposit transaction numbers 242504 through 243402 and check numbers 541932 through 542030 inclusive, in the amount of \$2,626,040.62, for the period of October 19, 2008, through November 1, 2008, be approved. TOTAL: \$13,825,347.56

Award of Bid - Bid Schedule No. 4191, Electric Line Clearance Service

[B-050-100 & E-090-160]

It is the recommendation of the Electric Utility Director that Bid Schedule No. 4191, Electric Line Clearance Service be awarded to Utility Tree Service, Inc. in the amount of \$398,738.94 to provide electric line clearance in contract Areas 1 and 2. It is further recommended that Redding Electric Utility (REU) staff be authorized to contract with Utility Tree Service for supplemental line-clearance work, as needed, at the hourly rates provided in the bid process.

Resolution - Authorizing Confirmation Agreement for renewable energy exchange with Seattle City Light

[E-120-300]

It is the recommendation of the Electric Utility Director that Resolution No. 2008-178 be adopted, a resolution of the City Council of the City of Redding, authorizing the Electric Utility Director to execute the Confirmation Agreement for Renewable Energy Exchange

with Seattle City Light, in order to reduce the net cost of the current contract with RLC Industries renewable energy by approximately \$600,000 per year.

Notice of Completion - Bid Schedule No. 4139, Site Preparation for the Redding Power Plant Unit 6 Generation project
[B-050-020 & E-120-150-676]

It is the recommendation of the Electric Utility Director that Bid Schedule No. 4139, (Job No. 9860-09) Site Preparation for the Redding Power Plant Unit 6 Generation Project awarded to Advanced Geo Solutions, Inc. 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 \$617,000.

Resolution - Amending City Council Policy No. 408, Investment Policy
(A-050-060-555)

It is the recommendation of the City Treasurer that Resolution No. 2008-179 be adopted, a resolution of the City Council of the City of Redding amending City Council Policy No. 408 entitled Investment Policy pursuant to required annual review.

Notice of Completion - Bid Schedule No. 4043, Traffic Signal Installation at the intersection of Browning Street and Old Alturas Road
[B-050-020 & T-080-700]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4043, (Job No. 2264), Traffic Signal Installation at the Intersection of Browning Street and Old Alturas Road, awarded to H&H Electric Co. 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 \$453,259.40.

Notice of Completion - Bid Schedule No. 4106, Traffic Signal Installation at the Intersection of Buenaventura Boulevard and Canyon Creek Road
[B-050-020 & T-080-700]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4106, (Job No. 2288), Traffic Signal Installation at the Intersection of Buenaventura Boulevard and Canyon Creek Road awarded to H&H Electric Co. 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 \$358,477.79.

Notice of Completion - Bid Schedule No. 4027, Clear Creek Wastewater Treatment Plant Rehabilitation and Expansion Project, Bid Package 2
[B-050-020 & W-010-450]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4027, (Job No. 2198), Clear Creek Wastewater Treatment Plant Rehabilitation and Expansion Project, Bid Package 2, awarded to Meyers Earthwork 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 \$5,387,959.71.

Resolution - Approving a grant application to Caltrans for Bicycle Transportation Account funding for installation of Class II bike lanes on Buenaventura Boulevard
[G-100-170/T-100-050/S-050-100]

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2008-180 be adopted, a resolution of the City Council of the City of Redding approving a grant application in the amount of \$300,000 to the California Department of Transportation (Caltrans) through the Bicycle Transportation Account program to provide Class II bike lanes on Buenaventura Boulevard between Placer Street and Lakeside Drive in accordance with the City's Bikeway Master Plan to provide safety and convenience for bicycle commuters.

Resolution - Approving the Relocation Plan for the Westside Interceptor Sewer Line Project Phase II
[C-070-010-700 & W-020-610]

It is the recommendation of the Municipal Utilities Director that Resolution No. 2008-181 be adopted, a resolution of the City Council of the City of Redding, approving the Relocation Plan for the Westside Interceptor Sewer Line Project Phase II in the amount of approximately \$33,482 for residents located at 877 Locust Street, pursuant to state and federal law.

Resolution - Amending the Industrial Disability Retirement Claims Process
[P-100-150-060]

It is the recommendation of the Personnel Director that Resolution No. 2008-182 be adopted, a resolution of the City Council of the City of Redding, amending the Industrial Disability Retirement Claims process for local safety officers as defined under the California Public Employees Retirement System (CalPERS) and for compliance therewith.

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 as indicated above. The Vote:

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

Resolution Nos. 2008-178, 2008-179, 2008-180, 2008-181, and 2008-182 are on file in the Office of the City Clerk.

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PUBLIC HEARING -

ORDINANCE - Amending Redding Municipal Code Chapter 18.26, Residential Density Bonus and repealing Section 18.31.060
[L-010-500-050]

The hour of 7:00 p.m. having arrived, Mayor Stegall opened the public hearing regarding amendments to Redding Municipal Code (RMC) Title 18-Zoning to add Chapter 18.26-Residential Density Bonus and repeal Section 18.31.060.

The following documents are 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.

Development Services Director Hamilton recalled that the City’s current density bonus provisions for housing were adopted in 2002. Since that time, substantive changes to state law were adopted in 2005 (Senate Bill 1818) and in 2008 (Assembly Bill 2280). He pointed out that the proposed ordinance will provide changes to the RMC for consistency with state law, but will also further the goals and policies of the General Plan Housing Element.

Senior Planner Manuel advised that the density bonus law provides incentives for private developers to supply affordable housing for low- and very low-income households with bonuses up to 35% of a project, dependent on the number of affordable homes constructed, a maximum of three incentives (such as reduced setback requirements), and waiver of one development standard. The City is obligated to then approve such incentives, bonuses, and development standards. He pointed out that the proposed ordinance does not have the 35% cap or a fixed number of incentives. It eliminates a financial pro forma for projects that have at least 75% affordable housing and provides a pre-approved list of incentives. The ordinance attempts to provide greater flexibility and more incentives than the minimum required by state and federal law.

Mr. Manuel recommended that the City Council: 1) make findings that the proposed ordinance is consistent with the policies of the General Plan Housing Element and requirements of the California Government Code Sections 65015 through 65918; that the City has prepared an Addendum to the Mitigated Negative Declaration prepared for the Zoning Ordinance, based on the Addendum it is determined that the proposed test revisions will not have any significant impact on the environment, and that the Addendum and its supporting documentation reflect the independent judgment and analysis of the City; 2) offer an ordinance for first reading by title only amending RMC Title 18-Zoning by repealing Section 18.31.060-Density Bonus and adding Chapter 18.26-Residential Density Bonus Section 18.26.010 through 18.26.140, adopting the Addendum to the Mitigated Negative Declaration prepared for the Zoning Ordinance; waive the full reading of the ordinance; and authorize the City Clerk to publish a summary ordinance.

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

MOTION: Made by Council Member Dickerson, seconded by Council Member Jones making findings as set forth above to adopt the Addendum to the Mitigated Negative Declaration prepared for the Zoning Ordinance and approving amendments to Redding Municipal Code (RMC) Title 18-Zoning by repealing Section 18.31.060-Density Bonus and adding Chapter 18.26-Residential Density Bonus Section 18.26.010 through 18.26.140.
The Vote: Unanimous Ayes

Council Member Dickerson offered Ordinance No. 2423 for first reading, an ordinance of the City Council of the City of Redding, amending RMC Title 18-Zoning by repealing Section 18.31.060-Density Bonus and adding Chapter 18.26-Residential Density Bonus Section 18.26.010 through 18.26.140, and adopting the Addendum to the Mitigated Negative Declaration prepared for the Zoning Ordinance.

MOTION: Made by Council Member Dickerson, seconded by Council Member Jones, that the full reading of Ordinance No. 2423 be waived, that the City Attorney be instructed to read the full title, and that the City Clerk be authorized to publish a summary ordinance.
The Vote: Unanimous Ayes

APPOINTMENT - Shasta Public Library Citizen's Advisory Committee
[B-080-600-244]

Mayor Stegall advised that the appointment to the Shasta Public Library Citizens's Advisory Committee would be tabled to the regular City Council meeting of December 2, 2008.

APPOINTMENTS - Community Development Advisory Committee
[B-080-600-100]

Mayor Stegall advised that the appointment and reappointments to the Community Development Advisory Committee would be tabled to the regular City Council meeting of December 2, 2008.

AMENDMENTS TO EMPLOYMENT AGREEMENTS - City Manager and City Attorney
[A-050-080 & A-050-050]

City Manager Starman related that due to the weak economy locally and internationally, it is evident that the City will need to make significant budget reductions, including personnel and services in order to maintain the 5% budget reserve. In an effort to lead by example, he and the City Attorney have offered to forfeit their recent 2% cost-of-living-adjustments (COLAs) and postpone their contractual salary increases for 2009. It is anticipated that amendments to both Agreements will save the City approximately \$25,000 for 2009.

Mr. Starman recommended that the City Council amend the City Manager and City Attorney Employment Agreements as set forth above.

Council Member Jones applauded the City Manager and City Attorney and added that he has not accepted the health benefits afforded the City Council, thereby savings thousands of dollars to City tax payers.

MOTION: Made by Council Member Jones, seconded by Council Member Bosetti, amending the Employment Agreements with City Manager Starman and City Attorney Duvernay reducing their compensation by two percent effective immediately, and postponing the contractual salary adjustments for same for 2009. The Vote: Unanimous Ayes

BUDGET REDUCTION GUIDELINES
[B-130-070]

City Manager Starman recalled that through the years, the previous and current City Councils have been very careful with the City's finances, maintaining at least a 5% reserve at all times. Although the down-turn in the economy is impacting the nation and the world, the City is faring better than most communities because of the leadership of those Councils. With that said, he pointed out that the state is facing a \$28 billion budget deficit and could conceivable look to city coffers to fill the gap. Additionally, the City's primary revenue sources, property tax, sales tax and development fees have experienced significant reductions. Just a few years ago the projected 5% revenue growth used to set the budget was considered extremely conservative, but with the current economic environment, it is predicted that City revenue will be \$5 million less than the 10-Year Financial Plan estimate.

Mr. Starman related that measures such as a selective hiring freeze that began last October and budget reductions in 2008 have already offset some of the revenue shortfall, but to ensure that the City maintains a solid financial foundation, additional budgetary cuts are necessary. He summarized the proposed Budget Reduction Guidelines as follows:

1. Continue a strong emphasis on fiscal responsibility and maintain a minimum 5% reserve throughout the 10-Year General Fund Financial Plan;
2. Not increase taxes or fees to balance the General Fund budget;
3. Utilize a transparent process for additional budget reductions;
4. Minimize impacts of additional budget reductions to the community;
5. Utilize conservative revenue estimates until the economy improves and a clear trend emerges;
6. Maintain “frontline” public safety services, but evaluate reduction of programs and positions within the police and fire departments;
7. No new General Fund positions until the economy improves;
8. Maintain the selective hiring freeze until the economy improves;
9. Eliminate some existing General Fund employee positions;
10. Implement budget reductions in a holistic manner, emphasizing administration, programs and positions related to new development activity, and discretionary programs and services that do not impact core City services;
11. Work with employee unions to evaluate other potential solutions to avoid or mitigate layoffs;
12. Evaluate the Capital Improvement Plan to determine if any projects should be deferred until the economy improves; and
13. Reduce contributions to non-profit partners to reflect the current budget situation (not to occur until July 1, 2009).

Mr. Starman recommended that the City Council direct staff to utilize the aforementioned guidelines in developing a list of specific budget reductions for future consideration at a special meeting in December.

Richard Johnson, Redding resident, painted a bleak picture of the economic future of the nation and the world and suggested that the City become familiar with the underlying economic fundamentals at the state and national levels before moving forward. He further suggested that the City consider the impact employee layoffs will have on the community, analyze the value of Redding’s under utilized assets, such as water rights, and look for more ways to motivate and utilize volunteers.

Mike Quinn, Redding resident, suggested the City Council consider rent restrictions (freeze) and added that before the federal and state governments raid the coffers of cities and counties, every effort should be made to collect funds that are due to them. He contended that credit cards are charging many people 30% interest which inhibits further purchasing and worsens the economy.

The City Council discussed the issues and focused on items 10 and 11. Council Member Bosetti suggested outsourcing some services. Council Member Dickerson wanted to look at the entire budget in order to forego as many layoffs as possible. Mayor Stegall felt that if the employees began paying their full portion of the Public Employee Retirement System (PERS), there might not be any layoffs to discuss.

In response to Council Member Jones, Mr. Starman stated that eight (8) unions would be involved in negotiating a change to PERS contributions and time will be of the essence in looking for ways to reduce financial stress on the City.

It was the consensus of the City Council to accept the “Budget Reduction Guidelines” report and direct staff to focus on Items 10 and 11, and schedule a budget workshop for December 16, 2008, for further discussion and consideration.

UPDATE ON MAJOR PROJECTS - Martin Luther King, Jr. Center kitchen remodel
[A-050-080 & C-050-400]

Community Services Director Niemer provided an overhead presentation depicting before and after pictures of the Martin Luther King, Jr Center Kitchen Remodel project co-sponsored by the Sunset Rotary Club. Ms. Niemer explained that the Martin Luther King, Jr Center provides free after school and summer programs, and the kitchen provides meals (sometimes the only one that will be received in a day), nutritional information, cooking classes, and important life skills training.

Ms. Niemer thanked Bert Meyer, past President of the Sunset Rotary Club, Mike Murray, current President, and Rob and Shelly Kibler of Kibler and Kibler Architecture, and Rob Barr of Gifford Construction for assisting in this worthy endeavor.

No action was required on this informational item.

ORDINANCE - Amending Redding Municipal Code Title Chapter 16.20 relating to timing of collection of Development Impact Fees

[F-205-600]

Development Services Director Hamilton provided highlights of the Report to City Council dated November 10, 2008, stating that the incentives, reducing fees and allowing development impact fee payments at the time of final inspection, provided last July, 1, 2008, did have the desired effect and stimulated residential construction at a minimal cost to the City, with 94 permits taken out compared to 52 permits for the same period in 2007. He believed that delaying the collections of impact fees to the time of final inspection is a positive program although there will be a slight cost to the City if put into effect permanently due to the change in cash flow.

Mr. Hamilton recommended that the City Council make findings that the proposed amendments to the collection of Development Impact Fees is exempt from provisions of the California Environmental Quality Act (CEQA), offer an ordinance for first reading and waive the full reading, amending Redding Municipal Code (RMC) Chapter 16.20-Development Impact Fees, adding Section 16.20.025, amending Sections 16.20.030 through 16.20.050, Sections 16.20.071 and 16.20.072, and Sections 16.20.080 through 16.20.120 relating to the timing of collection of Development Impact Fees.

Jerry Waggar, representing the Shasta Builders' Exchange and Ochoa & Shehan, Inc., thanked the City Council and staff for the stimulus package that assisted the construction industry and urged adoption of the proposed fee deferral program.

MOTION: Made by Council Member Jones, seconded by Council Member Bosetti, approving amendments to Redding Municipal Code (RMC) Chapter 16.20-Development Impact Fees, adding Section 16.20.025, amending Sections 16.20.030 through 16.20.050, Sections 16.20.071 and 16.20.072, and Sections 16.20.080 through 16.20.120 relating to the timing of collection of Development Impact Fees. The Vote: Unanimous Ayes

Council Member Jones offered Ordinance No. 2424 for first reading, an ordinance of the City Council of the City of Redding, making findings that the proposed amendments to the collection of Development Impact Fees and adopting amendments to RMC Chapter 16.20-Development Impact Fees, adding Section 16.20.025, amending Sections 16.20.030 through 16.20.050, Sections 16.20.071 and 16.20.072, and Sections 16.20.080 through 16.20.120.

MOTION: Made by Council Member Jones, seconded by Council Member Bosetti, that the full reading of Ordinance No. 2424 be waived, and that the City Attorney be instructed to read the full title. The Vote: Unanimous Ayes

SET PUBLIC HEARING - Consider Redding Electric Utility Rate Adjustments

[E-090-100]

Electric Utility Director Hauser recalled that the City Council last considered Redding Electric Utility (REU) rate adjustments on April 3, 2007, and at that time, approved an increase of 5.85% effective April 4, 2007, and January 1, 2008. However, changes in the power industry indicate costs will continue to escalate and consideration of an additional rate adjustment should be discussed. The proposed rate increase would be between 6% to 12% and implementation is proposed for December 31, 2008, and December 1, 2009.

Mr. Hauser recommended that the City Council set a public hearing for December 16, 2008, to discuss detailed financial analysis and impacts and determine whether or not a rate increase is indicated.

Richard Johnson, Redding resident, asked that the public hearing discussion include the impacts of the recent decrease in the cost of oil and natural gas, the hydro problem (lack of water) and the possibility of instituting only a surcharge until water flows return to average, what percentage of costs does a developer pay for new development and how much is absorbed by the rate payer, and the methodology and assumptions for producing rate structures.

MOTION: Made by Council Member Bosetti, seconded by Council Member Jones, setting a public hearing for December 16, 2008, to consider proposed REU rate adjustments.

The Vote: Unanimous Ayes

ORDINANCE - Amending Redding Municipal Code Chapter 11.32-Bicycle Licenses [L-070 & T-100-050]

Police Chief Hansen related that Chapter 11.32 of the Redding Municipal Code (RMC) outlines the licensing and operating regulations for bicycles sold, transferred, or operated in the City limits. The original intent was to provide a means to locate or determine ownership of lost or stolen bicycles, but now the serial number information is electronically stored when the bicycle is sold and this data provides a means of tracking an individual bicycle. He pointed out that although bicycles are supposed to be registered at purchase, and re-registered every three years, the public has not complied, and if it did, there would be an additional expense for the Police Department as the license fee is only \$1.00 which does not cover the time and expense for registration.

Chief Hansen recommended that an ordinance be offered first reading and the full reading be waived, amending Redding Municipal Code Chapter 11.32-Bicycles, repealing Sections 11.32.010 through 11.32.060 requiring bicycle licenses and registration, and renumbering Sections 11.32.070 and 11.32.080 to appear as Sections 11.32.010 and 11.32.020, respectively, but keeping in place the operation of a bicycle and the ability to distribute unclaimed bicycles for charitable purposes.

MOTION: Made by Council Member Dickerson, seconded by Council Member Jones approving the amendment to Redding Municipal Code (RMC) Chapter 11.32-Bicycles, repealing Sections 11.32.010 through 11.32.060 requiring bicycle licenses and registration, and renumbering Sections 11.32.070 and 11.32.080 to appear as Sections 11.32.010 and 11.32.020, respectively, but keeping in place the operation of a bicycle and the ability to distribute unclaimed bicycles for charitable purposes. The Vote: Unanimous Ayes

Council Member Dickerson offered Ordinance No. 2425 for first reading, an ordinance of the City Council of the City of Redding amending RMC Chapter 11.32-Bicycles, repealing Sections 11.32.010 through 11.32.060 requiring bicycle licenses and registration, and renumbering Sections 11.32.070 and 11.32.080 to appear as Sections 11.32.010 and 11.32.020, respectively.

MOTION: Made by Council Member Dickerson, seconded by Council Member Jones, that the full reading of Ordinance No. 2425 be waived, and that the City Attorney be instructed to read the full title. The Vote: Unanimous Ayes

RESOLUTION - Amending the Employment and Benefits Policies for Unrepresented Employees adding emergency call out pay language for specific Electric Department Distribution Division employees [P-100-050-100]

Personnel Director Johnson advised that the City and the International Brotherhood of Electrical Workers-Maintenance and Electrical Employees Unions, Local 1245, have been in contract negotiations since August 2008 and have reached impasse. Redding Electric Utility (REU) employees are not agreeing, at this time, to work scheduled overtime and they are not responding to calls due to emergency conditions, hence it is necessary for supervisors and managers to provide the necessary service to rate payers. She believed that the supervisors and managers were working above and beyond the call of duty and should be compensated for their ongoing efforts.

Ms. Johnson hoped that in the future, these issues would be resolved and recommended that a resolution be adopted amending the Employment and Benefit Policies for Unrepresented Employees working in the REU Distribution Division for Electric Manager-Line, Electric Program Supervisor, Electric Utility Supervising Arborist, and Electric Utility System Inspector providing temporary compensation of one and one-half times their regular base pay when called to perform emergency duties typically within the job classification of nonexempt employees beginning November 18, 2008, to sunset in six months, at which time it will be re-evaluated.

MOTION: Made by Council Member Dickerson, seconded by Council Member Bosetti, adopting Resolution No. 2008-183, a resolution of the City Council of the City of Redding, amending the Employment and Benefit Policies for Unrepresented Employees working in the REU Distribution Division for Electric Manager–Line, Electric Program Supervisor, Electric Utility Supervising Arborist, and Electric Utility System Inspector adding Callout pay language providing temporary compensation of one and one-half times their regular base pay when called to perform emergency duties typically within the job classification of nonexempt employees, to sunset six months from November 18, 2008, or will be reevaluated at that time. The Vote:

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

Resolution No. 2008-183 is on file in the Office of the City Clerk.

ADJOURNMENT

There being no further business, at the hour of 9:02 p.m., Mayor Stegall declared the Regular Meeting adjourned.

APPROVED:

Mayor

ATTEST:

City Clerk