

City Council, Regular Meeting  
City Council Chambers  
777 Cypress Avenue  
Redding, California  
December 16, 2008, 7:00 p.m.

The Pledge of Allegiance to the flag was lead by Council Member Jones.

The Invocation was provided by Redding Police Chaplain Cyndee Thomas.

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

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.

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PUBLIC COMMENT  
(P-150-150)

Shelly Shively, Redding resident, urged the City Council to reconsider neighborhood policing budget cuts, particularly in the Garden Tract and Parkview Neighborhoods. She pointed out that an enormous amount of work has been done in the past to rehabilitate these areas and she expressed concern that the lack of neighborhood policing would invite criminal activity back into the area.

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PRESENTATION - Appreciation Clock to Fred Quigley for service on the Community Development Advisory Committee  
[B-080-600-100]

On behalf of the City Council, Mayor Bosetti presented a Clock of Appreciation to Fred Quigley for service on the Community Development Advisory Committee.

Mr. Quigley stated that he enjoyed the years of service and thanked the community and the City Council for the opportunity to serve.

PRESENTATION - Appreciation Clock to Missy McArthur for service on the Shasta Public Library Citizens' Advisory Committee  
[B-080-600-244 & L-050]

Mayor Bosetti presented a Clock of Appreciation to Council Member McArthur for her service on the Shasta Public Library Citizens' Advisory Committee.

Council Member McArthur thanked 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 December 2, 2008

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

It is recommended that Accounts Payable Register No. 11, check numbers 868960 through 869458 inclusive, in the amount of \$9,449,962.95, for the period of December 1, 2008, through December 12, 2008; and Payroll Register No. 11, electronic deposit transaction numbers 244376 through 245226 and check numbers 542180 through 542276 inclusive, in the amount of \$2,622,363.12, for the period of November 16, 2008, through November 29, 2008, be approved. TOTAL: \$12,072,326.07

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

Total Treasurer's Accountability - \$147,849,986.39

Total City of Redding Funds, Funds Held in Trust, and Funds of Related Entities - \$294,724,885.87

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 October 2008 be accepted.

Ordinance - Amending the City's and related agencies' Conflict of Interest Codes [F-010-150]

It is the recommendation of the City Clerk that Ordinance No. 2426 be adopted, an ordinance of the City Council of the City of Redding, amending RMC 2.90.020 by repealing Appendix A and Appendix B and adopting an updated Conflict of Interest Code List of Designated Positions (Appendix A) and List of Disclosure Categories (Appendix B) to reflect changes in the organizational structure for the City, related agencies, and entities for which the City serves as code reviewing body.

Turtle Bay Exploration Park - Quarterly Report (C-070-250-250)

It is the recommendation of the Assistant to the City Manager that the City Council accept the Quarterly Report from Turtle Bay Exploration Park for the first quarter of the fiscal year ending June 30, 2009.

Redding Redevelopment Agency's Annual Report and Report to State Controller (R-030-075)

It is the recommendation of the Assistant City Manager that the City Council accept Redding Redevelopment Agency's Comprehensive Annual Financial Report and Report to the State Controller for fiscal year 2007-08.

First Amendment to Development Funding Agreement - Redding Redevelopment Agency and NVCSS Saint Clare Court, Inc. [G-100-075 & R-030-100-055]

It is the recommendation of the Assistant City Manager that the City Council approve the First Amendment to the Development Funding Agreement with the NVCSS Saint Clare Court, Inc. (NVCSS), and the Redding Redevelopment Agency (RRA), reducing the residual receipts loan utilizing City HOME funds from \$450,000 to \$100,000 and increasing the RRA loan to NVCSS from \$450,000 to \$800,000 to provide a 15-unit affordable rental project at 2465 Beverly Drive for very-low income individuals suffering from mental illness.

Council Member Stegall abstained from voting on this item because her husband serves on the Board of Directors for Northern Valley Catholic Social Services. The Vote:

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

Award of Bid - Bid Schedule No. 4207, Tires and Related Services [B-050-100 & A-050-150-150]

It is the recommendation of the Support Services Director that Bid Schedule No. 4207, Tires and related services be awarded to Wingfoot Commercial Tire for the period of January 1, 2009, through December 31, 2009, in amount of \$231,317.74 with two one-year extensions with price adjustments based on the Consumer Price Index (CPI) and the Producer Price Index (PPI) for recaps.

Award of Bid - Bid Schedule No. 4201, Electric Utility Trench and Excavation [B-050-100 & E-090-160]

It is the recommendation of the Electric Utility Director that Bid Schedule No. 4201, Electric Utility Trench and Excavation be awarded to All Phase Excavation to furnish electric utility trench and excavation work for the period of January 1, 2009, to December 31, 2009; and that the Purchasing Officer be authorized to extend the bid for one year at the same prices, terms, and conditions, if mutually agreed.

Donation from Frances Eisenberg Estate - Anderson Library; and

Resolution - Appropriating additional funds to the Branch Libraries for fiscal year 2008-09 [G-100-170/B-130-070/L-050]

It is the recommendation of the Community Services Director that the City Council accept

a donation from the Frances L. Eisenberg Estate in the amount of \$33,760 to be dedicated to the Anderson Library. It is further recommended that Resolution No. 2008-188 be adopted, a resolution of the City Council of the City of Redding, approving and adopting the 48<sup>th</sup> amendment to City Budget Resolution No. 2007-127, appropriating an additional \$33,760 to the Anderson Branch Library for fiscal year 2008-09.

Council Member Dickerson thanked the Frances Eisenberg Estate for the generous donation.

Award of Bid - Bid Schedule No. 4196, Butte Street Water Main Replacement

[B-050-020 & W-030-725]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4196 (Job No. 2299), Butte Street Water Main Replacement be awarded to Sierra National Construction, Inc., in the amount of \$525,208, that an additional \$60,000 be approved for administration and inspection fees, and that an additional \$52,500 be approved for a construction contingency fund, for a total amount of \$637,708.

Award of Bid - Bid Schedule No. 4183, West Redding Manhole Rehabilitation

[B-050-020 & S-060]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4183 (Job No. 2993/2320), West Redding Manhole Rehabilitation be awarded to Suncoast Environmental, N.W., Inc., in the amount of \$306,225, that an additional \$45,000 be approved for administration and inspection fees, and that an additional \$76,950 be approved for a construction contingency fund, for a total amount of \$428,175.

Notice of Completion - Bid Schedule No. 4160, Knighton Road Water Main

[B-050-020 & W-030-725]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4160 (Job No. 2316), Knighton Road Water Main awarded to R.A. Martin Constructors, 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 \$582,363.15.

Award of Bid - Bid Schedule No. 4169, Redding Municipal Airport Storage Building

[B-050-020 & A-090-100]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4169 (Job No. 9949), Redding Municipal Airport Storage Building be awarded to Nelson Enterprises in the amount of \$182,972.65, that an additional \$35,000 be approved for administration and inspection fees and to obtain outside services for materials testing, and that an additional \$18,500 be approved for a construction contingency fund, for a total amount of \$236,472.65.

Notice of Completion - Bid Schedule No. 4150, 2008 Polymer Modified Asphalt-Rubber Chip Seal and Microsurface

[B-050-020 & S-070-200]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4150, 2008 Polymer Modified Asphalt-Rubber Chip Seal and Microsurface (Job No. 2295) awarded to International Surfacing Systems 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 \$1,240,322.67.

Notice of Completion - Bid Schedule No. 4152, Rejuvenating Scrub Seal and Microsurface Project

[B-050-020 & S-070-200]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4152 (Job No. 2302), Rejuvenating Scrub Seal and Microsurface Project awarded to Valley Slurry Seal 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 \$807,750.84.

Notice of Completion - Bid Schedule No. 4023, Churn Creek Road Realignment and Widening Project

[B-050-020 & S-070-100]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4023 (Job No. 2238/2275), Churn Creek Road Realignment and Widening Project awarded to Axner Excavating, 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 \$5,538,054.91.

City Commissions, Boards and Committees Report for 2009  
(B-080)

It is the recommendation of the City Clerk that the City Council accept the lists of appointments for all ongoing boards, commissions, and committees appointed by the City Council, as required by California Government Code Section 54972, relative to term expirations and vacancies (Maddy Act).

Award of Bid - Bid Schedule No. 4204, Rock and Mineral Products  
(B-050-100 & A-050-165)

It is the recommendation of the Municipal Utilities Director that Bid Schedule No. 4204, Rock and Mineral Products for the period of January 1, 2009, through December 31, 2009, be awarded to following suppliers who submitted low bids to allow the purchase of rock, asphalt, and mineral aggregates at the best possible prices:

<u>Company</u>	<u>Bid Item Numbers</u>
Tullis, Inc.	1-5, 8-9, 48, 49, 59, 66
Redding Rocks & Readymix	21, 25, 27, 29, 31, 33, 35, 37, 39
Stimpel-Wiebelhaus	10-12, 14, 41-46, 50-58
Folsom Readymix	16-20, 22-26, 28, 30, 32, 34, 36, 38
Westside Aggregate	11, 13, 15, 40, 47, 60, 67

Purchase of a Replacement Vac-Con Truck - Using Mountain View Sanitary District Bid Process  
[B-050-100 & A-050-165]

It is the recommendation of the Municipal Utilities Director that the City Council authorize the purchase of a Vac-Con truck from MME-Municipal Maintenance Equipment in the amount of \$279,612.55 through the Mountain View Sanitary District bid process.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Jones, that all the foregoing items on the Consent Calendar be approved and adopted as recommended as indicated above with the exception of the item approved by separate vote. The Vote:  
AYES: Council Members - Dickerson, Jones, McArthur, Stegall, and Bosetti,  
NOES: Council Members - None  
ABSTAIN: Council Members - None  
ABSENT: Council Members - None

Ordinance No. 2426 and Resolution No. 2008-188 are on file in the Office of the City Clerk.



PUBLIC HEARING

ORDINANCE - Adopting an Addendum to the Mitigated Negative Declaration prepared for the Zoning Ordinance and approving Rezoning Application RZ-2-08

RESOLUTION - Adopting an Addendum to the Environmental Impact Report for the General Plan and approving General Plan Amendment Application GPA-3-08  
[L-010-500-050/G-030-010]

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing regarding an addendum to the Mitigated Negative Declaration prepared for the Zoning Map and amendments to Redding Municipal Code (RMC) Title 18-Zoning, Rezoning Application RZ-2-08 and an addendum to the Environmental Impact Report (EIR) prepared for the General Plan and consideration of General Plan Amendment Application GPA-3-08.

The following documents are on file in the Office of the City Clerk:

- Affidavit of Publication - Notice of Public Hearing
- Affidavit of Mailing - Notice of Public Hearing

City Clerk Strohmayer advised that no protests were received.

Development Services Director Hamilton provided highlights of the Report to City Council dated December 2, 2008, incorporated herein by reference, stating that there are nine areas under consideration for rezoning and they are generally located in the following areas:

- 1) Abernathy Lane and Old Oregon Trail, 2) Beltline Road and Oasis Road Intersection, 3) Forest Hills Drive, 4) Jaxon Way, 5) Gordon Lane and Harpole Road, 6) East side of Pine

Street between Placer Street and South Street, 7) Placer Street at Continental Street, 8) Butte Street and West Street, and 9) Simpson University. He stated that the purpose of the General Plan amendments and rezones is to ensure that the General Plan Diagram accurately characterizes the lawfully existing use of various lands and is consistent with surrounding development patterns and to provide consistency between the General Plan Diagram and the Zoning Map.

Mr. Hamilton related that the only public discussion at the Planning Commission meetings focused on the Gordon Lane and Harpole Road area because there are ten properties involved, seven of which have existing homes and by removing the Open Space designation there was concern that it would allow full development of the properties that are located in the Churn Creek floodplain. He pointed out that the existing "FP" Floodplain Overlay District applied to those properties will provide adequate protection and control over development in the steep-slope and floodplain areas, while affording property owners the ability to add fencing and other minor upgrades to parts of their property outside the steep-slope and floodplain areas.

Mr. Hamilton recommended that the City Council determine that the proposed Addendum to the Environmental Impact Report (EIR) prepared for the General Plan and indicated actions will not have an adverse impact on the environment and adopt a resolution adopting the Addendum and proposed amendments to the General Plan Diagram by approving General Plan Amendment Application GPA-3-08.

Mr. Hamilton further recommended that the City Council determine that the proposed Addendum to the Mitigated Negative Declaration prepared for the Redding Municipal Code Zoning Map and indicated actions will not have an adverse impact on the environment, offer an ordinance for first reading by title only and waive the full reading, approving Rezoning Application RZ-2-08 by amending the Redding Municipal Code Title 18 Zoning Map as set forth in the maps.

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

Mayor Bosetti advised that although he supported the amendments to the General Plan Diagram and the Redding Municipal Code Zoning Map, he would abstain from the vote on this matter as he is a baseball coach at Simpson College which is located in one of the General Plan and Rezone proposed amendment areas.

**MOTION:** Made by Council Member Jones, seconded by Council Member McArthur determining that based on the Addendum prepared for the Environmental Impact Report (EIR) for the General Plan, the proposed actions will have no significant impact on the environment and the Addendum and its supporting documentation reflect the independent judgment and analysis of the City, and adopting Resolution No. 2008-189, a resolution of the City Council of the City of Redding, adopting the Addendum to the EIR for the General Plan and amending the General Plan Diagram by approving General Plan Amendment GPA-3-08, to ensure that the diagram accurately characterizes the lawfully existing use of various lands and is consistent with surrounding development patterns as identified in the GPA-3-08.

The Vote:

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

Resolution No. 2008-189 is on file in the Office of the City Clerk

**MOTION:** Made by Council Member McArthur, seconded by Council Member Stegall determining that based on the Addendum to the Mitigated Negative Declaration prepared for the Zoning Ordinance, the proposed actions will not have an adverse impact on the environment, and approving Rezoning Application RZ-2-08.

The Vote:

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

Council Member McArthur offered Ordinance No. 2427 for first reading, an ordinance of the City Council of the City of Redding, adopting the Addendum to the Mitigated Negative Declaration prepared for the Zoning Ordinance and amending Redding Municipal Code Title 18-Zoning, amending the Zoning Map as set forth in Rezoning Application RZ-2-08.

**MOTION:** Made by Council Member McArthur, seconded by Council Member Stegall, that the full reading of Ordinance No. 2427 be waived, and that the City Attorney be instructed to read the full title. The Vote:

AYES: Council Members - Dickerson, Jones, McArthur, and Stegall

NOES: Council Members - None

ABSTAIN: Council Members - Bosetti

ABSENT: Council Members - None

PUBLIC HEARING - General Plan Community Development and Design Element and the Recreation Element

RESOLUTION - General Plan Amendment Application GPA-1-08

[G-030-010]

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing regarding an Addendum to the Environmental Impact Report (EIR) prepared for the General Plan and consideration of General Plan Amendment Application GPA-1-08 amending the General Plan Community Development and Design Element and the Recreation Element.

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.

Development Services Director Hamilton related that since the General Plan adoption on October 3, 2000, the City has implemented a significant number of the Plan's policies such as a the Oasis Specific Plan, the new Zoning Code and the Parks, Trails, and Open Space Master Plan. Pursuant to Policy CDD22B of the Community Development and Design Element, he stated that a periodic review is required to ensure accurate growth and development assumptions. He advised that a review was completed and no policy changes are proposed. The recommended amendments simply update existing tables and exhibits and recognize the major implementation measures that have been completed. Mr. Hamilton pointed out that, although it is not a state mandated element of the General Plan, the Recreation Element is an optional part of the General Plan and has been updated as well.

Mr. Hamilton recommended that the City Council adopt a resolution determining that based on the Addendum prepared for the Environmental Impact Report (EIR) for the General Plan, the proposed actions will have no significant impact on the environment and the Addendum and its supporting documentation reflect the independent judgment and analysis of the City, adopt the Addendum, and approve General Plan Amendment Application GPA-1-08 to amend and restate portions of the General Plan Community Development and Design Element and the Recreation Element.

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

Council Member Jones advised he would vote no on this matter because of the portion regarding mid-rise and high-rise buildings.

**MOTION:** Made by Council Member Stegall, seconded by Council Member McArthur, adopting Resolution No. 2008-190, a resolution of the City Council of the City of Redding, determining that based on the Addendum prepared for the Environmental Impact Report (EIR) for the General Plan, the proposed actions will have no significant impact on the environment and the Addendum and its supporting documentation reflect the independent judgment and analysis of the City, adopting the Addendum, and approving General Plan Amendment Application GPA-1-08 to amend and restate portions of the General Plan Community Development and Design Element and the Recreation Element. The Vote:

AYES: Council Members - Bosetti, Dickerson, McArthur, and Stegall

NOES: Council Members - Jones

ABSTAIN: Council Members - None

ABSENT: Council Members - None

Resolution No. 2008-190 is on file in the Office of the City Clerk

PUBLIC HEARING - Adopt an Addendum to the Mitigated Negative Declaration prepared for the Zoning Ordinance

ORDINANCE - Rezoning Application RZ-3-08, amending Redding Municipal Code Title 18, Zoning Ordinance for clarification and cleanup of inconsistencies and to conform with state law

[L-010-500-050]

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing regarding an Addendum to the Mitigated Negative Declaration prepared for the Zoning Ordinance and consideration of Rezoning Application RZ-3-08 amending the Redding Municipal Code (RMC) Title 18, Zoning Ordinance for clarification and cleanup of inconsistencies and other errors that have been identified and to conform with state law.

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.

Development Services Director Hamilton provided highlights of the Report to City Council dated December 2, 2008, advising that as the Zoning Ordinance is utilized, errors are found and inconsistencies with the General Plan are located. In addition, changes to state law affecting the City's Zoning Ordinance must be incorporated and, to that end, the proposed changes are set forth in Rezoning Application RZ-3-08.

Mr. Hamilton recommended that the City Council make the necessary findings that the Addendum to the Mitigated Negative Declaration prepared for the Zoning Ordinance adequately addresses potential environmental impacts associated with the proposed RMC Title 18 amendments, that an ordinance be offered for first reading by title only, the full reading waived, and approve Rezoning Application RZ-3-08 adopting the Addendum to the Mitigated Negative Declaration and the proposed amendments, and that the City Clerk be authorized to publish a summary ordinance.

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

**MOTION:** Made by Council Member Stegall, seconded by Council Member Jones making finding findings to adopt the Mitigated Negative Declaration prepared for the Zoning Ordinance, approving Rezoning Application RZ-3-08 and approving various amendments to RMC Title 18-Zoning as set forth therein. The Vote:

AYES: Council Members - Bosetti, Dickerson, Jones, McArthur, and Stegall

NOES: Council Members - None

ABSTAIN: Council Members - None

ABSENT: Council Members - None

Council Member Stegall offered Ordinance No. 2428 for first reading, an ordinance of the City Council of the City of Redding amending various chapters and sections of the Redding Municipal Code Title 18-Zoning.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Jones, that the full reading of Ordinance No. 2428 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

PUBLIC HEARING

RESOLUTION - Approving Redding Electric Utility Rate Adjustments

[E-090-100]

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing regarding consideration of Redding Electric Utility (REU) rate adjustments.

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.

Electric Utility Director Hauser provided slides depicting charts and graphs of the current REU rates and the projected increases in the overall market that will necessitate rate increases. He stated that a rate adjustment will be necessary to meet operating expenses, including wage rates and benefits, to fund state-mandated programs, to meet financial reserve needs and requirements, to obtain funds for capital projects necessary to maintain service reliability, to meet the costs of the purchase power, and to obtain funds necessary to maintain such intra-City transfers as are authorized by law.

Mr. Hauser pointed out that hydro-power (water generated) is the least expensive power source; however, the state is experiencing a dry hydro year. He explained that the cost difference between a regular hydro year and a below average hydro year is approximately \$7 to \$8 million. He stated that the City's average power usage is 850 gigawatthours (Gwh) and, until recently, REU had commitments to receive 600 GWh of hydro power from Western Area Power Association (Western), however, the commitment has dropped to 250 GWh. Replacing the lost power costs an additional \$10.5 million per year.

Although natural gas prices are dropping, Mr. Hauser said that REU has hedged its portfolio for many years against increases in natural gas through various contracts and did not have to pay exorbitant prices of the spot market. He noted that natural gas contracts are catching up with the market and this is a major factor in the request for a rate increase.

Mr. Hauser advised that in order to minimize the rate increase, REU has already instituted the following cost-saving measures: used 2005 bond proceeds for system improvements, reduced REU reserves below 20% of expense, initiated a soft hiring freeze, suspended undergrounding of utilities, negotiated the sale of additional renewable energy credits, reduced system improvements for capital expenses, and stretched maintenance schedules without compromising safety. He noted that if fund reserves dropped significantly below a certain level regulatory agencies would require a rate increase which could and probably would be larger than that currently contemplated by REU. Mr. Hauser pointed out that most utilities in California are experiencing the same increased costs and many are considering rate increases.

Mr. Hauser recommended that the City Council adopt a resolution authorizing an initial electric rate adjustment of 7.84% effective December 31, 2008, and a second rate adjustment of 7.84% beginning the first day of the first electric billing cycle of December 2009. He added that the proposed adjustments would add approximately \$7.00 to the average bill per month.

In response to Council Member Stegall, Mr. Hauser stated that by changing the rate adjustment to begin April 30, 2009, the increase would be 8% instead of 7.84%. He stated that if REU experiences good hydro flow for two consecutive years, it might be possible to adjust the rates downward in the second year.

Robert Baker, Rebecca Sanchez, Susan Coyne, Logan Chang, Ida Fritz, Bill Ream (Workers Benefit Council of Shasta County), Patricia Rose, Henry Cuenca, Susan Parisi, Emily Cunnison, Mary Rose, and Gary Reynolds, opposed the proposed rate increase citing the impact to low-income families, the hardship for schools who have already experienced a reduction in state funding, the depressed economy, and suggested that the City press the state to return funds it borrowed from local agencies.

Rob Burroughs, Redding area resident, understood the need for a rate adjustment and suggested that the community as a whole reduce usage to alleviate further rate adjustments and to assist those who have difficulty paying increased rates.

In response to Willie Preston, representing Shasta County Taxpayers Association, regarding how much of the proposed increase related to labor costs, Mr. Hauser advised it was approximately less than two-tenths of a percent. Mr. Preston advised that his Association also opposes the in-lieu tax paid to the City by REU.

Mr. Hauser explained that the in-lieu fee mimics a property tax which would be paid by a privately-owned utility such as Pacific Gas and Electric (PG&E) and is based on 1% of the assets of the utility (with depreciation), and he pointed out that REU trucks use City streets, sidewalks, and other infrastructure.

City Attorney Duvernay clarified that the in-lieu fee is not a tax, but a transfer of funds, and it is the prerogative of the City Council to charge or not as it chooses. He stated that the courts have upheld the right of a city or agency to recover a reasonable rate of return on its investments, and during challenges regarding the in lieu fee, the court determined that if the charge is reasonable, a city may charge the utility a portion of the rate.

Nick Gardner, Redding resident, suggested that REU institute a tier system for usage that would charge a greater amount to the person using more electricity and hopefully it would give a break to those not using as much service. Mr. Hauser explained that a tier system for billing usage is a possibility but that in many instances, those in large well insulated homes use less electricity than those in older, less insulated homes, making the situation even more difficult on those who cannot afford the more eco-friendly homes, therefore, would not necessarily penalize wasteful usage.

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

Mayor Bosetti pointed out that there are two assistance programs available to aid with utility bill payments, Lifeline and Share, and suggested that those who might qualify should contact REU's customer service department.

Council Members Dickerson, Jones, and Stegall expressed support for the rate increase because the cost of producing electricity has escalated, and they encouraged all ratepayers to conserve energy whenever possible. Council Member Stegall asked that REU research the feasibility of increasing the percentage of assistance for those that qualify for the Lifeline program.

**MOTION:** Made by Council Member Dickerson, seconded by Council Member Stegall, adopting Resolution No. 2008-191, a resolution of the City Council of the City of Redding, establishing the Redding Electric Utility rates pursuant to Redding Municipal Code Section 14.22.170, for service to customers within the corporate limits of the City with a 7.84% increase effective for usage beginning on the first day of the first electric billing cycle of January 2009, and a subsequent 7.84% rate increase effective for usage beginning on the first day of the first electric billing cycle of December 2009, and direct staff to amend the Electric Utility rate tariffs. The Vote:

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

Resolution No. 2008-191 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 Stegall, seconded by Council Member Jones, reappointing Monique Taylor to serve as Resident Advisory Board Member to the Redding Housing Authority effective January 1, 2009, and expiring December 31, 2012.

The Vote: Unanimous Ayes

APPOINTMENTS - Community Services Advisory Commission [B-080-128]

**MOTION:** Made by Council Member McArthur, seconded by Council Member Jones, appointing Adam McElvain and reappointing Susan Hinz to the Community Services Advisory Commission to serve four-year terms ending January 1, 2013.

The Vote: Unanimous Ayes

UPDATE ON MAJOR PROJECTS - Street Maintenance [A-050-080 & S-070-200]

Transportation and Engineering Director Crane related that this year \$150 million has been allocated toward improvements to the City's 921 lane miles of roadways. Mr. Crane stated that a 2007 study estimated that 72 % of the City's roads are in good condition and it would cost \$2 million per year to maintain them and \$4 million per year would be needed to bring the remaining 28% up to good condition. The study estimated it would cost approximately

\$49 million to clear the back log of needed street repairs. He related that the study estimates were somewhat high and other methods have been researched to lower cost. Last year, he said it cost \$3.8 million for street maintenance, and it is anticipated that \$2.5 million will be spent in 2009.

No action was required on this informational item.

#### CITY COUNCIL MEETING AGENDA/CONSENT CALENDER

[A-050-060]

Council Member McArthur expressed concern that when citizens attend a City Council meeting, there is no way for them to view the detailed information regarding award of bid items listed on the Consent Calendar of the City Council Agenda. Members of the audience do not know who bid, the amount of the bid, or the name of the successful bidder. She suggested that this information be included on the Agenda under Award of Bids listed on the Consent Calendar.

In response to Council Member Stegall, City Manager Starman advised that the bid list information is included in the staff report and that the information is also available on the City's website.

City Clerk Strohmayer suggested that extra copies of the staff reports for the Agenda could be brought to the meeting and made available to interested members of the public.

**MOTION:** Made by Council Member Jones, seconded by Council Member McArthur, directing the City Clerk to provide copies of the Consent Calendar staff reports to the public at City Council meetings. The Vote:

AYES: Council Members - Jones, McArthur, and Bosetti

NOES: Council Members - Dickerson and Stegall

ABSTAIN: Council Members - None

ABSENT: Council Members - None

#### UPDATE TO CITYWIDE DEVELOPMENT TRAFFIC IMPACT FEE PROJECT PRIORITY LIST

[T-080-400]

Transportation and Engineering Director Crane provided a PowerPoint presentation depicting the Traffic Impact Fee (TIF) Project Priority List and pointing out projects that are complete or nearing completion. He advised that, due to the weak economy, less funds are available than previously estimated. He stated that TIF funds are derived from development, specifically, single family residential permits (\$5,288), commercial permits (\$25 per square foot), and industrial permits (\$5 per square foot).

In order to propose a new TIF Priority List, Mr. Crane said staff reviewed the Shasta County Regional Demand Model, focusing on the portions with City streets, looked at "hot spots" within the City and, with the Traffic Advisory Committee, developed a list of 22 potential projects. He stated that Placer Road from Buenaventura Boulevard to Boston Street project ranked number one.

Mr. Crane recommended that the City Council approve the Large Project List of Priorities, reserve \$300,000 for small projects, and reserve \$250,000 for a traffic signal.

Gary Cadd, Redding resident, suggested that a list of the top five TIF projects be sent to the newly-elected administration in Washington to be considered for funding as part of the proposed economic stimulus package.

Council Members Stegall and McArthur inquired about the status of the over-crossing or under-crossing project at the railroad tracks at South Street. Council Member Stegall recalled that \$12.5 million was set for the crossing several years ago and she believed the state later removed the funding. City Manager Starman concurred and suggested that the crossing could be on the list for the stimulus package, but because only a portion of TIF funds (which generally mitigate new development) would be allowed for the project itself, there must be an allocation from another source.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Jones, approving the Traffic Impact Fee Large Project List of Priorities, reserving \$300,000 in TIF funds for small projects, and reserving \$250,000 for traffic signalization.

The Vote: Unanimous Ayes

**JOINT MEETING OF THE CITY COUNCIL AND REDDING REDEVELOPMENT AGENCY**

At the hour of 10:13 p.m., Vice Mayor/Agency Chair Jones convened the Special Meeting of the Redding Redevelopment Agency for a joint meeting with the City Council.

**RESOLUTION** - Additional funding for Bid Schedule No. 4132, Hilltop Drive Streetscape Project

[B-050-020/S-070-200/R-030-050-310]

Transportation and Engineering Director Crane recalled that on May 12, 2008, the City Council awarded Bid Schedule No. 4132 (Job No. 2236), Hilltop Drive Streetscape Project to Bobby Martin Construction in the amount of \$3,935,154 and approved a construction contingency fund in the amount of \$300,000. Since that time, several additional requests for funding for the Hilltop Drive Streetscape Project have occurred for various construction impediments such as the discovery and necessary removal of underground tanks. Mr. Crane stated that it is now apparent that an asphalt overlay will be necessary to surface the street to provide a smooth ride. It is estimated that work will be cost an additional \$150,000. He also advised that the City Council originally approved \$400,000 for contract administration and inspection, but because of additional work added to the project, this cost has increased.

Mr. Crane recommended that the City Council approve increasing the contingency fund by an additional \$150,000 for Bid Schedule No. 4132, Hilltop Drive Streetscape Project to provide an asphalt overlay, and that the City Manager be authorized to approve a possible amendment to the City's consultant contract for administration and inspection services up to \$100,000 due to the increased scope of work.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Jones, approving increasing the contingency fund for Bid Schedule No. 4132 (Job No. 2236), Hilltop Drive Streetscape Project by an additional \$150,000 to provide an asphalt overlay, and authorizing the City Manager to approve amendments to the City's consultant contract for administration and inspection services in an amount up to \$100,000.

The Vote: Unanimous Ayes

At the hour of 10:18 p.m., Vice Mayor/Agency Chair Jones adjourned the Special Meeting of the Redding Redevelopment Agency.

**ORDINANCE** - Amending Redding Municipal Code Chapter 14.16- Sewers

[W-010-200 & C-110-400]

Municipal Utilities Director Russell stated that the City is required to implement the Federal Environmental Protection Agency (EPA) Pretreatment by amending Redding Municipal Code (RMC) Chapter 14.16-Sewers, incorporating 2007 Plumbing Code language, and also to clarify Industrial User permits and multiple tenant commercial building billing methods.

Mr. Russell recommended that an ordinance be offered for first reading by title only and the full reading waived, amending RMC Chapter 14.16-Sewers implementing required Federal EPA Pretreatment changes, incorporating the 2007 Plumbing Code language, and clarifying Industrial User Permit requirements and billing methods for multiple tenant commercial buildings, and that the City Clerk be authorized to publish a summary ordinance.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Jones, approving amendments to Redding Municipal Code (RMC) Chapter 14.16-Sewers implementing required Federal EPA Pretreatment changes, incorporating the 2007 Plumbing Code language, and clarifying Industrial User Permit requirements and billing methods for multiple tenant commercial buildings. The Vote: Unanimous Ayes

Council Member Stegall offered Ordinance No. 2429 for first reading, an ordinance of the City Council of the City of Redding, amending various chapters and sections of the Redding Municipal Code Chapter 14.16-Sewers implementing required Federal EPA Pretreatment changes, incorporating the 2007 Plumbing Code language, and clarifying Industrial User Permit requirements and billing methods for multiple tenant commercial buildings.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Jones, that the full reading of Ordinance No. 2429 be waived, that the City Attorney be instructed to read the full title, and authorizing the City Clerk to publish a summary ordinance.

The Vote: Unanimous Ayes

**RESOLUTION** - Approving Amendment to the Employment and Benefit Policies for Unrepresented Employees regarding City Council Members

[P-100-050-100]

Personnel Director Johnson advised that currently, the City pays one-half of the cost associated with health insurance for City Council members who retire from the City. To be eligible, a Council Member must have five years of eligible service with California Public Employees Retirement System (CalPERS). She recalled that the City Council expressed a desire to develop a proposed amendment to the City's Employment and Benefit Policies for Unrepresented Employees that would eliminate payment by the City of a portion of health and welfare insurance premiums for retiring City Council members first sworn into office after January 21, 2009, and who subsequently retire from the City, although COBRA benefits would still be available for health insurance if the full amount was paid by the retiree.

Ms. Johnson recommended that the City Council adopt a resolution approving an amendment to the Employment and Benefit Policies for Unrepresented Employees regarding elimination of health and welfare insurance coverage for City Council members first sworn into office after January 1, 2009.

**MOTION:** Made by Council Member Jones, seconded by Council Member Stegall, adopting Resolution No. 2008-192, a resolution of the City Council of the City of Redding, amending the Employment and Benefit Policies for Unrepresented Employees regarding elimination of health and welfare insurance coverage for City Council members first sworn into office after January 1, 2009. The Vote:

AYES: Council Members - Dickerson, Jones, McArthur, Stegall, and Bosetti

NOES: Council Members - None

ABSTAIN: Council Members - None

ABSENT: Council Members - None

Resolution No. 2008-192 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)

Council Member Stegall reported attending the Northern California Power Agency legislative regulatory strategic planning meeting in Roseville on December 3 and 4, 2008.

**ADJOURNMENT**

There being no further business, at the hour of 10:28 p.m., Mayor Bosetti declared the Regular Meeting adjourned.

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

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