

City Council, Regular Meeting
 Civic Center Council Chambers
 777 Cypress Avenue
 Redding, California
 February 17, 2009 7:00 p.m.

The Pledge of Allegiance to the Flag was led by Gary Gerhart.

The Invocation was offered by Police Chaplain Charlene Payment.

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, Assistant City Clerk Mize, and Executive Assistant Stribley.

CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar:

Approval of Minutes - Regular Meeting of January 20, 2009; Regular and Special Meetings of February 3, 2009

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

It is recommended that Accounts Payable Register No. 15, check numbers 870720 through 871149 inclusive, in the amount of \$12,976,752.63, for the period of February 1, 2009, through February 13, 2009; and Payroll Register No. 16 electronic deposit transaction numbers 248915 through 249781 and check numbers 542831 through 542918 inclusive, in the amount of \$2,512,287.46 for the period January 25, 2009, through February 7, 2009, be approved. TOTAL: \$15,489,040.09

Acquisition of Property - 9787 Abernathy Lane owned by Jerry & Helen Kelley; Resolution - Appropriating Solid Waste Unrestricted Retained Earnings for said purchase [C-070-010 & B-130-070]

It is the recommendation of the City Manager that Resolution No. 2009-10 be adopted, a resolution of the City Council of the City of Redding, approving and adopting the 52nd amendment to City Budget Resolution No. 2007-127 appropriating \$265,000 for the Solid Waste Administration Division for acquisition of three acres of real property located at 9787 Abernathy Lane (Assessor Parcel Number 109-040-049) for fiscal year 2008-09; and authorizing the Mayor to execute an Agreement for Acquisition of Real Property with Jerry and Helen Kelley in the amount of \$250,000, subject to an appraisal and acceptable soils conditions (Phase I Environmental Site Assessment).

Downtown Redding Business Association - Annual Report; and Resolution - Declaring Intention to Levy and Collect Annual Assessment and Setting Public Hearing (A-170-015-002)

It is the recommendation of the Assistant City Manager that the City Council approve the Annual Report of the Downtown Redding Business Association (DRBA) as filed, and adopt Resolution No. 2009-11, a resolution of the City Council of the City of Redding declaring intention to levy and collect the annual assessments for fiscal year 2009-10 in the Downtown Redding Business Improvement District (BID) and setting a public hearing for March 3, 2009 for same.

License Agreement - Shasta Tehama Amateur Radio Emergency Services [C-050-100-040]

It is the recommendation of the Support Services Director that the City Council authorize the Support Services Director to execute a License Agreement with Shasta Tehama Amateur Radio Emergency Services to utilize a parking space at the Corporation Yard behind the Parks Maintenance building for their communications equipment trailer at no cost.

Resolution - Proclaiming March 13, 2009, as “Community Tree Planting Day”, and March 9-13, 2009, as “Arbor Week”

[A-050-060-600 & A-050-220-075]

It is the recommendation of the Support Services Director that Resolution No. 2009-12 be adopted, a resolution of the City Council of the City of Redding proclaiming March 13, 2009, as “Community Tree Planting Day” (Arbor Day), and March 9-13, 2009, as “Arbor Week”, and recognizing the Tree Line U.S.A. Utility Award and Tree City U.S.A. Award to the City for the 28th consecutive year.

First Amendment to Agreement - Shasta County Opportunity Center for janitorial services

[A-070-020]

It is the recommendation of the Support Services Director that the City Council authorize the Support Services Director to execute the First Amendment to the Agreement with the Shasta County Opportunity Center for janitorial services at the Civic Center and other City locations extending services in the amount of \$20,291 per month through June 30, 2009.

Award of Bid - Bid Schedule No. 4209, Civil Infrastructure for Redding Power Plant Generating Unit No. 6

[B-050-020 & E-120-150-676]

It is the recommendation of the Electric Utility Director that Bid Schedule No. 4209 (Job No. 9860-09), Civil Infrastructure for Redding Power Plant Generating Unit No. 6 be awarded to Sierra National Construction, Inc. in the amount of \$2,499,700, that the Mayor be authorized to execute a Public Works Agreement, and that the City Manager be authorized to execute change orders in an amount not-to-exceed \$250,000.

Award of Bid - Bid Schedule No. 4210, Relocation of Electrical Infrastructure for Redding Power Plant Generating Unit No. 5

[B-050-020 & E-120-150-675]

It is the recommendation of the Electric Utility Director that Bid Schedule No. 4210 (Job No. 9860-23), Relocation of Electrical Infrastructure for Redding Power Plant Generating Unit No. 5 be awarded to M&J Electric in the amount of \$129,490, that the Mayor be authorized to execute a Public Works Agreement, and that the City Manager be authorized to execute change orders in an amount not-to-exceed \$12,950.

Grant - California Department of Boating & Waterways; and

Resolution - Appropriating funds for small craft safety program at Redding Aquatic Center [G-100-170/^B-130-070/P-050-700-600]

It is the recommendation of the Community Services Director that the City Council accept a \$22,000 grant from the California Department of Boating and Waterways for expansion of the small craft safety program at the Redding Aquatic Center.

It is further recommended that Resolution No. 2009-13 be adopted, a resolution of the City Council of the City of Redding, approving and adopting the 51st amendment to City Budget Resolution No. 2007-127 appropriating \$22,000 in grant funds from the California Department of Boating and Waterways for Redding Aquatic Center programs for fiscal year 2008-09.

Notice of Completion - Bid Schedule No. 4137, Traffic Signal Installation at Quartz Hill Road and Benton Drive

[B-050-020 & T-080-700]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4137 (Job No. 2137), Traffic Signal Installation at the Intersection of Quartz Hill Road and Benton Drive awarded to H&H Electric 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 \$296,845.61.

MOTION: Made by Council Member Jones, seconded by Council Member Stegall, that all the foregoing items on the Consent Calendar be approved and adopted as recommended above. The Vote:

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

NOES: Council Members - None

ABSTAIN: Council Members - None

ABSENT: Council Members - None

Resolution Nos. 2009-11, 2009-12, and 2009-13 are on file in the Office of the City Clerk

UPDATE ON MAJOR PROJECTS - Economic Stimulus Plan
(A-050-080/E-050/T-100-375)

Transportation and Engineering Director Crane provided a Powerpoint presentation depicting highlights of the federal Economic Stimulus Plan (Plan) relating that the President signed the bill this afternoon. He stated the Plan will provide \$787 billion in spending with \$65 billion specifically for transportation needs such as roads, waterways, and bridges. California's estimated share will be \$26 billion with approximately \$9 million to be distributed to the northern California region through the Shasta Regional Transportation Planning Agency (RTPA). RTPA will use population ratios to calculate the amount to be received by each agency. The City of Redding represents 49% of the population in the region which could equate to \$4.5 million.

Mr. Crane explained that the Plan includes a "use it or lose it" requirement, which means that 50% of the funds must be obligated to projects by July 8, 2009, and 50% obligated by March 10, 2010. He stated that 3% of the funds received must be used for Transportation Enhancement (TE) projects (such as bike and pedestrian lanes). All projects must comply with National Environmental Protection Agency (NEPA) requirements, the Federal Highway Administration (FHWA) requirements for right-of-way acquisition, and the Buy America and Davis Bacon requirements. He added that the bill includes unprecedented accountability and stated that on February 10, 2009, the RTPA adopted an amendment as required by the Federal Transportation Improvement Program (FTIP) to begin the process to receive Plan funding,

Mr. Crane advised that the City submitted the following priority list to RTPA: 1) Oasis Road Interchange, 2) City-wide Pavement Preservation Project, 3) Parkview TE Project (re-pave and re-stripe four lanes to three lanes, and 4) Court Street TE Project (lighted crosswalks) and Mr. Crane anticipated that a specific plan will be forthcoming for consideration at the meeting of March 3, 2009.

Mr. Crane related that the Plan provides for several other funding opportunities, such as Federal Aviation Administration (FAA) funds which could provide the Redding Municipal Airport and/or Benton Airpark with \$2.9 to \$12 million, as well as wastewater type projects, and others.

Council Member Dickerson expressed concern that mixed messages were conveyed to the public regarding the safety of crosswalks and asked that a standard be developed.

No action was required on this informational item.

UPDATE ON MAJOR PROJECTS - City's Water Supply
[W-030-550 & A-050-080]

Municipal Utilities Director Russell related that Whiskeytown Lake, the Sacramento River, and groundwater wells provide the City with three water sources. He stated that the Whiskeytown Lake water allotment, through the U.S. Bureau of Reclamation, is subject to 50% cutbacks and the Sacramento River water allotment is subject to 25% cutbacks during droughts. The water obtained from wells is not subject to cutbacks and could supply up to 25,000 acre feet of water annually.

Mr. Russell pointed out that the Buckeye Water Treatment Plant primarily treats the Whiskeytown Lake supply and serves the north portion of the City, the Foothill Water Treatment Plant treats Sacramento River water and serves the Downtown Redding and Hilltop-Dana areas, and the wells generally serve the Enterprise area. He advised that cutbacks to the City's water allotments are anticipated, but with voluntary customer conservation and increased usage of the City's wells, the water supply outlook is good this year. He stated that water conservation will be emphasized through public education, rebates and retrofits, and other programs such as irrigation education and training.

No action was required on this informational item.

ELECTRIC UTILITY'S MONTHLY FINANCIAL REPORT - December 2008
[B-130-070]

Electric Utility Director Hauser reported operating revenue, after energy costs, for December 2008, was \$1,540,041 or 8.2% below expectations. Billed retail revenue through December was \$103,938 (0.2%) below projections and wholesale sales were \$19,665,809 (141.1%) above projections. The cost of energy for the period was \$21,168,881 above plan, reflecting the cost of acquiring energy for resale. Total operating expense through December 2008,

was \$597,176 or 4.9% below budget plan. There was a negative net operating result of \$2,809,357.

Mr. Hauser pointed out that the power allocation from the Western Area Power Association Contract, unlike prior years, allowed REU to receive only a pro rata share of the power produced by the dam. He explained that, due to drought conditions, hydro-power production was low resulting in the need to purchase more expensive energy.

Mr. Hauser related that Assembly Bill 64 proposes that utilities must have 20% of their portfolios in renewable energy by 2010, and a 50% goal by 2035. Both AB 64 and SB 14 would change the definition of "renewable resource" to exclude large hydro. Senate Bill 14 proposes allowing only in-state renewable resources to count towards the reduction goal. Should SB 14 become law, Mr. Hauser indicated that it would be impossible to meet reduction goals, given the limited number to wind and geo-thermal sites within the state and the large number of providers competing for those sites. He estimated that the financial impact of complying with these bills could increase rates statewide by as much as 30%.

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

MOTION: Made by Council Member Stegall, seconded by Council Member Jones, accepting the Electric Utility Monthly Financial Report for December 2008.

The Vote: Unanimous Ayes

MID-YEAR BUDGET REPORT

RESOLUTION - Adopting budget adjustments to the General Fund for Fiscal Year 2008-09 [B-130-070]

Finance Director Strong related that like most cities and counties throughout California and the nation, Redding has been affected by the poor economy. In addition, the state's financial problems continue to grow and will continue to adversely impact city and county budgets. He stated that overall, General Fund revenues are trending lower than expected with revenue to date \$24.4 million which is \$4.4 million or 15.3% below cash flow projections. He pointed out that the City is in the process of preparing the biennial budget for fiscal years 2009-10 and 2010-11.

Mr Strong recommended the following mid-year budget adjustments; that the Fire Department receive a \$13,000 increase in appropriations for higher than anticipated costs related to maintaining some older equipment and costs mandated by other agencies; that the City Clerk's budget be increased by \$14,060 for higher than anticipated election costs due to the state requiring paper ballots instead of electronic ballots, and that the Library Fund be increased by \$9,520 to cover the contractual funding agreement pertaining to the Library. He added that estimated revenues should be reduced by \$1,735,280 for fiscal year 2008-09.

According to Mr. Strong, the Electric Department is requesting an increase in its budget of \$5,386,500 primarily to cover the cost of purchasing additional power, but also for two new positions (approved in August 2008 for 2009-10) which are necessary for the completion of Redding Electric Power Plant Generating Unit No. 6 and efficiency upgrades for Generating Unit No. 5. He continued that Risk Management is requesting \$100,000 to improve air quality at Fire Station No. 7 at the airport to provide jet engine fume filters. The Traffic Impact Fee Fund should be increased by \$40,000 to provide the City's share of the Shasta County Impact Fee Study, and an additional \$4,310 to the Library Fund for higher than anticipated janitorial and security contract costs at the branch libraries and \$25,760 from a donation (Frances Eisenberg Estate) to an equipment replacement fund for the branch libraries.

MOTION: Made by Council Member McArthur, seconded by Council Member Stegall accepting the Mid-Year Budget Report, and adopting Resolution No. 2009-14, a resolution of the City Council of the City of Redding, approving and adopting the 50th amendment to City Budget Resolution No. 2007-127, appropriating \$5,427,870, authorizing two full-time Electric Utility positions (to be added in July 2009), and reducing estimated General Fund revenue by \$1,735,280 for fiscal year 2008-09. The Vote:

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

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

(A-050-060)

Council Member McArthur reported attending the California Redevelopment Association Workshop in Concord, California on February 11-12, 2009.

ADJOURNMENT

There being no further business, at the hour of 8:14 p.m., Mayor Bosetti declared the meeting adjourned.

APPROVED:

Mayor

ATTEST:

Assistant City Clerk