

City Council, Regular Meeting
Civic Center Council Chambers
777 Cypress Avenue
Redding, California
May 5, 2009 7:00 p.m.

The Pledge of Allegiance to the Flag was led by Albert Hurst.

The Invocation was offered by Police Chaplain Debbie Ivey.

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, Transportation and Engineering Director Crane, Electric Utility Director Hauser, City Clerk Strohmayer, and Assistant City Clerk Mize.

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PUBLIC COMMENT

(A-050-060)

Bernie Sladich, Redding resident, announced the Postal Food Drive on May 13, 2009, and asked for donations by placing non-perishable food items next to mail boxes.

(A-050-060)

Rachel Neal, Child Abuse Prevention Council of Shasta County, presented information regarding AmeriCorps National Service which is a federally funded program that encourages community service by offering education grants to participants. The Shasta County branch of AmeriCorps focuses on high risk behavior in youth and in strengthening families.

(E-120-250)

Gerald Nelson, David Strawn, Rocky Compton, Stan Sours, Lisa Goza, Pam Stephens, Roseanna Simonis, Ed Markek, Randy Compton, and Elizabeth Messiek opposed a Transmission Agency of Northern California (TANC) proposed project which would include placing new electrical transmission lines through the rural area of Shasta County citing security issues due to the close proximity of an existing sub-station, citizen safety, wildfire concerns, proposal is not a green project, will cause environmental degradation, additional energy in California is not needed, lawsuits will be forthcoming, transmitted power will go to southern California, renewable energy is available that would not use transmission lines, and the project will require clear cutting and use of herbicides under the power lines.

PRESENTATION - Proclamation and Appreciation Clock to Jim Chapin for service on the Redding Planning Commission

[B-080-300]

Mayor Bosetti presented a Proclamation and Redding Appreciation Clock to Jim Chapin for 16 years of service on the Redding Planning Commission and service on the General Plan Committee and, on behalf of the City Council, thanked him for his commitment to the community.

Mr. Chapin thanked the Planning Commissioners, City staff, and the community.

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CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar:

Approval of Minutes - Special Meetings of March 16, 2009, and April 9, 2009; Regular and Special Meetings of April 21, 2009

Approval of Payroll and Accounts Payable Registers

(A-050-100-500)

It is recommended that Accounts Payable Register No. 20 check numbers 872910 through 873279 inclusive, in the amount of \$14,939,201.60, for the period of April 18, 2009, through April 30, 2009; and Payroll Register No. 21 electronic deposit transaction numbers 253480 through 254350 and check numbers 543376 through 543474 inclusive, in the amount of \$2,775,327.61 for the period April 5, 2009, through April 18, 2009, be approved. TOTAL: \$17,714,529.21

Treasurer's Report - March 2009

(A-050-100-600)

Total Treasurer's Accountability	-	\$141,734,960.80
Total City of Redding Funds, Funds Held in Trust, and Funds of Related Entities	-	\$272,441,297.97

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 March 2009 be accepted.

Ordinance - Rezoning Application RZ-8-05, Highland Park Subdivision

[L-010-230 & S-101-102]

It is the recommendation of the Development Services Director that Ordinance No. 2432 be adopted, an ordinance of the City Council of the City of Redding amending Redding Municipal Code Title 18-Zoning, by approving Rezoning Application RZ-8-05 rezoning certain real property at 850 Mission De Oro Drive, 520 Davis Ridge Road 670 Davis Ridge Road, and 672 Davis Ridge Road adding Planned Development Overlay as set forth above for the Highland Park Subdivision, located east of Interstate 5 and north of Hilltop Drive, by S and J Development..

Ordinance - Approving Development Agreement with Palomar Builders, Inc. and MCG, LP for Highland Park Subdivision

[S-101-102 & L-010-211-022]

It is the recommendation of the Development Services Director that Ordinance No. 2433 be adopted, an uncodified ordinance of the City Council of the City of Redding, approving the Development Agreement with Palomar Builders, Inc. and MCG, LP relative to the Highland Park Subdivision Project.

Resolution - Approving temporary incentives to stimulate commercial construction activity and approving a one-time six-month extension of building permits/building permit applications

[F-205-600]

It is the recommendation of the Development Services Director that Resolution No. 2009-40 be adopted, a resolution of the City Council of the City of Redding, approving certain temporary incentives (payment of wastewater and water development impact fees for new and expanded commercial, office and industrial development within redevelopment projects area in the City between June 1, 2009, and December 1, 2009) to stimulate commercial construction activity and approving a one-time six-month extension of building permits and building permit applications (January 1, 2009, and June 30,2009 extended for a one-time period of six months from date of permit).

Resolution - Appropriating grant funds for South Bonnyview Boat Ramp Rehabilitation and Enhancement Project

[B-130-070/G-100-170/P-050-650]

It is the recommendation of the Community Services Director that Resolution No. 2009-41 be adopted, a resolution of the City Council of the City of Redding, approving and adopting the 57th amendment to City Budget Resolution No. 2007-127 appropriating \$409,500 in grant funds from the California Department of Fish and Game, California Department of Boating and Waterways, and California Wildlife Conservation Board, and \$10,000 from the City's Park Development Fund for the Bonnyview Boat Ramp Improvement Project for a total amount of \$419,500 for fiscal year 2008-09.

Resolution - Proclaiming May 2009 as "Aquatic Safety Month"

[A-050-060-600 & A-050-110]

It is the recommendation of the Community Services Director that Resolution No. 2009-42 be adopted, a resolution of the City Council of the City of Redding, declaring May 2009 as "Water Safety Month."

Resolution - Appropriating funds received from the Shasta-Tehama-Trinity Joint Community College District (Shasta College) to the Fire Department's training budget

[B-130-070 & A-050-140]

It is the recommendation of the Fire Chief that Resolution No. 2009-43 be adopted, a resolution of the City Council of the City of Redding, approving and adopting the 55th amendment to City Budget Resolution No. 2007-127 appropriating \$8,610 in vocational

training funds received from the Shasta-Tehama-Trinity Joint Community College District (Shasta College) to the Fire Department’s training budget.

Notice of Completion - Bid Schedule No. 4142, Jenny Creek Sewer Replacement Project [B-050-020 & W-020-575]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4142 (Job No. 2271), Jenny Creek Sewer Replacement Project awarded to Cox and Cox Construction, Inc. be accepted as satisfactorily complete and that the City Clerk be authorized to file a Notice of Completion with the Shasta County Recorder. The final cost was \$1,829,666.66.

Encroachment Permits - Vending in the public right-of-way on Yuba Street [A-070-045]

It is the recommendation of the Transportation and Engineering Director that the City Council grant permission to Tony Thomasy for Location 4 and Bill Rodgers for Locations 1, 2, and 3, for vending of hot dogs and related items in the public right-of-way on Yuba Street.

License Agreement - Daniel Bietz to provide chair massage in the terminal at the Redding Municipal Airport [A-090-100]

It is the recommendation of the Transportation and Engineering Director that the City Council approve the License Agreement with Daniel Bietz to provide chair massage in the terminal at the Redding Municipal Airport and the City to receive 6% of gross receipts.

License Agreements - Experimental Aircraft Association (EAA) and Hillside Aviation, Inc., for Aviation Day at Benton Airpark [A-090-020]

It is the recommendation of the Transportation and Engineering Director that the City Council authorize the Mayor to execute License Agreements with Experimental Aircraft Association and Hillside Aviation, Inc. for use of a portion of Benton Airpark to conduct Aviation Day 2009, on Sunday, June 21, 2009, from 7:00 a.m. until mid-afternoon.

Resolution - Amending prohibited parking area on the west side of Buenaventura Boulevard south of Placer Street [P-030-250]

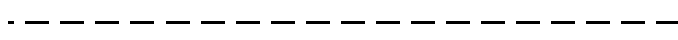
It is the recommendation of the Transportation and Engineering Director that Resolution No. 2009-44 be adopted, a resolution of the City Council of the City of Redding, prohibiting parking, pursuant to Redding Municipal Code Section 11.24.040, on Buenaventura Boulevard from a point 153-feet southerly from the intersection with the south curb line of Placer Street to a point 1,150-feet southerly from the intersection with the south curb line of Placer Street on the west side of Buenaventura Boulevard.

Gary Cadd, Redding resident, thanked the City Council for providing short term parking at the Buenaventura trailhead.

MOTION: Made by Council Member Stegall, seconded by Council Member McArthur, 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

Ordinance Nos. 2432 and 2433 and Resolution Nos. 2009-40 and 2009-44 are on file in the Office of the City Clerk.



PUBLIC HEARING - Community Development Block Grant (CDBG), and Home Investment Partnerships (HOME) Program

RESOLUTION - Approving 2009-10 Action Plan and funding recommendations (G-100-030-100/G-100-030-054/G-100-075)

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing regarding the 2009-10 Action Plan and funding recommendations for the Community Development Block Grant (CDBG) Program and the Home Investment Partnerships (HOME) Program.

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.

Assistant City Manager Tippin advised that the Department of Housing and Urban Development (HUD), requires the City as an "entitlement city," to develop and implement annual plans, programs, and projects that provide decent housing and economic opportunities for low- and moderate-income individuals and families. Mr. Tippin pointed out that the Community Development Advisory Committee (CDAC) recently concluded its review process and finalized recommendations for use of CDBG and HOME Programs funds for the 2009-10 program year and has submitted an Action Plan (Plan) for consideration.

Mr. Tippin related that this year, the total amount available for CDBG allocations is approximately \$924,143 and \$600,496 in HOME funds, and he reviewed allocated funding amounts for various activities. He stated that Public Service Activities include the Shasta Senior Nutrition Program, the Youth Violence Prevention Council of Shasta County, Shasta Women's Refuge, People of Progress, Veterans Recovery Project, Golden Umbrella, FaithWORKs! Community Coalition, and Restoration Enterprises.

Mr. Tippin stated that the CDAC and staff recommend that the City Council adopt a resolution accepting the proposed 2009-10 Action Plan and funding recommendations regarding CDBG and HOME funds as contained in the Action Plan, and authorize the City Manager to execute all necessary papers and file the Plan with HUD.

Council Member Dickerson recused himself from the vote on the resolution because he is the Chair of the Board of Directors for the Youth Violence Prevention Council which receives funding through CDBG funds.

Linda Brown, Executive Director of People of Progress, related that CDBG funding significantly increases the services they provide to the needy, such as clothing, prescription assistance, RABA fare assistance, foodbank services, meals, and emergency shelter. She mentioned that 70% of the service recipients are City of Redding residents.

Charlie Menoher, Director of the Youth Violence Prevention Council, thanked the City Council for the CDBG funds and advised that the funds are used by the Shasta County Peer Court to process youthful offenders and provide case management. He stated that the recidivism rate is substantially lower for youths processed through the Peer Court than those that are dealt with through the normal juvenile justice system.

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

MOTION: Made by Council Member Jones, seconded by Council Member McArthur, adopting Resolution No. 2009-45, a resolution of the City Council of the City of Redding, accepting the 2009-10 Action Plan and funding recommendations relating to the Community Development Block Grant Program, the Home Investment Partnerships Program, and other federal programs, and authorizing the City Manager to execute all necessary documents and submit the Action Plan to the U.S. Department of Housing and Urban Development.

The Vote:

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

Resolution No. 2009-45 is on file in the Office of the City Clerk

PUBLIC HEARING - Grant application and spending plan for the 2009 Recovery Act Edward Byrne Memorial Justice Assistance Grant (G-100-070 & P-150-150)

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing regarding the proposed grant application and spending plan for the 2009 Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG) Formula Program: Local Solicitation.

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.

Police Chief Hansen related that the Redding Police Department (RPD) is eligible to receive \$220,768 in grant funds through the 2009 American Recovery and Reinvestment Act (ARRA) Edward Byrne Memorial Justice Assistance Grant (JAG) Formula Program: Local Solicitation from the U.S. Department of Justice, with no required matching funds. However, the application must be submitted jointly with the Shasta County Sheriff Department, and it is not clear if these funds will be in addition to the annual JAG grant allocations received by RPD. He related that the proposed Spending Plan would continue to use the funds to contribute to the Integrated Public Safety System (IPSS) and associated IPSS personnel position, and to sustain other positions subject to layoff.

Chief Hansen recommended that the City Council approve the submission, acceptance, and proposed spending plan for the ARRA JAG grant in the amount of \$220,768 for 2009.

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

MOTION: Made by Council Member McArthur, seconded by Council Member Stegall, approving submission, acceptance, and spending plan for the 2009 ARRA Edward Byrne Memorial Justice Assistance Grant (JAG) program grant through the U.S. Department of Justice in the amount of \$220,768. The Vote: Unanimous Ayes

PUBLIC HEARING - Proposed traffic impact fee for the Shasta County Regional Improvement Program (SCRIP):

[T-100-375]

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing to consider the proposed traffic impact fee for the Shasta County Regional Improvement Program (SCRIP), an ordinance establishing a citywide zone of benefit for a new development impact fee, a resolution establishing a transportation impact fee, and a Memorandum of Understanding and Operating Agreement with the Shasta County Regional Transportation Planning Agency (RTPA) regarding SCRIP.

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.

Assistant City Manager Tippin recalled that for the past three years, RTPA has been developing a program to implement a development impact fee to fund projects to address Interstate 5 (I-5) congestion, additional freeway capacity, and the expected shortfall in state and federal transportation revenues to fund such improvements.

He observed that the program was previously known as "Fix 5" but is now referred to as the Shasta County Regional Improvement Program or SCRIP. The program has been altered to include important local transportation facilities such as the Bonnyview Road and Oasis Road interchanges and the Airport Road Corridor. Mr. Tippin advised that the suggested development impact fee would be \$1,697 per 1,000 square foot single family residence and the fee for commercial and industrial development would be calculated following standardized principles. But, because a traffic impact fee of \$440 per single family residence already exists in some areas, staff would prepare for Council's approval engineering studies designed to reallocate the current fee.

Mr. Tippin pointed out that due to the current economic environment, even if approved, the SCRIP fee would not be imposed until Shasta County population growth was 1% year-over-year and in no event sooner than June 30, 2011, then it would be phased in over a four-year period. He advised that the structure of the proposed agreement assumes participation in the fee by all cities and the county. He noted that during recent public hearings the City of Shasta Lake approved the fee, while the City of Anderson did not. Consequently, the proposed SCRIP is academic unless the Anderson Council reconsiders its previous decision.

Mr. Tippin explained that the issue before Council is whether to introduce an ordinance for first reading, adopt a resolution and authorize the Mayor to sign a Memorandum of Understanding and Operating Agreement in relation to the SCRIP fee.

Phil George, Redding resident, and Ron Reese, Citizens for Smart Growth, supported the impact fee citing that the funding for expanding I-5 would necessitate some form of new taxation, congestion is inevitable and would spill over into connecting City streets, it would be less expensive now than later, and believed that state and federal funds would go to those communities that help themselves by assisting in the fee process.

Mary Machado, Shasta Voices, opposed the fee program contending that the fee would be disproportionate to new construction, state and federal funding for fixing I-5 is appropriate since the highway belongs to them, the methodology of the SCRIP fee proposal is unlawful, and she urged that voters be allowed to have a say in the solution.

Walt McNeill, Attorney for Shasta Voices, submitted a letter suggesting that the RTPA does not have legal authority and contended that the proposed MOU provides unlawful delegation of a regional fee. He believed that the proper legal process would be to form a joint powers authority. He stated that only 10% of the development impact fee would go to I-5 projects under the proposed MOU and the remainder of funds would be allocated to interchanges and other local projects for which, he opined, there is no valid basis.

Gary Cadd and Willie Preston, ShasTax, opposed the maintaining that the fee would be a duplicate of the traffic impact fee already in place for areas such as Bonnyview, Airport Road, and Knighton Road and opined that the state and federal governments are responsible for maintenance of I-5.

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

At the request of Council Member Dickerson, Dan Little, Executive Director for RTPA, responded to the speakers' comments. Mr. Little disputed the notion of federal responsibility for maintenance of I-5 clarifying that it is under state, not federal ownership and there is no local program for improvement of the Airport Road Corridor. He did not believe SCRIP fees are a duplication of other impact fees for the same programs. He maintained that local traffic does, in fact, add to the congestion on I-5 and is part of the problem now and will be in the future. He also believed that the California Environmental Quality Act mitigation measures would become part of the process for the future. He asked that in the event Council did not approve the proposal, that it provide RTPA direction as to what circumstance and at what time, the issue would be more palatable. Mr. Little added the problems with I-5 would not go away with a "no" vote, but he would have to return again as the problems and congestion increased.

Council Member Jones advised he would not support a traffic impact fee for I-5 as the City did not have enough funds for its own roads and was not convinced it was a local responsibility to repair a major interstate highway.

In response to Council Member Stegall, City Manager Starman advised relayed that staff did not recommend modification of the program to proceed without participation from all jurisdictions and believed that initiating a fee unilaterally would put the City at a competitive disadvantage for potential commercial development in the region. He advised that the concept should be accepted regionally or not at all.

Council Members Dickerson and Stegall believed it was necessary to partner with the state in order to leverage funding for the Redding area. They noted that the impact to the City would mean collecting only 5% of the total project cost over a period of 20 years, and even then, the fees would not be collected until the area begins to grow again. Ms. Stegall pointed out that an efficient road system would draw business to the area, while a congested road system would keep it away.

Council Member McArthur opposed the impact fee stating that the proposal was not equitable because it only applies to new construction rather than everyone using the highway and voters throughout the state should decide how to pay for highway expansion through the ballot process.

Mayor Bosetti concurred that users of the highway system should pay for expansion and suggested raising the gas tax, as a more equitable method of collecting funds. He also suggested building phased portions of I-5 with current allocations to RTPA.

MOTION: Made by Council Member McArthur, seconded by Council Member Jones, declining the SCRIP fee, and directing City staff to continue to work cooperatively with RTPA, Caltrans, Shasta County, and the cities of Shasta Lake and Anderson to identify other potential solutions for anticipated regional traffic congestions issues. The Vote:

AYES: Council Members - Jones, McArthur, and Bosetti

NOES: Council Members - Dickerson and Stegall

ABSTAIN: Council Members - None

ABSENT: Council Members - None

APPOINTMENT - Resident Member to the Redding Housing Authority
[B-080-650-275]

MOTION: Made by Council Member Dickerson, seconded by Council Member Jones, appointing Albert E. Hurst as Resident Advisory Board Member to the Redding Housing Authority's Board of Commissioners to fill an unexpired term ending December 31, 2013. The Vote: Unanimous ayes

UPDATE ON MAJOR PROJECTS - RABA Maintenance Facility Expansion
[R-010-475 & A-050-080]

Transportation and Engineering Director Crane stated that the RABA Maintenance Facility was built in 2001 but was relatively small. It quickly became inefficient for the work performed at the facility. He advised that the RABA Maintenance Facility Expansion began last year and cost \$2.2 million. He invited the community to a ribbon cutting ceremony scheduled for May 18, 2009, at 3:30 p.m.

No action was required on this informational item.

UPDATE ON MAJOR PROJECTS - South Bonnyview Road Widening
[S-070-100 & A-050-080]

Transportation and Engineering Director Crane recalled the congestion and safety issues in the South Bonnyview Road corridor. The cost of the South Bonnyview Road widening project was \$18.4 million and began in the summer of 2007. Completion will be in June this year, however, with the main portions having been completed, the community is invited to the ribbon cutting ceremony scheduled for May 20, 2009, at 10:30 a.m.

No action was required on this informational item.

JOINT MEETING OF THE CITY COUNCIL AND REDDING REDEVELOPMENT AGENCY

At the hour of 9:34 p.m., Vice Mayor/Agency Chair Jones convened the Special Meeting of the Redding Redevelopment Agency for a joint meeting with the City Council.

LETTER OF INTENT - LD&C, Inc. re The Oasis Towne Center and related infrastructure
[S-070-100 & R-030-030]

City Manager Starman recalled that the Levenson Development Company or LD&C, Inc. (LDC) has been working towards development of the Oasis Towne Center at the northeast quadrant of the Oasis Road and Interstate 5 interchange and associated infrastructure for many years. It is hoped that the American Recovery and Reinvestment Act (ARRA) will provide some funding for development of the Oasis Road interchange area through the City, with LDC indicating it will also attempt to secure funding for the project through its own resources. To that end, the City and the Redding Redevelopment Agency (RRA) have discussed with LDC the need for an Owner Participation Agreement (OPA). Mr. Starman noted that a partnership of the three agencies through a non-binding Letter of Intent would provide a framework for negotiation of the OPA and which would be completed within six months.

Mr. Starman pointed out that LDC completed a draft Project Study Report (PSR) for the Oasis Towne Center and submitted the PSR to Caltrans this week. He added that during the OPA process, LDC and the City would continue to search for additional funding sources.

Mr. Starman observed that any participation by the RRA through the Buckeye Redevelopment Project Area would ultimately also require approval of the Shasta County Board of Supervisors and its redevelopment agency because the Buckeye Redevelopment Project Area is a joint area. He noted that although the County's participation in the LOI is not required, it is likely the County's participation in the OPA would be necessary.

Mr. Starman recommended that the City Council approve the non-binding Letter of Intent (LOI) with RRA and LDC for development of the Oasis Towne Center.

In response to Council Member McArthur, Mr. Starman advised that the County met with LDC last year and expressed willingness to review the project in a fair and object way but would determine their participation based on the value of the project to the County.

MOTION: Made by Council Member Jones, seconded by Council Member McArthur approving a non-binding Letter of Intent for development of an Owner Participation Agreement with the Redding Redevelopment Agency and LD&C, Inc., pertaining to the Oasis Towne Center. The Vote: Unanimous Ayes

At the hour of 9:47 p.m., Vice Mayor/Agency Chair Jones adjourned the Special Meeting of the Redding Redevelopment Agency.

ELECTRIC UTILITY'S MONTHLY FINANCIAL REPORT - March 2009

[B-130-070]

Electric Utility Director Hauser reported that retail power sales revenue was \$933,055 (1.4%) below projections and wholesale power sales through March totaled \$16,818,870 or 52.1% above projections. Operating revenue after energy costs was \$630,631 or 3.0% above expectations. The total cost of energy through March was \$15,218,261 or 18.8% above projections. The Utility's net operating results through March are negative \$4,583,400.

Mr. Hauser provided an update on various legislative bills and the impact they might have, if passed, on the City's energy portfolio, particularly the proposed changes to purchases of renewable energy outside the state that could disallow renewable energy credits for Redding Electric Utility.

Mr. Hauser recommended that the City Council accept the Electric Utility Monthly Financial Report for March 2009.

MOTION: Made by Council Member McArthur, seconded by Council Member Jones, accepting the Electric Utility Monthly Financial Report for March 2009.

The Vote: Unanimous Ayes

RESOLUTION - Modifying the Redding Electric Utility Director's purchase authority for natural gas commodity to include forward electricity purchases

[E-120-058]

Electric Utility Director Hauser explained that due to the volatility of the natural gas market in the last few years, Redding Electric Utility (REU) developed a gas portfolio management strategy which includes the ability to rapidly commit REU to longer-term, cost-effective gas purchases. Mr. Hauser noted that the strategy has saved the rate payers approximately \$34 million over the long term. Because of the depressed circumstances in wholesale electricity, he believed that the ability to purchase electricity, if the opportunity arises, would also be beneficial to the REU ratepayers. He pointed out that in order to take advantage of an opportunity, the decision to purchase electricity must be made quickly.

Mr. Hauser recommended that a resolution be adopted modifying authority of the Electric Utility Director to purchase natural gas commodities to include forward electricity purchases up to \$25 million for a period of 12 years.

MOTION: Made by Council Member Stegall, seconded by Council Member Jones, adopting Resolution No. 2009-46, a resolution of the City Council of the City of Redding, modifying authority of the Electric Utility Director to purchase natural gas commodities to include forward electricity purchases up to \$25 million for a period of 12 years. The Vote:

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

NOES: Council Members - None

ABSTAIN: Council Members - None

ABSENT: Council Members - None

GENERAL FUND MONTHLY FINANCIAL REPORT - March 2009
[B-130-070 & L-040-300]

Finance Director Strong reported that revenues continue to be less than anticipated due to lower sales tax revenue, construction related fees, Transient Occupancy Tax (TOT), and property tax. Total revenue to date is \$43.8 million or \$3,629,186 (7.7%) below staff's cash flow projection. Expenditures at month end, excluding encumbrances, total \$58,044,603 or \$2,015,880 (3.4%) below staff's projection. Encumbrances total \$1,323,919.

Mr. Strong recommended that the City Council accept the General Fund Monthly Financial Report for March 2009.

City Manager Starman recalled that 2004's Proposition 1A designed to protect local revenues by preventing the state government from raiding city and county coffers, is now in jeopardy. Apparently there is a caveat in the Proposition that allows suspension of the Proposition in times of emergency. He related that, according to numerous sources, the state legislature and the governor are considering invoking the emergency provision, if the current ballot measures fail at the election of May 19, 2009. If the suspension occurs, the state plans to take approximately \$2 billion statewide from cities and counties. If that occurs, he said the City would likely experience an additional reduction of at least \$1.8 million from the General Fund.

MOTION: Made by Council Member Jones, seconded by Council Member McArthur, accepted the General Fund Monthly Financial Report for March 2009.

The Vote: Unanimous Ayes

ORAL REPORT - City Council Member attendance at conferences/meetings reimbursed at City expense (Requirement of Assembly Bill 1234)
 (A-050-060)

Council Member Stegall reported attending the Northern California Power Agency Policy Forum in Washington D.C. on April 26, 2009, through April 30, 2009.

ADJOURNMENT

There being no further business, at the hour of 10:13 p.m., Mayor Bosetti declared the meeting adjourned.

APPROVED:

 Mayor

ATTEST:

 City Clerk