

City Council, Special Meeting
Civic Center Council Chambers
777 Cypress Avenue
Redding, California
August 4, 2009 6:15 p.m.

The Pledge of Allegiance to the Flag was led by Mayor Bosetti.

The Invocation was offered by Redding Police Chaplain Ray Foust.

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, City Treasurer Leslie Detwiler, Police Chief Hansen, Electric Utility Director Hauser, Support Services Director Kersten, Fire Chief Kreitman, Deputy City Clerk Mize, and Executive Assistant Grimm.

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PUBLIC COMMENT

[P-150-070-100]

Fire Chief Kreitman reported on fires currently burning in Shasta County, noting that a significant fire broke out in the City on August 2, 2009, near power lines on the south side of the Sacramento River Trail. He related that two CalFire hand crews were able to assist with the brush clearing that allowed hose line access which, along with a favorable wind change, contributed to early containment of this fire. Chief Kreitman advised that Redding Fire Department (RFD) crews are assisting CalFire in Burney and Old Station. He emphasized the importance of the mutual support between CalFire and RFD in managing fires in this region.

[A-050-060]

Charles Alexander provided information about "The Million Boat Float", a mass flotilla on the Sacramento River to the State Capital, to protest the Peripheral Canal.

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CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar:

Approval of Minutes - Special Meeting of July 21, 2009

Approval of Payroll and Accounts Payable Registers

[A-050-100-500]

It is recommended that Accounts Payable Register No. 2, for check numbers 875396 through 875789 inclusive, ACH Transfer numbers 6024 through 6062, inclusive, and Wire Transfer numbers 1593 through 1658, inclusive, for a total of \$18,953,786.39, for the period of July 18, 2009, through July 31, 2009; and Payroll Register No. 2 electronic deposit transaction numbers 260328 through 261274 and check numbers 544261 through 544362 inclusive, in the amount of \$2,636,994.16 for the period July 12, 2009, through July 25, 2009, be approved. TOTAL: \$21,590,780.55

Treasurer's Report - June 2009

[A-050-100-600]

Total Treasurer's Accountability	-	\$135,608,484.06
Total City of Redding Funds, Funds Held in Trust, and Funds of Related Entities	-	\$257,928,158.22

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 June 2009 be accepted.

Ordinance - Rezoning Application RZ-11-03 for Westridge Subdivision II & III by Greenview Development, Inc.; located northeast of Power Line Road, east of Placer Road, and west of the Canyon Creek Road terminus at Blazingwood Drive
[L-010-230/^S-101-073/^S-101-068]

It is the recommendation of the Development Services Director that Ordinance No. 2437 be adopted, an ordinance of the City Council of the City of Redding amending the Zoning Map of the Redding Municipal Code relating to the rezoning of property from “RS-2” and “RS-3” Residential Single Family Districts to “RS-3” Residential Single Family District and “OS” Open Space District and rezoning to “RE-1” Residential Estate District, “RS-3” Residential Single Family District, and “OS” Open Space District within a portion of the Westridge Master Plan and Annexation Area (RZ-11-03). The Vote:

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

Project Status Report

[A-050-080]

It is the recommendation of the City Manager that the City Council accept the monthly informational Project Status Report highlighting the current status of large capital projects and issues.

Homeless Prevention and Rapid Re-Housing Program

[G-100-170]

It is the recommendation of the Assistant City Manager that the City Council authorize the Assistant City Manager to sign the form titled “Attachment C - Local Jurisdiction Approval” so that Shasta County may be approved to expend funds in the cities of Anderson, Redding, and Shasta Lake in the total amount of approximately \$500,000 received from the State Department of Housing and Community Development under the American Recovery and Reinvestment Act of 2009 for the Homeless Prevention and Rapid Re-Housing Program.

First Amendment to Contract - Western Area Power Administration

[E-120-900]

It is the recommendation of the Electric Utility Director that the City Council authorize the City Manager to execute Amendment No. 1 to Contract No. 04-SNR-00766 with Western Area Power Administration (WAPA) for Variable Resource Service, extending the contract for five years, through September 30, 2015, to procure cost-effective energy from the Pacific Northwest through WAPA.

Award of Bid - Bid Schedule No. 4257, Buckeye Pressure Zone Water Main Replacement

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

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4257 (Job No. 2309), Buckeye Pressure Zone Water Main Replacement project be awarded to Cox & Cox Construction, Inc., in the amount of \$633,296, that an additional \$90,000 be approved for administration and inspection fees, and that \$135,000 be approved to provide construction contingency funding, for a total of \$858,296.

Notice of Completion - Bid Schedule No. 4246, 2009 Replace AC Surfacing Project

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

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4246 (Job No. 2330), 2009 Replace AC (Asphalt Concrete) Surfacing Project, awarded to Tullis, 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 \$309,166.42.

MOTION: Made by Council Member Jones, seconded by Council Member Stegall, that the foregoing items on the Consent Calendar be approved and adopted as recommended with the exception of the item approved by separate vote as indicated 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 No. 2437 is on file in the Office of the City Clerk.

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PUBLIC FORUM ON STATE GOVERNANCE AND FISCAL REFORM

[A-050-060 & S-050]

Council Member Dickerson and Mayor Bosetti reported information obtained when they attended the Summit on State Governance and Fiscal Reform in Sacramento last month. Mayor Bosetti noted that a list of concerns was compiled by the more than 500 California city, county and school representatives in attendance.

Mr. Dickerson related that the consensus was that representatives schedule public forums within their jurisdictions to gauge the amount of public interest in pursuing state reform. He suggested that the City of Redding host a local public forum in August, in collaboration with the cities of Anderson and Shasta Lake, and the County of Shasta to provide information to the public regarding existing issues and available methods to reform state government, and to solicit citizen opinion, with the goal of compiling potential solutions to existing dysfunctions within state government. Mr. Dickerson added that a series of meetings may be in order.

Council Members McArthur and Stegall expressed support for holding public forums.

Gary Cadd, Redding resident, opposed several of the suggestions listed in the "Rebuilding California" attachment to the staff report and opposed a Constitutional Convention.

Council Member Dickerson stated that the "Rebuilding California" list was raw material, ideas that people had submitted for consideration, and reiterated that the purpose of the forum(s) was to determine what communities thought about the issues.

By Council consensus, City Manager Starman was directed to provide a proposal for a public forum at the Council meeting on August 18, 2009.

PRIVATIZATION EVALUATION COMMITTEE

[A-050-060 & B-080-600]

City Manager Starman recalled that on July 21, 2009, Council approved the recommendation to create an ad hoc committee to evaluate the possibility of privatizing various City services. Mr. Starman reported that Mayor Bosetti appointed Dave McGeorge, Council Member Dickerson appointed Ken Murray, Council Member Jones appointed Marie Whitacre, Council Member McArthur appointed John Gorman, and Council Member Stegall appointed Peggy O'Lea to serve on the committee. He also advised that the committee's first meeting was scheduled for August 17, 2009, at approximately 5:45 p.m. with ongoing meeting logistics, the Brown Act, and the Meyers-Milias-Brown Act as topics of discussion.

Council Member Jones stated that, although he was advised by the City Attorney that no legal conflict of interest exists, he was concerned about the appointment of Mr. Murray, noting that Mr. Murray was working with International Brotherhood of Electrical Workers (IBEW) in ongoing labor negotiations with the City. Mr. Jones asked Council Member Dickerson if he would consider appointing another person.

Council Member Dickerson responded that he would not reconsider his appointment.

In response to Mayor Bosetti's question regarding Mr. Murray's role in labor negotiations, City Manager Starman stated that it would be best to ask Mr. Murray, but, that to the extent of his knowledge, Mr. Murray had consulted with union negotiators a few times; that he had set up one meeting with City staff, IBEW Union Representative Mr. Ray Thomas, and two other union representatives; and that Mr. Murray had publicly stated he had disengaged from the negotiations and would have no further involvement. Mr. Starman further stated that existing laws govern compensation to elected officials during a "cooling off" period after they leave office, and that Mr. Starman understood that Mr. Murray had not received any compensation from IBEW.

Council Member McArthur expressed concern about Mr. Murray's impartiality.

Council Member Stegall supported Mr. Murray's appointment and stated that since he will no longer be involved with current labor negotiations and the City Attorney had reviewed the circumstances, she saw no dilemma.

Council Member Dickerson asserted that Council appointments are not subject to a vote by other council members and that he foresees no incongruity between Mr. Murray's analytical abilities and privatizing city services.

Council Member Jones stated that all City services should be considered for privatization.

Mary Machado, Executive Director of Shasta Voices, expressed concerned about neutrality of the committee members and opined that it is wrong for committee members to make decisions about privatizing City services before the committee's work is complete.

COUNCIL POLICY - Relative to Personnel Costs; and
RESOLUTION - Establishing a New Council Policy
 [A-050-060-555]

City Manager Starman recalled that on July 21, 2009, Council endorsed the Mayor's suggestion to create a new council policy relative to the containment of personnel costs, and directed staff to prepare a resolution and a draft council policy for consideration. Mr. Starman also provided and reviewed a chart of supplemental material relaying actual and projected personnel costs for fiscal years 2006-11. In response to Council Member Jones, Mr. Starman noted that percentages alone can be misleading and that since reductions have been made in all areas of city operations, the percentage representing personnel costs may appear artificially high.

Council Member McArthur commented that, based on personal business ownership experience, the percentages for personnel costs were alarming. Ms. McArthur suggested setting a cap of 75 percent of total budget expenditure for personnel costs.

Clerk's Office

Council Member Jones added that he would like to set a cap lower than 75 percent and asked if that was feasible.

City Manager Starman responded that it has been a priority of the Council and City staff for some time to constrain personnel costs, but that many contributing factors are beyond the City's control, i.e. health care costs, post-employment benefits, a poor economy and resulting decreased revenue streams, labor relations, etc., and it would be very difficult to make further reductions. Mr. Starman cautioned that setting a specific number could unintentionally hinder efficient city operations and/or result in unintended consequences.

Council Member Dickerson concurred that creating a policy and setting an arbitrary number in circumstances in which there are so many factors beyond the control of the City Council and staff is unnecessary and unwise. He stressed that Council attention and action is more important and effective than a policy.

Council Member Stegall echoed the opinion that a written policy in not needed, but would support one in spirit, as drafted. However, Ms. Stegall opposed adding a fixed percentage cap to the policy, stating the dangers of misrepresentation by percentages and the limiting of City staff's ability to respond to continuously changing economic conditions.

In response to Council Member McArthur's request, Mr. Starman recapped the City's financial status relating to reserves, noting that for the fiscal year ending (FYE) June 30, 2008, the General Fund cash reserve was \$7.9 million; for FYE June 30, 2009, it is projected to be \$4.4 million or slightly less but final calculations had not been completed.

Mayor Bosetti reiterated that other cities have gone bankrupt when personnel costs exceed the high 70's/ low 80's as a percentage of total budget and expressed concern about the escalating figures presented, as well as potential increases to fund CalPERS requirements for retirement accounts. Mayor Bosetti expressed support for a fixed number in the policy.

Mayor Bosetti stated that escalating CalPERS costs was an important topic at the Summit on State Governance and Fiscal Reform last month, and requested information regarding the steps that would be necessary to end the City's participation in CalPERS.

Motion: Made by Council Member Jones, seconded by Council Member McArthur, adopting Resolution No. 2009-158, a resolution of the City Council of the City of Redding, establishing new Council Policy 219 to limit personnel costs to 73 percent of the total budget.

The Vote:

AYES: Council Members - Jones, McArthur, and Bosetti

NOES: Council Members - Dickerson, Stegall

ABSTAIN: Council Members - None

ABSENT: Council Members - None

Resolution No. 2009-158 is on file in the Office of the City Clerk.

PUBLIC HEARING - Tourism Marketing Business Improvement District (TMBID)
RESOLUTION - Declaring Results of Majority Protest Proceedings and Renewing the
 Tourism Marketing Business Improvement District
 [A-170-015-004]

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing regarding the renewal of the existing Tourism Marketing Business Improvement District (TMBID).

The following document is on file in the Office of the City Clerk:

Affidavit of Mailing - Notice of Public Hearing

Support Services Director Kersten provided highlights of the Report to City Council dated July 23, 2009, incorporated herein by reference, stating that on June 16, 2009, the Council adopted Resolution 2009-67 declaring its intention to renew the Tourism Marketing Business Improvement District and fixing the time and place of a public meeting; that said public meeting took place on July 21, 2009; and that this public hearing fulfills the final requirement to renew the TMBID. Mr. Kersten reminded the Council that the TMBID will add one percent to lodging receipts in the City, estimated to be \$390,000 for fiscal year 2009-10, which will be used specifically for the promotion and marketing of the Redding area to increase tourism and lodging occupancy rates. Mr. Kersten advised that the program has been successful to-date and that the property owners have petitioned the Council to renew the TMBID for a term beginning on July 1, 2009, and terminating on December 31, 2010. Mr. Kersten recommended that a resolution be adopted declaring the results of the majority protest proceedings and renewing the TMBID as set forth above. If approved, staff will make the necessary appropriation adjustment to this year's budget.

Mayor Bosetti declared that any person is welcome to make oral comment, but only property business owners subject to the assessment are permitted to submit a protest, and that only oral or written protests submitted to the City Clerk prior to the close of the public hearing will be counted. Only one protest (oral or written) may be submitted by any property owner. Any protests already submitted may be withdrawn, but only by the end of the public hearing.

Mayor Bosetti determined that no one present wished to address this matter and closed the public hearing. He announced that the time for lodging business owners to submit written and oral protests had ended and directed the Deputy City Clerk to report any protests received.

Deputy City Clerk Mize reported that the election for renewing the TMBID had been conducted according to assessment proceedings pursuant to the Property and Business Improvement District Law of 1994 (Streets and Highways Code §§ 36625 and 36600 et seq.) and that no protests had been received. Since no majority protest representing more than 50 percent of the total weighted vote was received, the renewing of the TMBID and assessment of one percent for the term stated above passed. Ms. Mize stated that she had certified the election results and submitted them to the City Council.

MOTION: Made by Council Member Jones, seconded by Council Member McArthur adopting Resolution No. 2009-159, a resolution of the City Council of the City of Redding, declaring the results of the majority protest proceedings and to renew the Tourism Marketing Business Improvement District, pursuant to the Property and Business Improvement District Law of 1994 (Streets and Highways Code §§ 36625 and 36600 et seq.) for a term of 18 months, effective July 1, 2009, and authorizing the associated levy.

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. 2009-159 is on file in the Office of the City Clerk.

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

Council Member McArthur reported attending the League of California Cities-Sacramento Valley Division meeting in Paradise, California, on July 24, 2009.

ADJOURNMENT

There being no further business, at the hour of 7:25 p.m., Mayor Bosetti declared the meeting adjourned.

APPROVED:

Mayor

ATTEST:

Deputy City Clerk