

City Council, Regular Meeting
Civic Center Council Chambers
777 Cypress Avenue
Redding, California
August 18, 2009 7:00 p.m.

The Pledge of Allegiance to the Flag was led by Fran Jenkins.

The Invocation was offered by Police Chaplain Betty Harrison-Smith.

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, Deputy City Clerk Mize, and Executive Assistant Grimm.

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PUBLIC COMMENT

[P-150-150]

Fran Jenkins requested assistance to resolve ongoing problems with trespassing on her private property by homeless and transient persons.

[E-050-500]

John Wood opined that funds planned for use to match a grant for the Stillwater Business Park would be better used for the Fire and Police departments.

[S-070/P-150-150]

Marjy Cantrell expressed her excitement over progress on construction at the old women’s refuge site across the street from her home. She stated that conflicting garbage collection and street sweeping services are scheduled on the same day, presented pictures, and brought chunks of asphalt to show that street sweepers were damaging the street in front of her house. Ms. Cantrell also revisited her feelings regarding the July 5th burglary of her home, the costs and benefits of having fingerprint identification services available in Redding, and the need for more police officers.

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CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar:

Approval of minutes - Special Meetings of June 15, 2009 and August 4, 2009

Approval of Payroll and Accounts Payable Registers

[A-050-100-500]

It is recommended that Accounts Payable Register No. 3, for check numbers 875790 through 876222 inclusive, ACH Transfer numbers 6063 through 6107, inclusive, and Wire Transfer numbers 1659 through 1684, inclusive, for a total of \$5,098,658.14, for the period of August 1, 2009, through August 14, 2009; and Payroll Register No. 3 electronic deposit transaction numbers 260870 through 262269 and check numbers 544271 through 544460 inclusive, in the amount of \$2,615,864.60 for the period July 26, 2009, through August 8, 2009, be approved. TOTAL: \$7,714,522.74.

League of California Cities Resolutions

[L-040-150]

It is the recommendation of the City Manager that the City of Redding (1) support a proposed resolution regarding “social host liability” and (2) remain neutral on a proposed resolution that pertains to divesting in certain financial institutions.

Public Forum on State Governance and Fiscal Reform

[A-050-060/S-050]

It is the recommendation of the City Manager that a public forum be scheduled on August 31, 2009, at 6 p.m. to discuss the need for State governance and fiscal reform. It is further recommended that City staff be directed to work with the City of Anderson, the City of Shasta Lake, and the County of Shasta to promote public awareness about this topic.

Charles Alexander questioned the format of any public meeting(s) on this topic and suggested it should be discussed.

Mayor Bosetti responded that forum details had not been defined and that a press conference would be scheduled to provide more information as it becomes available.

Homebuyer Program

[R-030-100-040/G-100-075-100]

It is the recommendation of the Assistant City Manager that the Homebuyer Program (HP) be modified to: (1) decrease the maximum purchase price from \$218,500 to \$191,100; and (2) revise Section D, "Maximum Purchase Price", of the HP Policy to provide for a quarterly review of sales price data and authorize the Assistant City Manager/Executive Director to reduce/increase the price based on said review.

2009 Think Pink Day

[S-070-050-500]

It is the recommendation of the Support Services Director that the Sundial Bridge pylon be up-lit in pink from 8:00 p.m. to 10:00 p.m. on October 15, 2009, for "Think Pink Day", to raise awareness and promote early detection of breast cancer.

Integrated Land Management System Project

[B-130-070/A-050-122/A-050-120]

It is the recommendation of the Development Services Director that Resolution No. 2009-161 be adopted, a resolution of the City Council of the City of Redding, approving and adopting the 5th Amendment to City Budget Resolution No. 2009-61, appropriating \$1,310,500 for the City-wide Integrated Land Management System project for fiscal years 2009-10 and 2010-11.

Council Member Jones advised he would vote no on this item to remain consistent with his earlier vote.

The Vote:

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

NOES: Council Members - Jones

ABSTAIN: Council Members - None

ABSENT: Council Members - None

California Office of Traffic Safety Grant for DUI Enforcement

[G-100-170-700/P-150-150]

It is the recommendation of the Chief of Police that Resolution No. 2009-162 be adopted, a resolution of the City Council of the City of Redding, authorizing the acceptance of a grant from the California Office of Traffic Safety for overtime, training and equipment for Driving Under the Influence enforcement in the amount of \$153,915 for a one-year period from October 1, 2009, through September 30, 2010.

Monthly Financial Report - General Fund

[B-130-070]

It is the recommendation of the Finance Director that the City Council accept the General Fund's Monthly Financial Report for June 2009. Total revenue to date is \$63.1 million or \$6,224,521 (9.0%) below staff's cash flow projection. Expenditures at month end, excluding encumbrances, total \$75,913,509 or \$7,835,487 (9.4%) below staff's projection. Encumbrances total \$1,862,449.

Award of Bid - Bid Schedule No. 4260, Livestock Pasturing and Farming at Redding Municipal Airport and Approve Lease Agreement

[B-050-100/C-070-100/A-090-100]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4260, Livestock Pasturing and Farming at Redding Municipal Airport be awarded to Hawes River Acres, Inc., and that a lease agreement be executed with Hawes River Acres, Inc., in the amount of \$5,001 the first year with a 3 percent increase each year thereafter, for an initial term of five years, with two (2) one-year options to extend the term.

Grant Application with the Federal Aviation Administration; and Resolution - Budget Appropriation

[G-100-070-095/A-090-100]

It is the recommendation of the Transportation and Engineering Director that the filing of a grant application to the Federal Aviation Administration for preparation of a Wildlife Hazard Assessment and a Wildlife Hazard Management Plan at Redding Municipal Airport be approved; that Resolution 2009-163 be adopted, a resolution of the City Council of the City of Redding, approving and adopting the 2nd Amendment to City Budget Resolution No. 2009-61 appropriating \$150,000 to the Airports Fund for a Wildlife Hazard Management Plan at the Municipal Airport for fiscal year 2009-10; and that the City Manager or his designee be authorized to execute the grant application and all subsequent documentation necessary to obtain grant funds.

Resolution - Accepting Grant Funds from the California Integrated Waste Management Board

[G-100-170/P-150-050-500]

It is the recommendation of the Municipal Utilities Director that Resolution No. 2009-164 be adopted, a resolution of the City Council of the City of Redding, authorizing acceptance of Tire-derived Product (TDP) Grant funds in the amount of \$65,496 for fiscal year 2009-10 (Ninth Cycle) from the California Integrated Waste Management Board, for TDPs as a ground cover at the City’s Transfer Station; and authorizing the City Manager or his designee, the Director of Municipal Utilities, to execute all documents necessary for the grant(s) on behalf of the City and execute any agreements necessary to implement the approved project.

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

Resolution Nos. 2009-161 through 2009-164 are on file in the Office of the City Clerk.

MARTIN LUTHER KING CENTER

[C-050-400]

Pat Sansom, NAACP President, submitted a written request regarding Martin Luther King (MLK) facility usage rules and regulations, policy for summer programs, employee policy for Workers Compensation, and hiring policy for MLK employees. Ms. Sansom stated that on July 14, 2009, the NAACP was not allowed to use the MLK center for a pre-scheduled, pre-approved meeting due to a conflict with the Youth Action Council band. Ms. Sansom requested a written response to a list of eleven questions, which she read and furnished for the record.

Beverly Liggins Pearly Harrison reminisced about her life in Redding since 1945, remarking that the MLK center is for children and that the NAACP is a mixed group for all people.

Mayor Bosetti responded that a meeting would be scheduled to address all items submitted by Ms. Sansom.

PUBLIC HEARING - Rezoning Application RZ-1-09 pertaining to Homeless Shelters and Transitional and Supportive Housing

ORDINANCE - Amending Redding Municipal Code Title 18 Zoning Chapters 18.30, 18.31, 18.33, 18.43, and 18.60

[L-010-230]

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing regarding Rezoning Application RZ-1-09 pertaining to “Shelters for the Homeless”, to add Section 18.43.160 and to amend Chapter 18.60.

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

Affidavit of Publication - Notice of Public Hearing

Deputy City Clerk Mize advised that no protests were received.

Development Services Director Hamilton provided an overview of the Report to City Council (staff report) dated July 29, 2009, incorporated herein by reference. Senior Planner Manuel gave a PowerPoint presentation, also incorporated herein by reference, highlighting: (1) State requirements for Homeless Shelters, Transitional Housing, and Supportive Housing, as dictated by SB2, which became effective on January 1, 2008; (2) the process and results of staff and Planning Commission's efforts in developing appropriate standards for the City, which included two public hearings; and (3) a summary of the draft new ordinance. Mr. Manuel noted that the staff report recommends designation of the Heavy Commercial District for homeless shelters and suggested that if Council determined a need for more than one district for shelter designation, the General Commercial District could be considered.

Mr. Manuel recommended that the City Council approve Rezoning Application RZ-1-09; adopt the Addendum to the Zoning Code Mitigated Negative Declaration; adopt the proposed ordinance amending Redding Municipal Code Title 18 Chapters, as noted in the draft new ordinance to permit homeless districts "by right" in the "HC" Heavy Commercial zoning district; offer an ordinance for first reading by title only and waive the full reading; and authorize the City Clerk to publish a summary ordinance.

Council Member Jones expressed concern about the districts under consideration and questioned the City's ability to overlay any particular district(s) to enhance provision of services.

Mr. Manuel responded that all existing "HC" districts have sufficient vacant land to accommodate the unmet need and further analysis would be needed on the draft Housing Element to address the particulars of an overlay district. He further opined that location selection by providers would be based on costs and accessibility versus use permit or "by right" considerations.

Elin Klaseen requested Council consider designating more than one zoning district for homeless housing needs and that Community Social Service Facilities be required to meet the same operational plan and buffer zone criteria as homeless shelters.

Charles Alexander commented on SB2, site selection and overlay areas.

Responding to Council Member Stegall's inquiry about Continuum of Care involvement in the proposed ordinance, Mr. Manuel stated that they provided data on community needs for the Housing Element update and participated in workshops, but was not directly involved in discussions on the draft ordinance.

Ms. Stegall inquired about possible modifications to the proposal and advised that, although she supported moving forward on the item to enable the Development Services Department to meet their deadline for the Housing Element update, she was not willing to adopt the proposed ordinance without further discussion and input from the Continuum of Care committee.

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

Council Member Dickerson observed that a comprehensive analysis had been completed and, since the senate bill required data submission by a specific date, he recommended that the ordinance be adopted, subject to revision at a later date. He commented on the need for an operational plan modification provision and a requirement for on-going and regular client education regarding trespassing on private property.

Council Member McArthur expressed concern about the Parkview neighborhood, her interest in an equitable distribution of facility location, and would like to readdress the item in the future.

Council Member Jones did not support relinquishing City control by allowing homeless shelters to operate without a use permit and favored establishing an overlay district that was best suited to meeting the community need for homeless support services.

MOTION: Made by Council Member McArthur, seconded by Council Member Dickerson: (1) approving Rezoning Application RZ-1-09, subject to findings and conditions of approval contained in the staff report, to add Section 18.43.160 to the Redding Zoning Code to establish standards for homeless shelters and amend Chapter 18.60 where related to homeless shelters; (2) adopting the Addendum to the Zoning Mitigated Negative Declaration pursuant to expansion of the draft ordinance to include a provision for operational plan modifications and trespassing control efforts; (3) offering Ordinance No. 2438 for first reading by title only, an ordinance of the City Council of the City of Redding, amending Redding Municipal Code Title 18 (Zoning) Chapter 18.30 by amending Section 18.30.020; Chapter 18.31 by amending Section 18.31.020; Chapter 18.33 by amending Section 18.33.020; Chapter 18.43 by adding Section 18.43.160; Chapter 18.60 by amending Sections 18.60.020 and 18.60.030; all relating to bringing the zoning code into compliance with the California Government Code Section 65583, as recently amended by Senate Bill No. 2 (SB2); (4) waiving the full reading of the ordinance and instructing the City Attorney to read the full title; and (5) authorizing the City Clerk to publish a summary of the ordinance. The Vote:

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

PUBLIC HEARING - Appeal of Use Permit UP-2-07 and Parcel Map PM-4-07, property located at Shasta View Drive and Rancho Road
 [L-010-390/^L-010-150]

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing to consider the Appeal of Use Permit UP-2-07 and Parcel Map PM-4-07 re property located at Shasta View Drive and Rancho Road by Scott and Michelle Bond, Robert Gill, Brian and Katie Nilges, Mabel Wall, and residents of the Copper Creek Subdivision.

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

Deputy City Clerk Mize advised that no protests were received.

Development Services Director Hamilton provided a PowerPoint presentation, incorporated herein by reference, describing the Rancho Road Shopping Center project and background on Parcel Map PM-4-07, including a location map identifying the four property owners who have filed an appeal of Use Permit UP-2-07. Mr. Hamilton pointed out that the letters from Scott and Michelle Bond, Robert Gill, Brian and Katie Nilges, and Mabel Wall are included in the staff report. Issues include delivery truck noise, emissions, lighting, cut-through traffic on Copper Creek Drive, and a vernal pool.

As detailed in the staff report, the proposed shopping center is located in a mixed-use area and Mr. Hamilton displayed a map showing the different zoning designations of all the properties, including an adjacent city-owned plot designated for a park site.

Mr. Hamilton presented all the modifications made to the original site plan, which include an increase to the buffer yard width to 28 feet, relocation and re-orientation of the truck dock, a 10 foot sound wall around the loading dock, an increase to the property line wall height to 12 feet plus a two foot landscape berm, and a four-foot sound wall along the Shasta View Drive frontage. He also outlined the staff-recommended additional conditions to the project, which include time restrictions on delivery truck movements, dense evergreen plantings incorporated into the buffer-yard on the west property line, decorative entrance walls with vertical landscaping at the northern Shasta View entrance, and time of operation restrictions on the Building "D" drive-through lane.

Mr. Hamilton recommended the adoption of the Mitigated Negative Declaration and that Council uphold the Planning Commission decision and approve the project subject to the additional conditions.

Mr. Brian Nilges requested that the north wall gate be blocked until further development occurs.

Ms. Mabel Wall stated that 73 homeowners signed a petition objecting to the shopping center development, and that they were most emphatically opposed to the northern Shasta View entrance.

Rich Bates questioned the impact the shopping center would have on the intersections of Rancho Road/Victor Avenue/Churn Creek Road, stating that it is already substandard.

Michelle Bond thanked Council and expressed appreciation for their service and her understanding of the difficulty of their job. Ms. Bond voiced concerns regarding noise, emissions, and the lack of a sound wall along Rancho Road.

Charlotte Michel rebutted noise and light studies and traffic estimates related to the project and questioned what recourse would be available if data proved to be inaccurate.

Dr. Steve Osborne stated opposition to the shopping center and opined that it is not needed; further stating that traffic on Copper Creek Drive would be impacted dramatically more than estimated and reiterated the lack of recourse after the project has been completed.

Tom Lewis, Lewis-Pipgras Real Estate Partners (PREP), asserted that the site being considered for the shopping center has been identified for urbanization since 1982, which pre-dates the building of the Copper Creek subdivision and that modifications have been made that go beyond the City's requirements to address the reasonable concerns of the surrounding property owners. Mr. Lewis stated that the design of the center is limited by the grocery store requirements and site configuration. He provided clarification regarding sound wall function and line of sight calculations. Mr. Lewis confirmed the need for both access driveways and the accuracy of sound studies, offering to have any questions answered by his sound and/or traffic engineers, both of whom were present. PREP had no objection to staging restrictions and additional signage as requested by Mrs. Bond.

Responding to Council Member Jones questions on the function of the northern Shasta View access, the relocation of Building "D" and traffic impacts, Mr. Lewis and Mr. Hamilton explained that the length of the property frontage dictates the location of access(es) from Shasta View Drive due to stacking requirements resulting from the traffic signal at Rancho Road.

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

Council Member Dickerson relayed that the mandatory requirements of the State's SB375 to control air quality puts burdens on metropolitan planning organizations like Shasta County noting that shared use of areas like this project will become more commonplace in an effort to reduce emissions by reducing the number of vehicle miles traveled. He expressed concern about the traffic and visual impacts to Copper Creek Drive residents.

Mr. Hamilton described a landscape buffer, decorative walls, and other design elements that would soften the entrance.

Mr. Dickerson inquired about the possibility of closing Goodwater Avenue and Copper Creek Drive as a recourse if traffic estimates prove to be lower than actual traffic once the center would open and stated that the City should take all available action towards this end.

Council Member Stegall questioned what kinds of solutions can be applied if noise and traffic prove to exceed project estimates.

Mr. Hamilton explained that projections are based on actual experiences. If noise issues go beyond projections, the City zoning ordinance has the legal authority to seek redress by whatever mechanism is necessary to bring noise levels down to be consistent to the City's standards.

Responding to Mr. Jones, Mr. Hamilton surmised that a roundabout would require realignment of Shasta View Drive since it would require more area than a standard traffic signal and that it would significantly alter the site design.

Mayor Bosetti recalled that while he served on the Planning Commission, similar protests regarding the El Vista Street/Saratoga Drive connections and Parkview cut-through traffic were made but did not materialize and recognized that traffic is always a sensitive issue. He reiterated that applicants can be and are held accountable for meeting development projections. Mr. Bosetti further observed that the proposed project is modern and upscale and a desirable addition to the City of Redding.

MOTION: Made by Council Member Stegall, seconded by Council Member McArthur, to uphold the Planning Commission's approval of Use Permit Application UP-2-07 and Parcel Map Application PM-4-07 subject to the application of additional conditions of approval, to grant Lewis-Pipgras Real Estate Partners approval to construct a 92,200 square foot retail shopping center and to divide the property located at Shasta View Drive and Rancho Road into seven commercial parcels and denying the appeal of same by Scott and Michelle Bond, Robert Gill, Brian and Katie Nilges, Mabel Wall, and residents of the Copper Creek Subdivision; and adopting the Mitigated Negative Declaration for the project. The Vote: Unanimous Ayes

COMMISSION - Discuss the possibility of creating a new Electric Utility Commission [B-080]

City Manager Starman introduced this item and reviewed the highlights of the staff report, which includes a history of the Electric Utility Commission (EUC) that was disbanded in 1994 due to annual expenses of approximately \$66,000 (in 1994 dollars) and the desire to reduce bureaucracy, provide direct access to the City Council and improve accountability, also noting that some contention had developed between the Commission and the Council and may have influenced the decision as well. Mr. Starman estimated that due to the complexity of issues and the substantive quality of technical information, costs for a new EUC would be comparable to the Planning Commission, which takes approximately \$300,000 (in 2009 dollars) per year to support.

Mr. Starman outlined the City's long-term practice of allowing/encouraging citizens with personal expertise to serve the community by sitting on ad-hoc and ongoing committees and recalled the recent work of the ad-hoc Utility Billing Review Committee (UBRC) that focused on some very specific items related to customer service procedures; utility billing practices for electric, water, and waste disposal; and related code enforcement policies. Mr. Starman relayed that after the report with the committee's recommendations had been submitted to Council, one of the members suggested creating a new EUC.

Responding to Gary Cadd's suggestion, Council Member Jones requested the item be presented to Council for discussion. Mr. Jones stated that he had attended seven of nine UBRC meetings and had been impressed by the level of information provided and the openness of discussions and expressed his support for creating a citizen's oversight committee, further suggesting monthly or bi-monthly meetings.

Ed Marek and Joanna Mooney commented on electric rates and stated support for an oversight committee.

Carl Arness, former Council Member and Liaison to the Electric Department, opposed the proposal, opining that the commission concept was more political than professional and wondered why the City would create an unneeded cost center at this time.

Richard Johnson stated he was a former EUC sub-committee member who served when the State of California muddled through the attempted deregulation of energy rates, and pointed out that the Commission was formed to address a specific task within Redding Electric Utility (REU) which required working many nights for several months to ultimately provide a recommendation to Council to raise rates to pay down debt and insulate the utility from takeover. Mr. Johnson opined that the Commission could have continued into perpetuity, but that containing costs and staying on subject matter would have been much more difficult. He recommended improved reporting and transparency via the REU website, further suggesting that items of special interest like the TANC transmission line be detailed as well. Mr. Johnson advocated a citizen committee to oversee management items such as annual budget, five/ten year plans, and setting kilowatt hour rates, with staff implementation of recommended actions.

Council Member McArthur expressed support for a limited oversight committee that would sunset and asked what operating costs are for the UBRC, the library advisory committee, and the Planning Commission. She further commented on costs, scope and frequency of meetings, and favored a citizen's committee that would field issues like billing problems and rate structuring and provide recommendations to Council for consideration.

Electric Utility Director Hauser responded that the UBRC operated for four months and met nine times, resulting in costs of approximately \$170,000; annualized operating costs would be close to \$500,000.

City Manager Starman estimated library advisory committee costs to between \$50,000-\$100,000 per year.

Development Services Director Hamilton confirmed that Planning Commission costs ran between \$300,000-\$500,000 per year.

Council Member Stegall, Electric Utility Department Liaison for five years, offered support for ad-hoc committee work but expressed concern about an ongoing commission due to costs, the complexity of the business, and the amount of travel and conference attendance that is necessary to stay current on energy industry issues. Ms. Stegall pointed out that the Privatization Evaluation Committee (PEC) is looking at REU right now and suggested that the idea of an oversight commission be suspended until the PEC recommendations are completed.

Council Member Dickerson stated his opposition to the commission concept and questioned the purpose of oversight. He stated the need for detailed research to be done on previous EUC performance, the reasons for its eventual demise, and the comparison of service to customers during the periods when the EUC functioned and when it didn't, *before* creating a new EUC.

Council Members McArthur and Jones stated that further details need to be resolved, but agreed that the PEC was doing similar work and that postponing a decision on a new Electric Utility Commission was reasonable.

Mayor Bosetti raised the possibility of asking prior utility commission members to serve, so that complexity of energy industry issues could be mitigated to some degree and commission members could get up to speed with less cost in less time. He further stated his agreement with Mrs. Stegall regarding the redundancy between the two committees.

Council came to a consensual decision to postpone any action until the privatization committee reported to Council.

GENERAL FUND BUDGET - Comprehensive strategy to re-balance; and
RESOLUTION - Adopting budget true-up amendments for fiscal year ending 2009
 [B-130-070]

City Manager Starman reiterated the economic difficulties being experienced by cities, counties, and states throughout the nation, including quarter-over-quarter drops of 11 and 18 percent in sales tax from previous years in Redding, and the resulting need to reduce operating expenses. Mr. Starman recalled the strong fiscal management of the City's budget and reserves by past and present Councils, which have cumulatively resulted in Redding's superior financial position compared to many other California cities. Reserve funds were eroded by design over the last year, however the City still ended fiscal year 2008-09 in a solid financial position.

Mr. Starman provided some background information on previous budget adjustments and a summarization of recent action by the State of California that significantly affects property tax revenue, taking approximately \$1.8 million from the City and approximately \$5.1 million in FYE 2010 and approximately \$1.1 million in FYE 2011 from the Redding Redevelopment Agency (RRA). He also reviewed six other factors affecting the budget as outlined in the staff report, identifying the need to adjust the General Fund budget by approximately \$3.4 million in one-time adjustments and approximately \$4.7 million in ongoing reductions. RRA will need to identify reductions equivalent to the above-mentioned amounts being confiscated by the State.

Mr. Starman gave a Power Point presentation, incorporated herein by reference, outlining: (1) approximately \$9.8 million in budget adjustments made since February 2008; (2) possible savings from changes to terms of employment regarding furloughs, COLAs, step increases, and employee health insurance and CalPERS benefits; (3) union concessions; (4) six proposed one-time adjustments; and (4) four proposed ongoing reductions.

Mr. Starman recommended that Council adopt the proposed budget resolution appropriating \$500,000 for fire overtime and \$800,000 for accrued leave from the City's General Fund for fiscal year 2008-09, and conceptually approve a comprehensive strategy to re-balance the General Fund budget so that staff can return with a detailed plan to implement.

Council Member Stegall inquired about the status of the grant application for the Stillwater Business Park bridge and proposed withdrawing it and using the earmarked \$3 million in matching funds to strengthen the General Fund. Council Member McArthur expressed support for Ms. Stegall's proposal.

Mr. Starman clarified that bond proceeds can only be used for capital projects; not salaries.

Council Member Dickerson questioned the viability of the proposal since any City monies resulting from foregoing the grant had strict limitations and the primary focus of the current budget discussion was mitigating employee layoffs versus completing a capital improvement project.

Mayor Bosetti suggested the possibility of an alternate secondary access route through an easement on property owned by the Hawes family.

Chris Mills for Nancy Shifflet, Derrek Ross, Bob Brannon, Chris Mills, Tyler Lanham, Brian Torum, Beverly Mills, Aaron Hollemon, John Wood, Danny Smetak, Michael Adams, and Gary Cadd expressed opposition to budget cuts resulting in the loss of police officers due to the degradation of safety to the public and to the Redding Police officers themselves, and the loss of quality of life in the North State that staff reductions would cause.

Mike Quinn reiterated his opinion that the State of California refuses to collect outstanding sales, payroll, and property taxes totaling billions of dollars and suggested that police and fire personnel contact their State Representatives.

Council Member McArthur pointed out that public safety has consistently been the Council's priority and recalled that other City departments' budgets have been reduced at a higher ratio than public safety.

Council Member Dickerson acknowledged the outstanding quality of the Redding Police Department (RPD) and expressed admiration for the extremely dedicated, articulate, and intelligent young men who addressed the Council.

Council Member Jones also expressed appreciation for the hard work that fire and police department staff do for the City and its residents. Mr. Jones further stated that options were limited and personal financial sacrifices via union concessions were absolutely necessary.

Council Member Stegall added her sense of pride for the RPD and staff and agreed that public safety union concessions were essential to enable the City to avoid personnel layoffs.

Mayor Bosetti emphasized the need for public safety union concessions, opining that revenue reductions had not hit bottom yet, and entreated the police officers to come to the negotiating table with viable concession package ideas.

Council Member Dickerson focused on the overall scope of expense reductions and stated his preference that no police personnel be lost; further suggesting that solid waste revenue be used to pay for the Community Clean-up Officer position slated for elimination and suggested staff work to look for creative ways to minimize employee reductions.

Mayor Bosetti suggested staff provide a proposed 10 percent reduction in every City department.

Ms. Stegall concurred with an across-the-board look at all departments to provide a comprehensive list of options for Council's consideration and asked staff to provide an update on the Stillwater Business Park grant and alternative allowable uses of slated matching funds.

MOTION: Made by Council Member Dickerson, seconded by Council Member McArthur, adopting Resolution No. 2009-165, a resolution of the City Council of the City of Redding, approving and adopting the 64th amendment to City Budget Resolution No. 2007-127 appropriating \$500,000 for fire overtime and \$800,000 for accrued leave from the City's General Fund for fiscal year 2008-09, and directed staff to provide a comprehensive recommendation to re-balance the General Fund budget by the next Council meeting. 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. 2009-165 is on file in the Office of the City Clerk

2008/09 SHASTA COUNTY GRAND JURY FINAL REPORT

[B-080-600-800]

City Manager Starman offered proposed responses to the 2008/2009 Shasta County Grand Jury's four investigative reports, which were forwarded to Council in July 2009, and recommended that the Mayor be authorized to transmit the responses to the Presiding Judge of the Shasta County Superior Court.

Responding to Council Member McArthur's observation regarding the Information Technology (IT) report, City Manager Starman noted that response language is limited by law and can seem terse, but gave his assurance that the current policy on email and computer usage has been evaluated and redesigned by the IT Department and the City Attorney's office, is considered to be state-of-the-art, and adequately protects the City as an employer and the community.

Council Member Jones disagreed with the Grand Jury's conclusions on items two, three, and four of the Redding Police Facility report, citing the difficult economic climate and extreme budget constraints as reasons for the City's inability to immediately resolve the noted issues.

MOTION: Made by Council Member McArthur, seconded by Council Member Jones, to accept proposed responses to the 2008/09 Shasta County Grand Jury Final Report and authorize the Mayor to transmit responses to the Presiding Judge of the Shasta County Superior Court.

The Vote: Unanimous Ayes

AWARD OF BID - Bid Schedule No. 4258 (Job No. 9860-11), Mechanical Erection and Commissioning for Redding Power Plant Unit 6

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

Electric Utility Director Hauser explained that this is the fourth of five public works contracts that are needed to complete Unit 6 and summarized the four bids as listed in the staff report, noting that a bid protest was received but found to be without merit by REU staff and the City Attorney's office.

Mr. Hauser recommended that Council: (1) award a contract to TTS Construction Corp. in the amount of \$7,138,740 for the mechanical erection and commissioning for the City of Redding Power Plant Unit 6, (2) authorize the Mayor to sign a standard Public Works Agreement, and (3) authorize the City Manager to approve project construction change orders, if needed, up to a not-to-exceed total of \$700,000.

MOTION: Made by Council Member Stegall, seconded by Council Member Jones, awarding Bid Schedule No. 4258 (Job No. 9860-11), Mechanical Erection and Commissioning for Redding Power Plant Unit 6 to TTS Construction Corp. in the amount of \$7,138,740 for the mechanical erection and commissioning for the Redding Power Plant Unit 6, authorizing the Mayor to sign a Public Works Agreement, and authorizing the City Manager to approve project construction change orders, if needed, up to a not-to-exceed total of \$700,000. The Vote: Unanimous Ayes

ELECTRIC UTILITY'S MONTHLY FINANCIAL REPORT - June 2009

[B-130-070]

Electric Utility Director Hauser reported operating revenue after energy costs for June 2009, was \$728,564 or 3.1% below expectations. Billed retail revenue through June was \$1,969,790 (2.2%) below projections for the twelve-month period and total wholesale sales for the year were \$15,415,023 (32.1%) above projections. The cost of energy for the full year was \$13,787,427 above plan, reflecting the cost of acquiring energy for load and for resale. Total operating expenses for the full year were \$3,011,469 (11.4%) below budget. Capital Expenditures through June were \$10,040 (0.2%) below projections for the period.

Mr. Hauser reminded Council that reserves have been used to gradually transition to a new rate structure that reflects a reduced amount of hydro-power resulting in the need to purchase more expensive energy. He pointed out that in spite of this challenging environment, Redding Electric Utility outperformed budget projections by \$2,354,914.

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 June 2009.

The Vote: Unanimous Ayes

RESOLUTION - Contracts with Gill Ranch Storage, LLC

[E-120-058]

Electric Utility Director Hauser described how Redding Electric Utility (REU) takes advantage of seasonal fluctuations in the price of natural gas to buy low and store fuel to be used by Redding Power Plant to generate power during summer peak load periods, managing natural gas storage through several contractual arrangements using year-to-year volumetric contracts in which monthly storage fees are subject to market conditions, and, therefore, change as economic pressures come into play. Mr. Hauser explained that natural gas storage can also be accomplished with the execution of contracts referred to as pre-pay arrangements. He highlighted the benefits of having a 28 year storage and lease contract with Gill Ranch Storage, LLC, as detailed in the staff report, citing the long-term fixed cost for storage and the initial annual savings of approximately \$400,000 currently being spent on gas storage, which would increase as gas storage costs rise in the future.

Responding to Council Member Stegall's question, Mr. Hauser clarified the mitigation measures taken by REU's due diligence in researching the lack of any incidents resulting in catastrophic failure of natural gas storage facilities, and by requiring Gill Ranch to maintain sufficient insurance to fully reimburse REU for any loss of the facility's working gas associated with business casualty events such as fires or explosions. He stated that the natural gas itself is an asset that REU retains and indicated the risks involved are acceptable.

MOTION: Made by Council Member McArthur, seconded by Council Member Stegall, adopting Resolution 2009-166, a resolution of the City Council of the City of Redding, authorizing the Electric Utility Director to sign two contracts with Gill Ranch Storage, LLC, which provides for 28 years of natural gas storage in return for a \$13.6 million investment by Redding in working gas for the Gill Ranch facilities.

The Vote: Unanimous Ayes

RESOLUTION - Mitigated Negative Declaration (MND) and the Mitigation Monitoring Program (MMP) for the North Shasta View Drive extension project

[S-070]

Transportation and Engineering Director Crane introduced the resolution to adopt the Mitigated Negative Declaration (MND) and the Mitigation Monitoring Program (MMP) for the North Shasta View Drive extension project that would allow the construction of an extension of Shasta View Drive between Collyer Road and Oasis Road. Mr. Crane outlined the background of three alternatives that were considered, including two public meetings

and subsequent Planning Commission approval, and recommended approving the North Shasta View Drive extension project as described in the Project Report.

MOTION: Made by Council Member Stegall, seconded by Council Member McArthur, to adopt Resolution 2009-167, a resolution of the City Council of the City of Redding, adopting a Mitigated Negative Declaration and Mitigation Monitoring Program and approving the North Shasta View Drive extension project as described in the staff report.

The Vote: Unanimous Ayes

ROUNABOUT AT THE INTERSECTION OF SHASTA VIEW DRIVE AND OLD ALTURAS ROAD

[S-070-100-700/T-080-400]

Transportation and Engineering Director Crane recalled that in July 2008, Use Permit Application UP-11-07 for the Redding School of the Arts was approved by the Planning Commission, with conditions of approval requiring a traffic signal (or a roundabout if approved by the City Council) at the intersection of Shasta View Drive and Old Alturas Road. Mr. Crane outlined the benefits of roundabouts in general and relayed analysis showing a similar or better Level of Service to the traveling public at a cost that is comparable to a traffic signal at this specific location. He explained that the City of Redding Municipal Code Section 16.20.50 allows Traffic Impact Fee (TIF) credit or reimbursement for construction of facilities included in the approved TIF program and describes the manner in which reimbursement is allowed when projects are built in advance of the fiscal year that construction is scheduled and that this intersection is ranked second in a recent update to the traffic-signal priority list.

Mr. Crane recommended approval of construction of a roundabout at the intersection of Shasta View Drive and Old Alturas Road and requested direction for staff to proceed with TIF credit and reimbursement negotiations with The McConnell Foundation and return to Council with an agreement recommendation.

In response to Council Member Jones, Mr. Crane advised that 53 foot trucks can navigate both the existing roundabout and the proposed new one.

Monty Hight, representing Injury Prevention Coalition of Shasta County, stated that in 30+ years of law enforcement working with roundabouts and traffic enforcement in Los Angeles, San Francisco, Oakland and Fresno, he had all good experiences and expressed support for a roundabout at this location.

Carrie Corless, who lives in the vicinity of the School of the Arts and uses that roundabout on a daily basis, expressed opposition to the proposal, stating that she observes problems with the existing roundabouts on Shasta View Drive and at Discovery Village, and asked Council to wait until the experimental use in front of the school proves itself to be functional before approving construction of another roundabout a ½ mile away.

Russ Wenham, Omnimeans Engineering, reiterated the cost competitiveness of the proposed roundabout, stating that although roundabouts are unfamiliar to Redding residents, it is not an experimental theory and has been proven in many studies supported by measurable results. Mr. Wenham asserted that roundabouts result in lower costs for construction, maintenance, and incident response for fire and police, citing that studies also show a significant reduction in collisions resulting in a major injury or fatality.

Development Services Director Hamilton addressed the possibility of postponing a decision, stating that work must begin soon, whether it be a traffic signal or a roundabout, to prepare for increased traffic congestion at the intersection when the School of the Arts opens.

Mr. Crane commented further on the proven design of roundabouts, citing successful use in the California cities of Arcata, Chico, Grass Valley, Truckee, Davis, and Bend, OR. He reported that polls taken in Washington, before and after traffic signals were converted to roundabouts, showed an amazing difference in people's perceptions after they became accustomed to the roundabouts, and reiterated that actual experiences show roundabouts reduce the number of accidents that occur and greatly reduce the severity of any accidents that do occur.

MOTION: Made by Council Member McArthur, seconded by Council Member Stegall, to approve a roundabout at the intersection of Shasta View Drive and Old Alturas Road, and direct staff to proceed with TIF credit and reimbursement negotiations with The McConnell Foundation and return to Council with a TIF credit-reimbursement agreement recommendation. The Vote:

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

RESOLUTION - "Free Disposal Coupon"
[B-130-070/S-020-500]

Municipal Utilities Director Tippin reported on the implications of a "free day" at the transfer station for residents, suggesting that expanding the existing coupon program would be the most cost-effective approach. Mr. Tippin noted that issuing a second coupon would cost approximately \$32,000. Further, Mr. Tippin suggested that Council could defer a decision and consider other options, including discontinuation of the coupon program entirely so that funds could be redirected to community clean-up.

Consensus was reached to defer the item for further analysis on various alternatives related to funding of the coupon program, the Community Services Officer duties and results, and to readdress the topic at the next Council meeting.

ADJOURNMENT

There being no further business, at the hour of 12:54 a.m., Mayor Bosetti declared the meeting adjourned.

APPROVED:

Mayor

ATTEST:

Deputy City Clerk