

City Council, Regular Meeting
Civic Center Council Chambers
777 Cypress Avenue
Redding, California
December 7, 2010 6:00 p.m.

The Pledge of Allegiance to the Flag was led by Rob Burroughs.

The Invocation was offered by Police Chaplain Ray Foust. Mayor Jones acknowledged Chaplain Foust’s retirement and thanked him for his ten years of service to the City.

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

Also present were City Manager Starman, City Attorney Duvernay, Assistant City Manager Tippin, Public Works Director Crane, City Clerk Mize, and Executive Assistant Grimm. The City Manager introduced Department Directors that were in attendance: Detwiler, Hansen, Hauser, Kersten, Kreitman, Niemer, and Strong.

PUBLIC COMMENT

[C-070/A-090-100]

Rob Burroughs remembered Pearl Harbor Day and provided a PowerPoint presentation, incorporated into the record by reference, regarding the proposed Northern California Veterans Museum & Heritage Center.

[U-500]

Greg Washburn requested justification for water, garbage and sewer fees.

RESOLUTION - Declaring results of the November 2, 2010, Consolidated General Municipal Election

[E-070-050]

City Clerk Mize reported that the Consolidated General Municipal Election was held in the City of Redding on November 2, 2010, for the purpose of electing three City Council Members and a City Clerk for four-year terms. Ms. Mize stated that the candidates receiving the highest number of votes for the office of Council Member were: (1) Rick Bosetti, (2) Francie Sullivan, and (3) Patrick Jones. The candidate receiving the highest number of votes for the office of City Clerk was Pamela Mize. Ballot Measure A - *Redding Pension Funding* and Measure B - *Redding Health Benefit* received a majority of votes and passed. City Clerk Mize recommended that the City Council adopt a resolution declaring the results of the November 2, 2010, Consolidated General Municipal Election, in which 67.74 percent of registered voters in the City of Redding participated.

MOTION: Made by Council Member Bosetti, seconded by Council Member McArthur, adopting Resolution No. 2010-172, a resolution of the City Council of the City of Redding declaring the results of the November 2, 2010, Consolidated General Municipal Election.

The Vote:

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

Resolution No. 2010-172 is on file with the office of the City Clerk.

OATH OF OFFICE - City Clerk-Elect

[A-050-055]

Mayor Jones administered the Oath of Office to City Clerk Pamela Mize for a four-year term expiring December 2014.

OATH OF OFFICE - City Council Members-Elect

[A-050-060]

City Clerk Mize administered the Oath of Office to City Council Members-Elect Rick Bosetti, Francie Sullivan, and Patrick Jones for four-year terms expiring December 2014.

Retiring Council Member Stegall stepped down and incoming Council Member Sullivan assumed her seat on the dais.

REORGANIZATION OF THE CITY COUNCIL - Selection of Mayor, Vice Mayor, and Mayor Pro Tempore

[A-050-060]

MOTION: Made by Mayor Jones, seconded by Council Member Sullivan appointing Vice Mayor McArthur to the office of Mayor, Mayor Pro Tempore Dickerson to the office of Vice Mayor, and Council Member Bosetti to the office of Mayor Pro Tempore for one-year terms expiring December 2011. The Vote: Unanimous Ayes.

PRESENTATION - Mayor Gavel Plaque

[A-050-060-450]

Mayor McArthur presented Mayor Emeritus Jones with a Gavel Plaque of Appreciation for service as Redding’s Mayor from December 2009 to December 2010.

RESOLUTION - Honoring outgoing Council Member Mary Stegall

[A-050-060]

MOTION: Made by Council Member Bosetti, seconded by Council Member Jones, adopting Resolution No. 2010-173 commending and honoring Mary Stegall for distinguished service to the City.

The Vote:

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

Resolution No. 2010-173 is on file in the Office of the City Clerk

PRESENTATIONS - to Mary Stegall for service as City Council Member

[A-050-060]

After highlighting the many organizations and projects that have benefitted from Ms. Stegall’s efforts, Mayor McArthur presented a framed Resolution to outgoing City Council Member Mary Stegall and thanked her for her dedicated service to the community.

Todd Jones, on behalf of Congressman Wally Herger, recognized Ms. Stegall for ten years of service to the City of Redding and expressed gratitude and wishes for successful future endeavors.

City Manager Starman presented a Redding Service Clock and Commemorative City Hall Print to Ms. Stegall for her invaluable service to the community. City Clerk Mize presented a plaque inscribed with the names of Council Members that served with Ms. Stegall.

Community Services Director Niemer reminisced about experiences she shared with Ms. Stegall while working with her as the Council Liaison to Community Services, thanked her for leaving a wonderful legacy, and presented her with a Parks and Recreation staff jacket.

Mike Thomas, Redding Police Managers Association, acknowledged Ms. Stegall’s common sense, courage, and good sense of humor and presented her with a dozen red roses.

Matt Oliphant, representing Redding firefighters, recalled working on Ms. Stegall’s campaign ten years ago and presented a plaque in recognition of her dedicated service.

Mary expressed appreciation for her tenure while serving with past and present “immensely talented elected officials” and acknowledged those in attendance. She also recognized the dedicated city staff she has worked with over the years, thanked her supporters and her husband, and wished everyone well.

At the hour of 6:44 p.m., Mayor McArthur declared the meeting in recess.

At the hour of 7:01 p.m., Mayor McArthur reconvened the meeting.

CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar:

Approval of Minutes - Special Meeting of October 21, 2010

Approval of Payroll and Accounts Payable Registers

[A-050-100-500]

It is the recommendation of the Finance Director that the City Council approve Accounts Payable Register No. 10, for the period of November 15, 2010, through November 30, 2010, for a total of \$16,983,637.74, for check numbers 888709 through 889021, inclusive, ACH Transfer numbers 7345 through 7397, inclusive, and Wire Transfer numbers 2939 through 2956, inclusive; and Payroll Register No. 10, for the period October 31, 2010, through November 13, 2010, in the amount of \$2,677,581.19, for electronic deposit transaction numbers 291170 through 291982, inclusive, and check numbers 547876 through 547976, inclusive. SUMMARY TOTAL: \$19,661,218.93

Treasurer's Report - October 2010

[A-050-100-600]

It is the recommendation of the City Treasurer that the City Council accept the annual statement on Investment Policy No. 408 and the Treasurer's Report for the month of October 2010.

Total Treasurer's Accountability	-	\$137,088,240.90
Total City of Redding Funds, Funds Held in Trust, and Funds of Related Entities	-	\$212,556,963.63

ACR133 Report and Cash Reconciliation - October 2010

[F-205-095-650]

It is the recommendation of the Finance Director that the City Council accept the ACR133 Report and the Proof of Cash Reconciliation for October 2010.

Ordinance - Adopting Addendum to the Mitigated Negative Declaration and amending Redding Municipal Code Title 18 - *Zoning*, per RZ-6-10 and GPA-2-10

[G-030-010/^L-010-230]

It is the recommendation of the Development Services Director that the City Council adopt Ordinance No. 2471, an ordinance of the City Council of the City of Redding adopting an addendum to the Mitigated Negative Declaration prepared for the City of Redding Zoning Map and amendments to the City of Redding Zoning Map, rezoning certain parcels to be consistent with their General Plan classifications as detailed in General Plan Amendment GPA-2-10 and Rezoning Application RZ-6-10.

Ordinance - Amending Redding Municipal Code Title 18 - *Zoning*, relating to second dwelling units per Rezoning Application RZ-8-10

[L-010-230]

It is the recommendation of the Development Services Director that the City Council adopt Ordinance No. 2472, an ordinance of the City Council of the City of Redding amending Redding Municipal Code Title 18 - *Zoning*, Chapter 18.15 - *Zoning Exceptions*, Section 18.15.030 - *Standards for which exceptions may be considered*, and Chapter 18.43 - *Standards for Specific Land Uses*, Section 18.43.140 - *Second dwellings*, related to second dwelling units as detailed in Rezoning Application RZ-8-10.

Ordinance - Amending Redding Municipal Code Title 16 - *Buildings and Construction* as related to the adoption of the 2010 California Building Standards Code

[C-110-200]

It is the recommendation of the Development Services Director that the City Council adopt Ordinance No. 2473, an ordinance of the City Council of the City of Redding amending Redding Municipal Code Title 16 - *Buildings and Construction* as related to the adoption of the 2010 California Building Standards Code, subject to Findings of Fact contained in the ordinance.

Ordinance - Amending Redding Municipal Code Chapter 9.20 - *Fire Prevention*, Sections 9.20.010 and 9.20.960 as related to the adoption of the 2010 California Fire Code [C-110-275]

It is the recommendation of the Fire Chief that the City Council adopt Ordinance No. 2474, an ordinance of the City Council of the City of Redding amending Redding Municipal Code Chapter 9.20 - *Fire Prevention*, Sections 9.20.010 and 9.20.960 as related to the adoption of the 2010 California Fire Code.

Project Status Report - November 2010 [A-050-080]

It is the recommendation of the City Manager that the City Council accept the Project Status Report for the month of November 2010.

Redding Redevelopment Agency - 2009-10 Comprehensive Annual Financial Report and required annual reports [R-030-075]

It is the recommendation of the Assistant City Manager that the City Council accept Redding Redevelopment Agency's 2009-10 Comprehensive Annual Financial Report and required annual reports to the State Controller as presented.

Resolution - Approving relocation plan for the proposed Shasta County Courthouse at the Oregon Street Site [R-030-145-600]

Dottie Smith requested that the Dubrowsky House, located on the corner of Yuba and Oregon Streets, be maintained as an example of 1920's craftsman architecture and local history. City Manager Starman referred Ms. Smith to the Redding Redevelopment Agency for further discussion.

It is the recommendation of the Assistant City Manager that the City Council adopt Resolution No. 2010-174, a resolution of the City Council of the City of Redding approving the relocation plan for the proposed Shasta County courthouse at the Oregon Street site in the Market Street Redevelopment Project area.

Award of Bid - Schedule No. 4377, Cardlock Fuel Purchases [B-050-100]

It is the recommendation of the Support Services Director that the City Council award Bid Schedule No. 4377 to Shasta Siskiyou Transport (SST Oil) and Redding Oil, for cardlock fuel system services, as detailed in the Report to City Council (staff report) dated November 22, 2010.

Award of Bid - Schedule No. 4378, Bulk Fuel Delivery Purchases [B-050-100]

It is the recommendation of the Support Services Director that the City Council award Bid Schedule No. 4378 to Cross Petroleum, for bulk fuel delivery purchases, as detailed in the Report to City Council (staff report) dated November 22, 2010.

Authorization for Single Source Procurement - Al-jon ADV500 Landfill Compactor [B-050-100/S-020-900]

It is the recommendation of the Support Services Director that the City Council authorize a single source procurement, pursuant to Redding Municipal Code Sections 4.20.080 and 4.20.120, to Al-jon Manufacturing LLC, for a 2010 Al-jon ADV500 landfill compactor for the West Central Landfill Division.

Award of Bid - Schedule No. 4367, Electric Utility Trench and Excavation Work [B-050-100]

Mark Hansen addressed the Council regarding out-of-town contractors, recommended that the bid be awarded to Sierra National Construction, and asserted that everyone involved in this contract will be local people.

It is the recommendation of the Electric Utility Director that the City Council award Bid Schedule No. 4367 to Sierra National Construction, for furnishing electric utility trench and excavation work at bid unit prices as detailed in the Report to City Council (staff report) dated November 18, 2010.

Notice of Completion - Bid Schedule No. 4331, Mechanical Erection for Redding Power Generating Plant Unit No. 6

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

It is the recommendation of the Electric Utility Director that the City Council accept the subject construction contract performed by Cerrudo Services, Inc., as satisfactorily complete and authorize the City Clerk to file a Notice of Completion with the Shasta County Recorder. Final cost was \$4,094,298.05.

Monthly Financial Report - Redding Electric Utility - October 2010

[B-130-070]

It is the recommendation of the Electric Utility Director that the City Council accept Redding Electric Utility's Monthly Financial Report for October 2010. Billed retail revenue through October was \$831,798 (2.1 %) below projections for the four month period and total wholesale sales were \$14,660,329 (181.1%) above projections. Overall, operating revenue through October came in \$13,769,417 (29.1%) above plan. The combined costs for generation, purchases from the Western Area Power Administration, contracts, and the spot market were \$12,732,234 (41.9%) above budget projections through October. Total operating expenses through October were \$1,096,337 (11.3%) below budget. The Utility's net operating results for the first four months of the fiscal year are positive and are \$2,133,520 better than budget projections. Debt service payments to-date total \$0. Capital expenditures through October were \$759,297 for revenue-funded projects and \$6,755,918 for bond-funded projects, most of which is for construction of Redding Power Plant Generating Unit No. 6, which continues to be within the approved budget and is currently in the testing phase. The Electric Utility's unrestricted cash balance at the end of October was \$34 million.

Notice of Completion - Bid Schedule No. 4304, Inspection and Overhaul of the Steam Turbine and Auxiliaries of Redding Power Generating Plant Unit No. 4

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

It is the recommendation of the Electric Utility Director that the City Council accept the subject construction contract performed by Tetrad Services, Inc., as satisfactorily complete and authorize the City Clerk to file a Notice of Completion with the Shasta County Recorder. Final cost was \$491,902.

Action Plan Update - Martin Luther King Jr. Center

[C-050-400]

It is the recommendation of the Community Services Director that the City Council accept the Martin Luther King Jr. Center Action Plan update.

Award of Bid - Schedule No. 4363 (Job No. 9224), John Reginato River Access facility improvements; and

Resolution - Approving the 31st amendment to Budget Resolution 2009-61 appropriating funds

[B-050-020]

It is the recommendation of the Public Works Director that the City Council award Bid Schedule No. 4363 to Stewart Engineering, Inc., for improvements to the John Reginato River Access facility, located off South Bonnyview Road, in the amount of \$481,660; that an additional \$60,000 be approved for administration and inspection fees and outside services for materials testing; and that \$49,000 be approved to provide construction contingency funding, for a total of \$590,660; and adopt Resolution No. 2010-175, a resolution of the City Council of the City of Redding approving and adopting the 31st Amendment to City Budget Resolution No. 2009-61 appropriating \$36,000 as a supplemental appropriation for the John Reginato River Access Facility Improvements project for fiscal year 2010-11.

Notice of Completion - Bid Schedule No. 4350 (Job No. 2356), Federal Aid Project No. ESPL 5068(029), 2010 Overlay Project

[B-050-020]

It is the recommendation of the Public Works Director that the City Council accept the subject construction contract performed by J.F. Shea Construction, Inc., as satisfactorily complete and authorize the City Clerk to file a Notice of Completion with the Shasta County Recorder. Final cost was \$1,007,786.

Award of Bid - Schedule No.4376, Rock and Mineral Products

[B-050-100]

It is the recommendation of the Public Works Director that the City Council award Bid Schedule No. 4376 to several companies listed in the Report the City Council (staff report) dated November 19, 2010, that have submitted the lowest competitive bids for rock, asphalt, and mineral aggregates.

Notice of Completion - Bid Schedule No. 4259 (Job No. 9399), Municipal Airport Guidance Sign Improvements Project

[B-050-020]

It is the recommendation of the Public Works Director that the City Council accept the subject construction contract performed by St. Francis Electric of San Leandro, California, as satisfactorily complete and authorize the City Clerk to file a Notice of Completion with the Shasta County Recorder. Final cost was \$324,130.

Award of Bid - Schedule No. 4375, Chassis-Mounted Asphalt Patch Truck

[B-050-100]

It is the recommendation of the Public Works Director that the City Council award Bid Schedule No. 4375 to Nixon-Egli Equipment Company, for a chassis-mounted asphalt patch truck, in the amount of \$158,185.72.

City Boards, Commissions and Committees

[B-080]

It is the recommendation of the City Clerk that the City Council accept lists relative to 2011 term expirations and vacancies for City boards, commissions and committees as fulfilling the requirements of California Government Code Section 54972 (Maddy Act).

Resolution - Approving modifications to the VantageCare Retiree Health Savings Plan document for Redding Police Managers Association

[P-100-050-128]

It is recommended by the Assistant City Manager that the City Council approve modification of the City of Redding's VantageCare Retiree Health Savings Plan document to include participation by Redding Police Managers Association employees to bring the plan into conformance with Internal Revenue Service tax code, as outlined in the Report to City Council (staff report) dated November 16, 2010, and adopt Resolution No. 2010-176, a resolution of the City Council of the City of Redding approving same, effective January 1, 2011.

A MOTION WAS MADE by Council Member Jones, seconded by Council Member Bosetti, that the foregoing items on the Consent Calendar be approved and adopted as recommended, with the exception of the item(s) approved by separate vote as indicated above. The Vote:

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

NOES: Council Members - None

ABSTAIN: Council Members - None

ABSENT: Council Members - None

Ordinance Nos. 2471 through 2474 and Resolution Nos. 2010-172 through 2010-176 are on file in the Office of the City Clerk.

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PUBLIC HEARING - to consider Resolution declaring the results of the majority protest proceedings and approving the renewal of the Tourism Marketing Business Improvement District

[A-170-015-004]

Assistant to the City Manager Clark summarized the Report to City Council (staff report) dated November 22, 2010, incorporated herein by reference, relating to renewing the Tourism Marketing Business Improvement District (TMBID). Mr. Clark reviewed the five-year renewal terms of a one-percent assessment on gross short-term room rental revenue per night for the period of January 1, 2011, through December 31, 2012, and increasing to two percent of gross short-term room rental revenue per night for the period of January 1, 2013, through December 31, 2015, that will be levied on all lodging businesses within the TMBID boundaries. Mr. Clark recommended that the Council hold the Public Hearing, receive public comment, and adopt a resolution renewing the TMBID.

At the hour of 7:36 p.m., Mayor McArthur opened the public hearing to consider a resolution declaring the results of the majority protest proceedings and approving the renewal of the Tourism Marketing Business Improvement District.

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

Affidavit of Mailing - Notice of Public Hearing

No protests were received.

Mayor McArthur determined that no one present wished to address this matter and closed the public hearing. She announced that the time for hoteliers to submit written and oral protests had ended and directed the City Clerk to report on protests received.

City Clerk Mize reported that the process for the TMBID had been conducted according to assessment proceedings, that 79.15 percent of qualified voters were in favor, and that no opposing ballots had been received. She stated that ballots submitted in opposition to the renewal of the Tourism Marketing Business Improvement District (TMBID) and the levy of assessment in support of the district did not represent more than 50 percent of the total weighted votes and declared that the proposed renewal had passed. Ms. Mize certified the results and submitted them to the Council.

A MOTION WAS MADE by Council Member Jones, seconded by Council Member Bosetti, adopting Resolution No. 2010-177, a resolution of the City Council of the City of Redding declaring the results of the majority protest proceedings at a Public Hearing and renewing the Tourism Marketing Business Improvement District for a period of five years, ending December 31, 2015.

The Vote:

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

Resolution No. 2010-177 is on file in the Office of the City Clerk.

PUBLIC HEARING - to consider a Resolution declaring the results of the majority protest proceedings and approving a two-year renewal of the Hilltop Hotel Business Improvement District

[A-170-015-003]

Redding Electric Utility Energy Services Manager Keener summarized the Report to City Council (staff report) dated November 19, 2010, incorporated herein by reference, relating to renewing the Hilltop Hotel Business Improvement District (HHBID). He briefly acknowledged the collaborative efforts and improvements made over the last seven years resulting from the highly successful public/private partnership. Mr. Keener recommended that the Council accept the support petitions from hotels within the District and approve a two-year renewal of the HHBID.

At the hour of 7:41 p.m., Mayor McArthur opened the public hearing to consider the renewal for a two year term of the Redding Hilltop Hotel Business Improvement District.

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

Affidavit of Mailing - Notice of Public Hearing

No protests were received.

Mayor McArthur determined that no one present wished to address this matter and closed the public hearing. She announced that the time for hoteliers to submit written and oral protests had ended and directed the City Clerk to report on protests received.

City Clerk Mize reported that the process for the HHBID had been conducted according to assessment proceedings, that 68.23 percent of qualified voters were in favor, and that no opposing ballots had been received. She stated that ballots submitted in opposition to the renewal of the Hilltop Hotel Business Improvement District (HHBID) and the levy of assessment in support of the district did not represent more than 50 percent of the total

weighted votes and declared that the proposed renewal had passed. Ms. Mize certified the results and submitted them to the Council.

A MOTION WAS MADE by Council Member Jones, seconded by Council Member Bosetti, adopting Resolution No. 2010-178, a resolution of the City Council of the City of Redding declaring the results of the majority protest proceedings at a Public Hearing and renewing the Hilltop Hotel Business Improvement District for a period of two years, ending December 31, 2012. The Vote:

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

Resolution No. 2010-178 is on file in the Office of the City Clerk.

PUBLIC HEARING - to consider a resolution adopting electric rate adjustments [E-090-100]

Redding Electric Utility (REU) Director Hauser summarized the Report to City Council (staff report) dated November 19, 2010, incorporated herein by reference, relating to two electric utility rate increases, the modification of one rate class, and the addition of one new rate class. Mr. Hauser reviewed the PowerPoint presentation that was included in the staff report, outlining the details and compelling reasons behind a proposed 7.84 percent rate increase effective January 3, 2011, a second proposed 7.84 percent rate increase effective December 2011; modification of the *Renewable Resource Net-Metering Service* rate class as required by Assembly Bill 920; creation of a new *Stadium Lighting Service* rate class; and renaming of the monthly *service charge* to *network access charge* and an increase to such monthly charges to better reflect REU's fixed costs. He also reviewed the mitigation measures REU has taken to keep rates among the lowest in the state and relayed that many utilities throughout California are struggling with hydro/economic recession/volatile energy cost issues and have either raised rates or are seeking rate increases ranging from 5 to 19.1 percent, such as PG&E, Roseville, Modesto, Santa Clara, Sacramento, Palo Alto, Anaheim, and Shasta Lake. Mr. Hauser explained the effect low cash reserves could have on the Utility's bond rating and recommended that the Council adopt a resolution approving two discreet rate increases, along with other changes as described above and in Alternative No. 1 of the staff report.

At the hour of 8:32 p.m., Mayor McArthur opened the public hearing to consider adopting a resolution establishing new electric utility rates in the City of Redding, effective January 3, 2011, and December 1, 2011.

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

Affidavit of Publication - Notice of Public Hearing

No protests were received.

Donald Kirk, Mary Machado, Greg Washburn, Charles Alexander, Dick Fyten, Gary Cadd, Jo Vayo, Rob McDonald, Mike Quinn, Robert Meredith, and Art Gubser expressed opinions related to this item.

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

Council Members Dickerson, Bosetti, Sullivan, and Jones engaged in a discussion of viewpoints regarding electric rates, late fees, cash reserves, REU's bond rating, and a citizen's oversight committee.

A MOTION WAS MADE by Council Member Dickerson, seconded by Council Member Bosetti, adopting Resolution No. 2010-179, a resolution of the City Council of the City of Redding establishing the electric utility rates for service to customers within the corporate limits of the City of Redding effective January 3, 2011, and December 1, 2011, and modifying the section entitled "Renewable Resource Net-Metering Service" and adding a new section entitled "Stadium Lighting Service," as well as renaming "service charge" to "network access charge" for all rate classes.

The Vote:

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

NOES: Council Members - Jones

ABSTAIN: Council Members - None

ABSENT: Council Members - None

Resolution No. 2010-179 is on file in the Office of the City Clerk.

The City Council recessed from 9:25 p.m. to 9:31 p.m.

PUBLIC HEARING - continued from November 16, 2010, to consider financing of a Solar Photovoltaic System at the Redding Municipal Airport
[A-070-080/E-120-200/A-090-100]

Support Services Director Kersten summarized the Report to City Council (staff report) dated November 22, 2010, incorporated herein by reference, relating to a solar photovoltaic (PV) project at the Redding Municipal Airport. Mr. Kersten provided a PowerPoint presentation, also incorporated herein by reference, and described the technical functions, array layout and costs/funding/benefits of the proposed solar PV system that could provide the electrical needs of the Airport terminal and runway lights. He highlighted that, if deadlines can be met, American Recovery and Reinvestment Act (ARRA) funding would reduce the total project price of \$4,175,880 by 30 percent to \$2,923,116 and that the Airport would make lease payments on that amount, also noting that the project would be eligible for Redding Electric Utility rebate funds in the amount of .35¢ / kWh, which would be used to make monthly lease payments over five years. Mr. Kersten explained safe harbor requirements for ARRA funding and recommended that the Council approve the Solar Equipment Lease with Belvedere Equipment Finance Corporation and the Solar Project Construction and License Agreement with Halcyon Solar Construction for a solar PV system at the Redding Municipal Airport; authorize the Mayor to sign the agreements; and find that funds for the lease payments and the cost of design, construction, and operation of the system are projected to be available from funds that would have been used for the purchase of electrical energy in the absence of the solar PV system.

Responding to Council Member Dickerson, Mr. Kersten stated that REU solar rebate funding is awarded on a first-come/first-served basis and REU Director Hauser confirmed that this project would deplete the solar rebate program of all accrued funds, which would eventually occur even if this project was not approved.

At the hour of 9:40 p.m., Mayor McArthur opened the public hearing to consider the proposed financing of a construction project by the City of Redding regarding a solar photovoltaic system at the Redding Municipal Airport.

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

Affidavit of Publication - Notice of Public Hearing

No protests were received.

Andrew Meredith and Rob Burroughs asked questions related to the project and staff report. Jerret Goodale, Diane Webber, Scott Webber, Suzie Clark, and Dan Herman expressed their opinions on the solar rebate program and funding, solar energy, and Halycon Solar.

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

Council Members and city staff discussed REU's rebate program, Redding Municipal Airport, this project and funding/financing details.

A MOTION WAS MADE by Council Member Jones approving Alternative No. 2 of the staff report, to not approve a Solar Equipment Lease with Belvedere Equipment Finance Corporation and the Solar Project Construction and License Agreement with Halcyon Solar Construction for a solar photovoltaic (PV) system at the Redding Municipal Airport and not allow this project to be undertaken. There was no second, so the motion failed.

A MOTION WAS MADE by Council Member Dickerson, seconded by Council Member Bosetti, approving Alternative No. 1 of the staff report, to approve a Solar Equipment Lease with Belvedere Equipment Finance Corporation and the Solar Project Construction and

License Agreement with Halcyon Solar Construction for a solar photovoltaic (PV) system at the Redding Municipal Airport; authorizing the Mayor to sign the agreements; and finding that funds for the lease payments and the cost of design, construction, and operation of the system are projected to be available from funds that would have been used for the purchase of electrical energy in the absence of the solar PV system.

The Vote:

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

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AMENDMENTS TO EMPLOYMENT AGREEMENTS - City Manager and City Attorney [A-050-080/A-050-050]

City Manager Starman summarized the Report to City Council (staff report) dated November 15, 2010, incorporated herein by reference, relating to proposed amendments to the employment agreements for the City Manager and the City Attorney. He gave background information regarding the economy, ongoing budget shortfalls, union labor concessions, and salary deferrals by the City Manager and City Attorney in 2008 and 2009. Referring to the passage of Measures A and B on November 2, 2010, Mr. Starman recommended that the Council accept voluntary concessions by the City Attorney and himself, as detailed in the staff report, eliminating salary increases scheduled for 2011, paying the seven percent member contribution to the California Public Employees Retirement System (CalPERS), and applying the new formula contained in Measure B that effects health insurance for retirees based on years of service. Mr. Starman relayed that the City Attorney would also agree to reduce salary increases contained in his Employment Agreement for 2012, 2013, and 2014, and reduce the number of unpaid furlough days he is required to take every month from three to two.

A MOTION WAS MADE by Council Member Bosetti, seconded by Council Member Jones, approving amendments to the Employment Agreements with the City Manager and City Attorney as detailed in the staff report dated November 15, 2010.

The Vote: Unanimous Ayes

LETTER OF INTENT - with Southern Aluminum Finishing Company relative to Lot 7 in the Stillwater Business Park [C-070-200/E-050-500]

City Manager Starman summarized the Report to City Council (staff report) dated November 23, 2010, incorporated herein by reference, relating to a non-binding letter of intent with Southern Aluminum Finishing (SAF) Company. He relayed that the family-owned business based in Georgia had begun operating in Redding in 2007, with an intent to expand, but economic recession factors had delayed implementation. Recalling that offering a “free lot” in Stillwater Business Park was a “Radical 10 in ’10” idea, Mr. Starman reviewed the details of the proposed three-phased manufacturing facility on Lot 7 in the Stillwater Business Park, showing a graphic of the buildings which is incorporated herein by reference, and recommended that the Council approve a non-binding letter of intent and direct staff to negotiate a binding Purchase and Sale Agreement with SAF for the Council’s consideration at a subsequent meeting.

Gary Cadd, Donald Kirk, and Kent Dagg expressed their opinions regarding electric rates, electric rate discounts, jobs, and anticipated revenues.

A MOTION WAS MADE by Council Member Dickerson, seconded by Council Member Sullivan, approving a non-binding letter of intent with Southern Aluminum Finishing (SAF) Company and directing staff to use it as a guide to negotiate a binding Purchase and Sale Agreement with SAF for Council’s consideration.

The Vote:

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

COUNCIL MEETING AGENDA - Consider adding a standing item titled “Potential Topics for Future City Council Meetings”

[A-050-060]

Mayor McArthur introduced her idea to add a standing item to all future City Council meeting agendas, to be used to “pre-vet” ideas that Council may choose, or choose not to, delve into before requesting staff to spend any significant time on research.

Mayor McArthur, Council Members Sullivan and Jones, City Manager Starman, and City Attorney Duvernay participated in a discussion regarding current practices and intended goals.

Charles Alexander expressed his opinions on the idea and the Brown Act.

No action was required on these informational items.

A MOTION WAS MADE by Council Member Jones, seconded by Council Member Sullivan, directing staff to add a standing item to Council meeting agendas titled “Potential topics for future City Council meetings” on an experimental basis.

The Vote: Unanimous Ayes

PARK MAINTENANCE DIVISION - Community Services Advisory Commission Recommendations

[B-080-128]

Community Services Director Niemer summarized the Report to City Council (staff report) dated November 15, 2010, incorporated herein by reference, regarding recommendations relative to operations of the Parks Maintenance division. Ms. Niemer recalled that the Parks Maintenance division was transferred to her jurisdiction in June 2010, and reviewed actions taken by the Community Services Advisory Commission (CSAC) since the Privatization Evaluation Committee referred a review of the parks maintenance operations to them in early 2010. She outlined the comprehensive analysis that CSAC completed on the 600 acres of developed park land that comprises a \$2M City asset. Ms. Niemer noted that City of Redding employees are experienced and skilled workers who were being paid the lowest wage of all the comparative cities, as shown in Table 2 on page 7 of the CSAC staff report dated October 6, 2010. She relayed CSAC’s recommendations to maintain highly skilled City workers; split “basic maintenance” tasks between a permanent and temporary workforce; pursue labor contract adjustments to allow use of part-time employees; investigate/utilize smart controllers to reduce utilities costs; continue to supplement park maintenance services with volunteer programs; and require that new neighborhood parks be included in Landscape Maintenance Districts for subdivisions. Ms. Niemer recommended that the Council approve the CSAC recommendations, as detailed in the Report to City Council dated November 15, 2010.

Responding to Mayor McArthur, Ms. Niemer confirmed that the CSAC Commissioners had voted 3-2 on the recommendations, with some expressing interest in pursuing a Request for Proposals (RFP) for “basic maintenance” duties such as lawn mowing, leaf blowing, pruning, and litter abatement and clarified that all the Commissioners thought that experienced city staff should maintain responsibility for core services.

Mary Machado, John Wilson, Ken Deyoung, and Mark Burgon expressed their opinions regarding objective analysis, an RFP, privatizing services, the caliber of city park staff who are fingerprinted and have a strong sense of pride and ownership for the quality of city parks, and have built cooperative relationships over many years, including those with other departments relating to emergency situations.

The Council exchanged perspectives and opinions relative to the value/success of outsourcing and privatizing public services, goals of an RFP, intent towards existing city employees, ability of bidders to undercut known city costs, and trust levels of accuracy of information provided in city staff reports.

A MOTION WAS MADE by Council Member Bosetti, seconded by Council Member McArthur, directing staff to work with CSAC to prepare a Request For Quotations for basic park maintenance services for four neighborhood parks, to be used for comparative analysis with current actual costs for work being done by City employees and brought back to the Council for consideration.

The Vote:

AYES: Council Members - Bosetti, Jones, and McArthur

NOES: Council Members - Dickerson and Sullivan

ABSTAIN: Council Members - None

ABSENT: Council Members - None

COUNCIL TRAVEL REPORT(S)

City Council Member attendance at conferences/meetings reimbursed at City expense {Requirement of Assembly Bill 1234}

[A-050-060]

Council Member Stegall reported attendance at the Northern California Power Agency Commission meeting in Roseville, CA, on December 1-2, 2010.

REDDING REDEVELOPMENT AGENCY

At the hour of 11:42 p.m., Mayor McArthur announced that Council would adjourn to a Special Meeting of the Redding Redevelopment Agency.

At the hour of 11:43 p.m., Mayor McArthur reconvened the Regular City Council Meeting to Open Session.

CLOSED SESSION

At the hour of 11:44 p.m., Mayor McArthur announced that Council would adjourn to Closed Session.

At the hour of 12:45 p.m., Mayor McArthur reconvened the Regular Meeting to Open Session and reported that in reference to:

CONFERENCE WITH LABOR NEGOTIATOR

Designated Agency Representative: Assistant City Manager Tippin

Employee Organization: RPOA-Miscellaneous

[P-100-050-120]

The City Council voted unanimously to renew a labor contract with Redding Peace Officers Association-Miscellaneous. The terms of the renewed contract will be incorporated into a contract to be approved in Open Session in January 2011, and shall include: a four-year term, phasing in of full payment by employees of the "employee share" of CalPERS contributions, revisions to retiree health benefits, and offsetting wage adjustments of 0 percent in year one and 2 percent for each year thereafter.

CONFERENCE WITH LABOR NEGOTIATOR

Designated Agency Representative: Assistant City Manager Tippin

Employee Organization: Local Union 1245 of International Brotherhood of Electrical Workers AFL-CIO - Maintenance Employees

[P-100-050-070]

The City Council did not take any reportable action on this item.

CONFERENCE WITH LABOR NEGOTIATOR

Designated Agency Representative: Assistant City Manager Tippin

Employee Organization: All Employee Organizations

Unrepresented Employee: All Unrepresented Employees

[P-100-050]

The City Council did not take any reportable action on this item.

ADJOURNMENT

There being no further business, Mayor McArthur declared the meeting adjourned at the hour of 12:47 p.m.

APPROVED:

ATTEST:

Mayor

City Clerk