



The VOICE

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Did you know...

- There was **1** single family home permit issued in the City of Redding, and **11** Carr Fire single family rebuild permits issued in December 2018, for a total of **117** single family home permits issued in 2018. That is **22 less** than those issued in 2017, a **16%** reduction. There were no permits issued for commercial buildings in December 2018, for a total of **8** in 2018. That is **23 fewer** issued than for 2017, a **74%** reduction.
- A groundbreaking ceremony for the new Shasta County Courthouse is scheduled for **12:15 p.m. on Friday, February 8th.**
- Effective January 1, 2019, California Minimum Wage increased to **\$11.00 per hour** for employers with 25 or fewer employees, and **\$12.00 per hour** for employers with 26 or more employees. The Federal minimum wage remains at \$7.25 per hour. The FICA-Social Security rate for employees and employers remains at 6.2% each. The income limit on which this applies has increased to \$132,900.
- The Shasta Regional Community Foundation's Community Disaster Relief Fund has raised **\$4.4 million** for long term recovery efforts for victims of the Carr Fire and Delta Fire., \$400,000 of which has been distributed locally so far,

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Concept of Funding Options Laid Out For Public Safety Personnel in Redding

On September 5th, Redding City Council accepted a report by City Manager Barry Tippin that identified four existing City “programs” that could be modified to **find the \$800,000 per year** that would be needed to maintain three firefighter positions and four police officer positions that could otherwise be eliminated July 1, 2019.

The four specific areas identified for potential modification are building permit fees, planning fees, recreation fees, and transient occupancy tax (TOT).

Council direction in September was to have staff further define such modifications, and hold stakeholder and other meetings to gather public input prior to any proposals being offered for Council consideration. Therefore, the first defined “funding plan” was brought before City Council at the **January 15th Council meeting**. Mt. Tippin referred to this plan as a “concept” and was looking for Council support to refine the concept and bring back better data for future consideration.

The conceptual plan suggests that the largest potential funding source is from **building fees**. The City currently uses a building valuation method for the building permit and plan check fees, with building valuations established in 2005. A single family residence is valued at \$99.52 per square foot. The “plan” suggests raising that valuation to **\$118.45** per square foot, the current figure established by the International Building Code Council. These fees would be proposed to take effect on July 1, 2019. Mr. Tippin suggests that this one source would raise **\$500,000** annually in **additional revenues** based on the building statistics for prior year 2018, but did not present the data supporting such a large number.

Shasta VOICES **did** take the time to examine the actual numbers, using the City’s published 2018 building statistics. There were 117 single family permits issued in 2018, a **decrease of 16% year over year**. Based on the increased valuation proposal, if the same 117 single family permits were issued in 2019, they would generate about **\$40,000** more than in 2018. For commercial/industrial buildings, there were 8 permits issued in 2018, a **decrease of 74% year over year**. Even if all 8 permits were for commercial buildings of at least 10,000 square feet, that would only generate **\$29,184** more than in 2018. Those numbers are a far cry from the \$500,000 number that is being quoted as additional revenue with this proposed conceptual plan.

So, we asked Mr. Tippin for more data to show where the other \$400,000+ would come from. We did not receive an answer prior to the Council meeting, but apparently there are **other charges “being planned”** for such things as water heaters, sprinkler inspections, swimming pools, re-roofs etc.—those increased charges have not been disclosed and no data has been presented to demonstrate that this would bring in the remaining \$400,000+. But, he did acknowledge that those numbers need to be calculated and a complete analysis needs to be presented to Council to demonstrate that such a plan would work before moving forward. We will look forward to seeing that analysis, which will be presented in a public forum to be scheduled soon, possibly on January 31st during the first budget hearing workshop.

Likewise, there was no hard data presented to demonstrate what the increases in planning fees and recreation fees would actually be. There was, however, an actual number to be requested from the Convention and Visitors Bureau’s Transient Occupancy Tax (TOT) - the City will ask for and additional \$105,000 from that organization. **Council voted to have staff provide more data and community input, and moved the conceptual plan forward.**

Future of Soccer Park in Jeopardy

Soccer Association Asks City to Pay for Renovations

The Shasta Regional Soccer Association (SRSA), a non-profit organization that has been operating Redding's Soccer Park next to the Big League Dreams softball fields complex on Viking Way for the past 12 years, has asked the City of Redding to renegotiate the terms of their lease, to become effective on July 1, 2019.

Over the past 12 years, the SRSA has asked for and received five amendments to their operating contract (lease) with the City. The amendments were necessary because the SRSA financial projections just didn't come to fruition. These leases called for 50 percent of the Soccer Park's net income above each month's operating costs to go towards replacement of the soccer fields, which are constructed of artificial turf. Since 2007, SRSA has only paid the City \$30,000 in total, or about \$2,500 per year, although it should be noted that, since 2007, **over \$5 million in operational cost savings** has been realized by the City. If the City had to bear the cost of operating the Soccer Park, it would now cost about \$560,000 per year from the General Fund.

So, the SRSA is now asking for their lease to be renegotiated, making the City of Redding financially responsible for replacing the fields. The cost to replace those fields is currently calculated at **\$4,689,000**. The much-needed renovations were submitted for grants from the National Park Service and other available State grants, but the City was unable to secure any grants for what are considered "maintenance" items, rather than new construction. The City was successful, however, in winning a \$500,000 settlement from a lawsuit against the turf installer.

Two options for a new lease were submitted by SRSA that **would only become effective upon completion of the field replacement project** for all four fields. Option one would pay \$6,000 per month in rent to the City, and the City would be responsible for replacing the turf now and in the future. Option two would pay \$10,000 per month in rent to the City, and the City would be responsible for replacing the turf now and in the future along with other capital improvements, such as maintaining the parking lot, HVAC, roof, fencing and other fixed structures.

At the Community Services Advisory Commission meeting on January 9th, concerns were raised about SRSA's ability to raise the proposed monthly rent amounts. When asked where the \$6,000 (or more) per month in rent that is proposed for a new lease would come from, SRSA members said that they plan to raise the fees charged to families to participate in soccer at the Soccer Park to \$30 per year per family, have gate fee and field rental increases, solicit memberships and sell advertising.

But perhaps the most pressing issue is whether or not Redding City Council will authorize the allocation of over \$4 million (less any potential outside donations) for the turf renovation project, with proceeds likely coming in the form of "internal fund loans" from other departments in the City (i.e. REU) to be paid back over 10 years at 3 percent interest, according to Community Services Department Director Kim Niemer. The CSAC members, who opined that it's City Council's job to make financial decisions, voted to recommend that City Council explore a way to secure funding to replace the turf and the continuation of the Soccer Park for our community. The proposed lease agreement simply won't work without new fields.

Redding City Identity Project (RCIP) Unveils First 10 of 20 Ideas by 2020

The Redding City Identity Project is working to strengthen the image and reputation of the City of Redding. On January 10, 2019, the Identity Project held a free public event for the community at the Cascade Theatre to announce the first 10 ideas that will be initiated by 2020 to catalyze a better City, utilizing at least part of the over \$500,000 in donations that have been collected for the Project so far. Many of these ideas came through submittals from people in the community, who submitted over 700 ideas. Here are the first 10 ideas:

1. **Umbrella Alley**—new public art installations that will provide shade from the hot sun and protection from the rain.
2. **Local Business Passport**—a free experience linking local businesses with a reward; earn stamps on passports by visiting each stop on a map.
3. **Improve Redding's Online Reputation**—a strategic investment to strengthen the City's image through Search Engine Optimization; see the good and unique things about Redding prioritized in search results.
4. **Create a Downtown Iconic Mural.**
5. **Itineraries by Locals**—samples of what makes a great day in the Redding area; share our stories with each other.
6. **Live Street Music**—designating specific areas where a local business approves the addition of nearby entertainment on a weekend evening.
7. **Digital Ambassadors**—positive word of mouth spread through strong social media followings.
8. **Riverfront Amphitheatre Improvement and Programming**—now located close to the Sundial Bridge with view of Sacramento River; create artistic shade structure and identify an organization to take the lead on programming performances.
9. **City Messaging Campaign**—define 4 or 5 memorable key community messages saying what's best about our hometown; succinct, easy to share messaging to fuel our confidence and create opportunities.
10. **Repurpose Local Historic Signs Into Public Art**—restoring cool old neon signs from former Redding iconic landmarks and displaying them as public art.

Redding's Short Term Rental Ordinance To Be Amended

On February 16, 2016, Redding City Council adopted Ordinance 18.43.180 to regulate short-term rentals. The Ordinance covers two types of short-term rentals—*hosted homestays* and *vacation rentals* (VRBO's). The regulations pertaining to the operations of short-term rentals require that vacation rentals receive a site development permit for a one-time fee of \$300. The City also requires the operator to obtain a business license from the City Clerk and set up a Transient Occupancy Tax account with the Finance Department. The vacation rental permitting process allows the neighbors to appeal a decision to issue a permit to the Board of Administrative Review, the Planning Commission, and the City Council.

Currently, the City's enforcement of the rules for short-term rentals is complaint driven, and this is the only way they know about violations. Now that the Ordinance has been in place for over 2 years, many complaints are being reported.

At the August 29, 2018 Planning Commission meeting, the Commission heard three of these appeals, two of which were approved and one was denied. After hearing from the neighbors during these three public hearings, Planning Commissioners requested that staff *revisit and improve* the Ordinance. Specifically, they requested these updates:

- Limiting the number of guests (current process is by the number of bedrooms);
- Implementing a spacing requirement between short-term rentals;
- Increasing the amount of fines from \$50/day to \$500/day;
- Including specific quiet hours in the conditions of approval;
- Adjusting the fee structure (higher) to be self-supporting, including enforcement costs;
- Making the one-time fee an annual fee so that problem properties could easily be denied a renewal;
- Considering the proximity to other "group" housing permits in the area.

Additionally, the City now has access to a database that tracks the number of short-term rentals in the area. Here is the most current data that they have been able to provide:

293—Number of short term rentals in Redding; **248**—Number with identified addresses; **160**—Non-compliant properties.

Those 160 non-compliant properties are those who are not paying the required TOT tax.

At the City Council meeting on January 15, 2019, Development Services Director Larry Vaupel asked for and received Council's *approval to prepare a draft of updated amendments* to the regulations, and present the draft for a Public Hearing and consideration by the Planning Commission and the City Council at future meetings.

Rising Pension and Retiree Health Care Costs Continue to Pressure City's Budget

At the January 15th Redding City Council meeting, staff presented the results of the City's Comprehensive Annual Financial Report for the current year ended on June 30, 2018.

Not surprisingly, rising pension and retiree health care costs have continued to pressure the City's budget. The City's General Fund, which is the fund that pays for public safety services, *lost \$9.9 million last year*. The largest single reason for this was the rise in the cost of unfunded pension liabilities. Here are the City's pension and other post employment benefit (OPEB) liability figures for last year, which total over **\$323 million**:

CalPERS Public Safety—\$115.8 million; CalPERS Miscellaneous Employees*—\$142 million; PARS Employees—\$33 million; OPEB Employees*—\$33 million. *Includes both general fund and enterprise fund employees.

Last year, the finance department determined that the City will experience a general fund budget shortfall of **\$19,682,000** over the next ten years (a figure that can go up or down depending on CalPERS investment returns). CalPERS is now requiring that the unfunded pension liability debt be paid off over the next ten years, and payments for the 20 years after that. It's not difficult to see that such a large debt payment negatively affects the general fund budget, with an average of \$13 million in payments each year. Currently, about 80% of the general fund budget is used to pay for public safety (police and fire), so those are the most affected departments.

There was a bit of good news received late last year from CalPERS, when they reported their rate of return on their portfolio of pension fund investments for the 2016-2017 fiscal year at 11.7%, which was far above their projected return of 7%. That reduced both the amounts of the unfunded liability payment amounts and the normal cost rates charged to the City for employee pensions. Those reductions to the general fund total about \$7.2 million through fiscal years 2027-28.

Beginning on *January 31st*, the City will conduct a series of four City Council *budget workshop meetings* which will start at **5:00 pm**, for the *purpose of providing additional resources* primarily to the Police Department (see page one of this newsletter for some of the potential funding options). The first meeting on January 31st will discuss the public safety department budgets and objectives for both police and fire.

Updated News and Notes

Shasta VOICES is continuing to monitor and follow many issues of interest to our supporters and the community. As part of our efforts to keep you updated and informed, here is a brief update of some of these issues.

New Mayors in Anderson and Shasta Lake for 2019—City Council members in Anderson voted January 15th to have Council member Stan Neutze serve as Mayor for 2019, and for Council member Melissa Hunt to serve as Vice-Mayor. In Shasta Lake, Council members voted to have Council member Larry Farr serve as Mayor for 2019, and Council member Greg Watkins serve as Vice-Mayor.

New Chairman of the Board of Supervisors for 2019—At its January 8th Shasta County Board of Supervisors meeting, the Board voted to have Supervisor Leonard Moty serve as Chairman of the Board for 2019, and Supervisor Mary Rickert serve as Vice-Chairman for 2019. Newly elected District 1 Supervisor Joe Chimenti was also officially seated.

New Cal-Fire Chief—The Shasta-Trinity Cal Fire unit, located in Redding, has promoted Bret Gouvea to Unit Chief. He replaces former Chief Mike Hebrard, who was promoted to the Northern Region Representative for Cal Fire.

102 Beds Added to Shasta County Jail—Shasta County's Jail remodeling and expansion project has been completed, adding 102 beds to the Jail. ***The extra beds increase the Jail capacity from 381 beds to 483.*** This is the first major expansion of jail bed space since 1993, and long overdue. There has been a concern for many years that people arrested for crimes were being released early because of jail overcrowding. This expansion should help to address what has been referred to as the "revolving door" at the Jail. The \$1.6 million project was paid for from the County general fund.

Coinciding with the opening of the 102 additional beds, on January 17th, top law enforcement officials in Shasta County announced a new effort called the ***Chronic Offenders Accountability Program***, designed to target those criminals who are constantly being rearrested and released. The Program gives each of the three law enforcement agencies in the County (Redding, Anderson, Shasta County) three jail beds each reserved for their choice of top offenders. Each agency has looked through all of the offenders they deal with and have already found their top three worst offenders—the people who are causing the most work for law enforcement and causing the most crimes in our communities. Sheriff Tom Bosenko has pledged to keep those top nine law-breakers in custody until their cases are resolved. It will keep them off our streets and in jail. The number one complaint in the community is that so many criminals are arrested over and over again, without being held accountable for their crimes. This new program, together with the additional jail beds and a commitment from the District Attorney to prosecute these habitual criminals, will provide a solution to the revolving door at the County jail, and greatly improve the safety of our citizens.

County To Implement Small Wireless Internet Antenna Facilities Ordinance—At the January 15, 2019 Shasta County Board of Supervisors (BOS) meeting, the Supervisors unanimously agreed to ***adopt a resolution of intent*** to consider amendments to the Shasta County Zoning Plan as proposed by staff, and recommended by the Planning Commission, to regulate wireless internet facilities in the unincorporated areas of Shasta County. Unique regulations for wireless internet facilities are necessary in rural areas, where wireless internet transmission facilities serve a limited number of customers; therefore, wireless internet services providers are more sensitive to permitting and construction costs than cell phone service providers. The proposed regulations will include, but are not limited to, ***(1) design standards, (2) height limits, (3) setbacks, and (4) public review requirements.*** Paul Hellman, Director of Resource Management, will lead studies by staff, and then bring proposed amendments to the Planning Commission for consideration in accordance with the Shasta County Code. The Planning Commission will then make a recommendation to the BOS concerning any proposed amendments.



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