



The VOICE

Your independent news source

Greater Shasta County, CA

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Did you know...

- There were **10** new single family home permits drawn in the City of Redding in May, bringing the total number of single family permits through May 2015 to **85**. That is 37 more than for the same period last year (**a 17% increase**), and 50 more than for the same period in 2013.
- The unemployment rate in Shasta County for May, 2015 was **7.5%**, down from 7.7% in March. The current labor force in Shasta County totals 75,200, with 5,700 people unemployed who are actively looking for work.
- Shasta Builders Exchange and Trade School is moving to 5800 Airport Road (the Frozen Gourmet Building), having sold their current building at 2985 Innsbruck Drive.

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Council Says No to REU Rate Structure Hearing

The Redding Electric Utility (REU) provided predictable controversy at the June 16th Redding City Council meeting.

First, REU presented its monthly financial report for April, 2015. Revenues through April were 6.6% below projections. The reason? “December through April have all been much more mild than normal.” **This reduces demand for electricity.** Total wholesale sales were actually 96.8% above projections, but overall, operating revenue after energy costs was **\$6,873,343 (14.4%) below projections.** The solution? Transferring \$3.5 million from REU reserves to cover the estimated additional power purchases due to “the ongoing drought and reduced allocations from the Western Power Administration Hydroelectric Contract through the end of the current fiscal year (June 30, 2015).” But, there will still be about \$26.5 million left in the unrestricted cash balance as of June 30, 2015.

Then came the REU request to set a public hearing for the regularly scheduled Council meeting to be held on August 18, 2015 to consider a **change in the rate structure** to begin on October 1, 2015. Under their proposed new rate structure, fixed monthly access charges would have gone up from \$13 per month to \$42 per month for the 36,000 residential customers of REU. Many low energy users would have been hit hard with this increase. The Council chambers was packed with customers who opposed such a steep increase. After listening to nearly 2 1/2 hours of testimony, City Council members voted unanimously to **reject** REU’s request for a hearing, and revisit it at the City’s next priority setting workshop, which won’t occur until February 2017.

As presented in the May 2015 issue of “The VOICE” newsletter, there were many parts to the proposed rate structure, including a reduction in the energy usage charges for both residential and commercial customers. Not all customers would have experienced an increase in their rates overall. But the concept of those using the least energy having to experience the greatest increase in their rates just did not resonate with the majority of customers, or Councilors.

During the process of preparing the new rate structure to be presented to the Council and REU customers, a “citizens advisory group” of 13 people had been asked to participate in what was thought to be the “process” of creating such a structure, but turned out to be several informational meetings put on by REU staff and their consultant to introduce the already created plans (with options), and see the reaction of those in the group. Perhaps this was their practice run before rolling out the plan to Council. When asked directly about whether REU was **committed** to bringing this proposed new rate structure forward, REU Director Barry Tippin responded with an immediate **“yes.”** Although the group raised many issues and concerns about the new program, very similar to the concerns raised at the podium during the City Council meeting, it was clear that no changes were being made.

The group included Murray Blake (senior citizen), Ed Rullman (Best Western Hilltop Inn and CR Gibbs Restaurant), George Knight (Dignity Health), Chris Hunter (Trimble Navigation), D. Herman (Halcyon Solar), Joe Chimenti (Shasta Builders Exchange), Dan Ostrowski (Shasta County Office of Education), Ron Largent (Realtor), Mary Machado (Shasta VOICES), Melinda Brown (People of Progress), Mary Augsburg (Lorenz Hotel), Steve Bade (HUD rep), and Bill Kohn (Frozen Gourmet). The group as a whole did suggest to REU and their consultant that they believed Council would never approve such a steep increase in the fixed rate.

64-Bed Adult Rehab Center Moving Forward

A new Shasta County Adult Rehabilitation Center (ARC) is submitting preliminary plans to the California Board of State and Community Corrections for approval, after accepting a conditional \$20 million award from the Adult Local Criminal Justice Facilities Construction Financing Program. The ARC total project budget is \$22.5 million, with the County providing \$2.5 million. The ARC will be built on Breslauer Lane in Redding.

Conceptual design for a 64-bed Type III medium-security adult rehabilitation facility was provided by local architectural design firm Nichols, Melburg & Rossetto (NMR), and approved by the Shasta County Supervisors on June 2, 2015. The existing main jail has very limited space for rehab programs. The ARC is built to specifically provide space (non-secure and secure) to provide more rehab programs to the County's offenders, and rehabilitate more offenders. It is intended to **curb the recidivism rate** locally. There were 3,500 offenders released from the jail early last year because there wasn't enough room for them. The ARC will provide much needed space to house such offenders. The local community has been complaining and advocating loudly for exactly these services to reduce crime on their streets.

Sheriff Tom Bosenko, at the June 9th County Supervisors meeting, asked that project funding options be considered for designs of an upgrade to a 96 or 128 bed facility. This would have added \$1.8 million to the cost for the 96 bed facility, and an added \$4 million to the cost for the 128 bed facility. For approval of either of these two upgrade options, four of the five Supervisors would need to say yes, but Supervisors Moty and Kehoe voted **not** to commit funds that the County does not have for such options. Therefore, the original plan for a 64-bed facility will now move forward.

Annual operating expenses for the ARC are estimated to be \$4,871,562. After allowing for the transfer of the laundry and kitchen budget from the main jail and the work release budget to the ARC budget, the total net annual increase in expenditures is estimated to be \$3,105,266.

The Sheriff is at odds with the County Supervisors over their decision not to approve either of the options for additional beds. Perhaps at some time in the near future, funds will be identified to allow for consideration of these options.

Pension Costs In The News Again, Statewide and Locally

A proposed State ballot measure would aim to reduce government pension spending for state, county, and city employees throughout California, as well as public schools and universities and other local boards and agencies.

The proposal would require voters to approve defined benefits for new hires and pension increases for existing workers. Voters would also have to approve a government that pays more than half of pension contributions for new hires.

Backers of this measure will need to collect 585,407 voter signatures to qualify for the November 2016 ballot.

Locally, both Shasta County and the City of Redding just approved new budgets, the County for fiscal year 2015-2016 and the City for both 2015-2016 and 2016-2017. Both agency budgets include hefty increases in the cost of employer pension contributions, putting pressure on all services provided to the public.

The City of Redding's employer contribution to CalPERS continues to increase at a rapid pace. It is anticipated that the CalPERS employer contribution rate for public safety employees will increase from 44.4 percent in fiscal year 2014-2015 to **45.6** percent in fiscal year 2015-2016, and to **48.7** percent for fiscal year 2016-2017.

The City of Redding's employer contribution rate for other City employees will increase from 20.1 percent in fiscal year 2014-2015 to **21.9** percent in fiscal year 2015-2016, and to **23.4** percent in fiscal year 2016-2017.

CalPERS employer contribution rates are projected to continue to rise until fiscal year 2020-2021. It is anticipated that CalPERS employer contribution rates will then stabilize and begin to decrease after that time, since new employees are now subject to the Public Employees' Pension Reform Act. Consequently, these new employees are subject to a new (reduced) pension formula.

The City's CalPERS increases for non-public safety employees will be partially offset by a modest decrease in the Public Agency Retirement Services (PARS) contribution rate for most bargaining units. These Employees at the City do not participate in the Social Security System, but have their basic CalPERS pension increased with additional PARS benefits.

For Shasta County, the CalPERS employer contribution rate for public safety employees will increase from 40.622 percent in fiscal year 2014-2015 to **41.581** percent in fiscal year 2015-2016, and to **45.1** percent in fiscal year 2016-2017.

Shasta County's CalPERS employer contribution rate for other County employees will increase from 14.774 percent in fiscal year 2014-2015 to **15.969** percent in fiscal year 2015-2016, and to **17.2** percent in fiscal year 2016-2017.

Non-safety employees for Shasta County participate in the Social Security System in addition to the CalPERS retirement program. Therefore, Shasta County makes an additional employer contribution of 6.2 percent on their behalf to the Social Security Administration.

Development Impact Fees Increasing July 1, 2015 for Shasta County and City of Redding

On July 1, 2015, Shasta County development impact fees will be adjusted to include an increase of 2.2%, based on the Building Cost Index provided by the Engineering News-Record in accordance with Shasta County Ordinance 665. Here is a chart of the increased fees:

July 1, 2015 through June 30, 2016	Single-Family	Multi-Family per unit	Commercial per 1,000 SF	Office per 1,000 SF	Industrial per 1,000 SF
Main Fee	\$ 5,655.66	\$ 5,416.24	\$ 881.85	\$ 635.21	\$ 397.01
Main Fee + Fire	\$ 7,410.94	\$ 7,096.95	\$ 1,909.29	\$ 1,417.23	\$ 861.41
Main Fee + Traffic	\$ 6,917.68	\$ 6,193.43	\$ 2,615.48	\$ 2,684.05	\$ 1,804.61
Main Fee + Fire + Traffic	\$ 8,672.96	\$ 7,874.12	\$ 3,642.92	\$ 3,466.05	\$ 2,269.00

There are more **traffic fees to be added** on to single family residences depending on where they are being built. A map can be found on the County's website that shows exactly where each of the four areas are situated:

County Wide	Deschutes Inter-change (added to all)	South County TIF (1)	South County TIF (2)
\$ 800.00	\$ 1,452.80	\$ 5,362.24	\$ 2,872.37

Development Impact Fees are also increasing on July 1st for the **City of Redding**. Their increase is about 1%. Here is a chart of the new estimated fees for a typical single-family dwelling in the City of Redding:

Development Fees	Park Fund	\$ 4,067
	Electric Service	100
	Fire	983
	Storm Drain	907
	Traffic	5,816
TOTAL Development Fees		\$ 11,873
Water/Sewer Fees	Sewer	\$ 7,126
	Water Meter	132
	Water Connect	5,700
TOTAL Water/Sewer Fees		\$ 12,958
GRAND TOTAL		\$ 24,831

Also to be **added** to both the Shasta County and City of Redding totals are **school fees**, which are **\$3.36 per square foot** (i.e. **\$6,048** for an 1,800 square foot home). And, **building fees** are calculated separately (i.e. plan check, plumbing, mechanical, electric) and add up to as much as **\$4,600** to the totals.

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.

- ***Sheraton Hotel at Turtle Bay***—The engineers, architects, Turtle Bay, and their bankers are currently working together for a groundbreaking during the first part of **July** for the long-planned Sheraton Hotel at Turtle Bay. Not much has changed in terms of the original plans—this will be a 130 room hotel, 5,000 square foot restaurant, eating patios, and a 4,000 square foot meeting/ballroom, among many other amenities. McConnell Foundation successfully purchased the property that this hotel will be constructed on from the City of Redding after a ballot measure was approved by Redding voters during the November, 2014 elections. It is unknown if labor unions will continue to pursue their desire to implement prevailing wage requirements for the project.
- ***I-5 Six Lane Projects Receive Funding***—Funding to complete the widening of I-5 to six lanes from Redding to Anderson has been obtained. The California Transportation Department (Cal Trans) will provide **complete funding** for what is known as the “Little Easy” project, which is the stretch of I-5 from Knighton Road to Bonnyview, totaling just over **\$13 million**. This project is in the design phase, and is scheduled to go out to bid for construction in 2017, with construction beginning in the spring of 2018. Additionally, Cal Trans has approved funding in the amount of **\$15.7 million** towards construction of what is known as the “Big Easy” project, which is the stretch of I-5 from North Street in Anderson to Knighton Road. There is still \$16 million more needed for this project to be fully funded, and our local Cal Trans and Shasta Regional Transportation Agency officials are continuing their efforts towards obtaining full funding. Both projects will be shovel ready at the same time, and this has proven to be a successful strategy in Shasta County for many other transportation projects. The only remaining piece of I-5 in Shasta County that remains unfunded for widening to six lanes is the stretch from Deschutes Road to North Street in Anderson. Grant funding requests are in process for this project. So far, together with the completion of the first stretch of I-5 widening to six lanes through Redding, over \$53 million has been obtained from the State for these projects. It wasn’t that long ago that a proposal to charge local development impact fees to pay for these improvements was defeated (largely by the efforts of Shasta VOICES).
- ***New Redding Police Facility Is Dedicated***—City officials dedicated the new Robert P. Blankenship Police Facility in Redding next to City Hall on **June 17, 2015**. The completed \$7.7 million facility, together with a remodel of the 3rd floor of City Hall next door, will replace the existing (and deteriorating) Police Facility in downtown Redding on California Street. Talk of needing a new facility began as long as 20 years ago, and it has finally become a reality. Most people in Redding, along with the police force, are quite pleased and excited about the new headquarters. However, the dedication did not occur without controversy. Apparently, there was an anonymous letter sent to Redding television station KRCR by some Redding police officers complaining about the aesthetics and possible “safety concerns” of the building. Redding Police Chief Paoletti, who first heard about these “concerns” after it had been reported on the evening KRCR news, quickly addressed those concerns. Those who wrote the letter should have gone through the proper channels, not aired them in public, according to Police Administration officials. The official move-in date will be after the fourth of July.

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