



The VOICE

Your independent news source

Greater Shasta County, CA

Volume VI, Issue VII

www.shastavoices.com

December 2012

Did you know...

- There have been **102** single family home permits pulled through November 2012 in Redding, compared with 34 for all of 2011 and 74 for all of 2010.
- The City of Anderson implemented a second tier retirement formula for employees hired after December 30, 2012 who participate in the CalPERS retirement system. The new 2% @ 60 formula **reduces** the Employer Contribution Rate from 21.989% of covered payroll to **8.311%** of covered payroll, a reduction in City costs of **13.678%**.
- Monday, December 24, 2012 the last day to register to cast ballots in the January 8, 2013 special general election. The race is to fill the District 4 Senate seat, between Jim Nielsen and Michael "Mickey" Harrington.

HAPPY HOLIDAYS!



Inside this issue:

Previewing 2013	1
City Outsources Call Center	2
County To Update General Plan	3
Costco Agreement Would Allow Project to Move Forward	3
Updated News and Notes	4
Join Shasta VOICES	4

Previewing 2013

Shasta VOICES has been tracking and monitoring many issues that affect economic opportunity in our community since we began our work in 2007. We have grown to 1,046 supporters in the last almost six years. We have accomplished much thus far, and will continue to pursue issues of economic importance in the Shasta County area in 2013. Here is a partial update of probable issues:

- **City of Redding Development Impact Fees/Utility Rates Update**—A local Advisory Group has been meeting with City staff and outside consultants about twice each month since mid-September to listen, learn and provide input to the process of studying current development impact fees and utility rates, and eventually provide recommendations to City Council (see page 4 of this issue for an update). We will keep you up-to-date when recommendations are available, and public meetings are scheduled.
- **Local Tax-Sharing Agreement**—Discussions continue between the cities of Redding, Anderson, Shasta Lake, and Shasta County for a potential sales tax-sharing agreement for the Oasis Road Specific Plan area. City Councilman Patrick Jones, who brought this idea forward, envisions a plan where each participating jurisdiction would contribute to the cost of the major improvements that will be needed to move this development forward, including the construction of major water supply/storage improvements, sewer infrastructure, and circulation improvements. Long-term costs for future maintenance and liability would need to be established in order for any agreement to be constructed. Talks should continue between the jurisdictions after the first of the year.
- **Shasta County General Plan Update**—A General Plan Update Committee will be convened in 2013 to provide input in to the update process, focused on changes in state laws and regulations related to green gashouse emissions, flood and fire safety, and housing. The update will take up to two years to complete. Shasta VOICES plans to participate in this process. See our story on page 3 of this issue for more details.
- **Knighton Road and Churn Creek Retail Center**—It is likely that the owners of the property at the northeast corner of I-5 and Knighton Road will continue to pursue some sort of development on all or part of their acreage, which will go through the normal planning and public hearing process.
- **Moody Flats Quarry**—The Environmental Impact Report (EIR) for the Moody Flats Quarry, which will be located in western Shasta County on land owned by 3M, about 1 mile west of I-5 and north of the City of Shasta Lake, has been in process for almost one year. It is likely to be ready for consideration in the first quarter of 2013.
- **Construction Incentives**—The City of Redding’s residential construction incentive program will expire June 30, 2013. The highly successful program demonstrated that there is a need to balance costs to build with market affordability. The results of the development impact fee study will have a direct effect on future construction.
- **Economic and Job Creation Progress**— Many potential businesses consider locating or expanding in our community, only to be turned away by what they viewed as exorbitant regulations and fees imposed by local government agencies. We will continue our efforts to assist such businesses in 2013.

City Outsources Call Center

On December 4, 2012, Redding City Council voted to approve a seven-year contract with Orcom Solutions LLC doing business as Vertex Business Services (Vertex) for hosting billing system and call center services, making findings that the call center services are special services as set forth in Government Code Section 37103 and 53060.

The Council provided direction to staff at the September 4, 2012 Council meeting to develop such a contract, to replace the current utility billing software, to provide hosting services and ongoing technical support, and to provide call center services.

The current version of billing software supported by Vertex was put into service more than 12 years ago and is functionally obsolete. The proposed system is the latest version of the software and will provide modernization, enhancements, and efficiencies that will improve the processes used to collect approximately \$150 million in annual revenue for the City's five utilities.

The capital cost for the hosted service including system set up is \$2,683,074. Ongoing average costs are estimated for the call center at \$535,000 and \$567,000 for the hosted billing system. The current annual cost for the call center is \$1,070,000 (twice that of the Vertex cost), and the current cost for the City to *host* the system is equivalent to Vertex. Adequate funds are available in reserves for the initial capital costs and the future annual costs will be accounted for during the biennial budget development process. The costs are funded on a pro-rata share amongst all five utilities. The City was quoted a reduced cost by Vertex for the hosted billing system if they also took Vertex up on their staffing offer.

In September, the Council approved allowance for placement, over time, of any affected employees elsewhere in the City should a contract with Vertex be executed for call center services. According to Barry Tippin, Electric Utility Director, due to retirements and employees taking other positions, sufficient attrition has taken place at this time so that no displacement of existing call center employees will be necessary. A walk-in center will remain fully staffed with City employees. With the outsourcing contract, the City will have the ability to quickly and effectively grow and reduce staffing levels to reflect call volumes at a greatly reduced cost (estimated to save \$500,000 annually).

An offer was extended by the City's Personnel Director to the Service Employees International Union (SEIU) to meet and confer regarding potential impacts to employees due to the potential outsourcing for the call center. To date, the offer has not been accepted. At the Council meeting, two SEIU representatives spoke against the outsourcing contract. One said that the actions being taken were illegal under government code and indicated SEIU would sue the City if necessary. The other felt cost savings could be realized by restructuring the call center without the managers, and keeping the center local.

Barry Tippin indicated that extensive research has been done to determine that a call center is a specialized service and within the law of government code.

Specifically, California Code Section **37103** says: "The legislative body may contract with any specially trained and experienced person, firm, or corporation for special services and advice in financial, economic, accounting, engineering, legal, or administrative matters. It may pay such compensation to these experts as it deems proper."

California Code Section **53060** says: "The legislative body of any public or municipal corporation or district may contract with and employ any persons for the furnishing to the corporation or district special services and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services required. The authority herein given to contract shall include the right of the legislative body of the corporation or district to contract for the issuance and preparation of payroll checks. The legislative body of the corporation or district may pay from any available funds such compensation to such persons as it deems proper for the services rendered."

Though the Council voted 3-2 (Jones, Cadd dissenting) to approve the contract with Vertex, there are some elements that will be coming back to Council for changes in the form of ordinances. There is a need to develop the use of consistent business rules by all five City utilities. Examples of the rules include consistent classification of a utility account (residential vs. commercial) and consistent use of the codes used to identify commercial business. While the concept seems simple and straight-forward, it becomes complex with the various types of accounts such as multi-family residences, strip-mall commercial space, and single-metered hotels.

It is anticipated that it will take 18-24 months for complete implementation of the new system. Although the contract with Vertex is for 7 years, there is an exit clause for the City at the 3 year point, with a financial penalty.

County to Update General Plan

The Shasta County Board of Supervisors approved an agreement with AECOM Consulting for the preparation of an overall General Plan update and associated Environmental Impact Review (EIR) at the December 11, 2012 meeting. The payable amount of the agreement with AECOM is \$361,200.

In 2010, the Board of Supervisors directed the Planning Department to proceed with a focused update (on changes in state laws and regulations for greenhouse emissions, flood and fire safety, and housing) of the General Plan and allocated \$552,000 for that purpose from the General Fund. Staff completed the 2009 Housing Element update, and has been following progress on the Regional Climate Action Plan, the Countywide Hazard Mitigation Plan, and the Parks, Trails and Open Space Plan, which were all necessary pre-requisites to undertaking the General Plan update. With the last of these documents recently completed, the Resource Management Department is prepared to proceed with the General Plan update.

The AECOM project managers will meet with County staff in person to conduct a kick-off meeting. The objectives and work program will be discussed, including tasks that have been identified as optional. They will then ask the County to identify key stakeholders, community groups, and other organizations that should be invited to participate in the Update process, including those individuals that the County will invite to participate in the General Plan Update Committee. This committee could include city staff, staff from the Shasta Regional Transportation Agency, and staff from relevant resource agencies. In addition, the consultant anticipates that this committee could include representatives from groups interested in natural resources, affordable housing, agriculture and forestry, public transit, bicycle and pedestrian transportation, property rights, healthy communities, air quality, and other issues.

In addition to the above General Plan Committee, which the consultant identifies as a technical committee comprised of agency representatives, they anticipate the need for a community and stakeholder committee to provide input related to policy changes affecting the unincorporated community of Burney.

The proposal includes public workshops, meetings with the Committee, study sessions and hearings with decision makers, a General Plan Update website, email notifications, and other methods of engagement.

The County is expecting all work and work products done by AECOM to be finished by December 31, 2015.

Costco Agreement Would Allow Project to Move Forward

A credit and reimbursement agreement with Costco Wholesale is pending approval by Redding City Council. Originally scheduled to be considered at the December 18, 2012 Council meeting, the item was postponed until January, 2013.

City staff and Costco are completing negotiations for an agreement that will allow for the construction of the widening of Oasis Road and realignment of Twin View Boulevard, both conditions for Costco to construct a new 148,000 square foot facility at the northeast corner of I-5 and Oasis Road.

Costco will provide construction capital for the project, with costs estimated at \$3.9 million. The City of Redding will provide construction management services for the project. Two public works bid packages will be advertised: Bid Package 1 will include the realignment of Twin View Boulevard north of Oasis Road. Bid Package 2 will include widening of Oasis Road and realignment of Twin View Boulevard south of Oasis.

Costco will also fund project development support, including preliminary design through preparation of the construction contract documents. This cost has been estimated at \$624,000.

Costco will fund right-of-way support and capital costs for right-of-way needed for the North Redding Traffic Benefit District (NRTBD) improvements, with the City-owned right-of-way being credited toward the City's reimbursement obligation to Costco.

Costco is responsible for both NRTBD and Citywide traffic development impact fees (TIF) associated with its project. These amount to about \$4.1 million and will be allocated as a credit against the necessary improvement costs.

Costco will be responsible for initial funding of the project. The estimate for these costs, including project development, right-of-way, and construction is \$4.9 million. Credit will be applied for Costco's TIF amounts, and the remaining amount of about \$800,000 will be reimbursed in 10 annual payments beginning in 2014. A simple interest rate of 2.7 percent per annum will be used to calculate the payment.

Should Council approve this agreement, project development and right-of-way activities could begin immediately, with construction of Bid Package 1 in 2013, and construction of Bid Package 2 in 2014.

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.

City of Redding Development Impact Fee Study—The advisory group is continuing to meet with City staff and the hired consultant twice each month to review all relevant information as this study moves forward. So far, they have received information on utility rates methodology and principles, development impact fees methodology and principles, assumptions for fire facilities and parks, water utility background, water rates and connection fees methodology, and some preliminary drafts showing a variety of fee and rate strategies and how to best implement such strategies. The next meeting (not a public meeting) is scheduled for January 9, 2013. The subject of that meeting will be wastewater rates and fees. Meetings are currently planned through February 2013, and it will more than likely be spring of 2013 before any recommendations are brought before City Council.

East Redding Bike Lanes-Phase II—The East Redding Bike Lane Project will connect residential neighborhoods to Shasta College and Columbia Elementary School. This phase extends along Old Oregon Trail and Old Alturas Road. In September, the Shasta County Board of Supervisors authorized advertising for bids for this project. The construction contract has now been awarded to the low bidder, Tullis, Inc. in the amount of \$2,167,519. As part of this project, PG & E utilities, including transmission poles and distribution poles, need to be relocated, raising the total cost of the project to \$3,254,000. Federal funds will cover \$2,294,000 of these costs. The remaining \$960,000 will be covered by County Road funds, which are included in the 2012/2013 Road Fund budget.

Redding to Anderson I-5 Six-Lane Project—The required environmental review work is underway, including sound studies and biological studies, and on track for completion this calendar year towards the expansion of I-5 to 3 lanes in each direction from Deschutes Road to Smith Road, or the everything between the existing six lane segments from Anderson to Redding. The draft environmental document (EIR) is scheduled for circulation by January 8, 2013. A public information meeting will be conducted in February 2013. Once the EIR process is completed, the project will move into the design phase, which will take approximately 18 months before the project becomes what is referred to as “shovel ready.” The current environmental phase is funded by the State Transportation Improvement Program and local Regional Improvement Program.

New Grant Opportunities Available—Recent announcements have been made regarding two grant opportunities—CalTrans Transportation Planning Grants and Economic Development Administration’s (EDA) Fiscal Year 2013 Public Works and Economic Adjustment Assistance Programs.

The CalTrans grant programs will award \$9 million in funding for fiscal year 2013-2014. These programs provide monetary assistance for transportation projects that improve mobility for a community or region. Our Shasta Regional Transportation Agency (SRTA) is seeking funds for construction of the Redding to Anderson I-5 Six-Lane Project.

The EDA grants will make construction, non-construction, and revolving loan fund investments to leverage regional assets to support the implementation of regional economic development strategies “*designed to create jobs, leverage private capital, encourage economic development, and strengthen America’s ability to compete in the global marketplace.*” They solicit applications from rural and urban communities to develop initiatives that advance new ideas and creative approaches to address rapidly evolving economic conditions. In fiscal year 2012, there was \$220 million made available for the EDA programs. A similar funding level is expected for fiscal year 2013, but the final amounts will not be known until Congress passes a fiscal year 2013 appropriations act. When the full amounts are available, EDA will publish a notice to announce the final funding levels for 2013. The City of Redding is looking at local possibilities.

Join Shasta VOICES today.

We depend on membership and other contributions.

If you are viewing this issue of “***THE VOICE***” on our website, click on the ***membership tab*** for information and to download a membership application or contributor form. Or, you can obtain more information by going to our website, **www.shastavoices.com**, or calling **(530) 222-5251**.

Mary B. Machado, Executive Director