



The VOICE

Your independent news source

Greater Shasta County, CA

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Did you know...

- A Superior Court Judge has issued a ruling ordering the Los Angeles Department of Water and Power to repay its customers nearly \$30 million that city officials had hoped to spend on other services. The ruling said the DWP's long-standing practice of moving money from its water fund into the city's general fund violates provisions of the anti-tax measure Proposition 218.
- Shasta County unemployment hit a 24 year high in March, up to 16.8%. The last time it was higher was January 1985.
- The long-stalled Vineyards residential subdivision in Anderson has completed a five-way agreement to build a water-pumping, storage and distribution system. The more than \$1 million agreement also contains a reimbursement plan. Purchasers of future lots in the Vineyards will reimburse Bergstrom Enterprises, inc., and US Acquisition the sum of \$5,700 per unit, since those two entities put up the funds to help build the booster pump station and water lines.

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Elected Officials Finally Kill "Fix 5" now "SCRIP" Fees

Shasta VOICES was the lone "voice" questioning a regional transportation program touted by local government officials as "Fix 5" when it was rolled out in public two years ago. We were chastised for daring to ask questions, and asking for documentation that would fully explain this seemingly complex program to our average everyday citizens who would be asked to foot the bill for future lanes to be added to I-5

Reluctantly, we were included in the discussions and provided with everything that we asked for. It was as complex as we anticipated, and we hired a local attorney with specific expertise to decipher this unusual program for us, Walt McNeill (thanks so much Walt). And decipher he did. We carried what we learned about the program forward to the general public, putting it in terms that everybody could understand. They did understand, and didn't like it one bit. We've been bringing that message to our elected officials ever since.

Now, two years, many public meetings, and a total revision to the "SCRIP" program later, our local elected officials have finally conducted the appropriate public hearings and voted "no." ***It's official - "Fix 5" now "SCRIP" is dead.*** All jurisdictions in Shasta County would have needed to say "yes" in order for the program to work. Only the City of Shasta Lake voted "yes."

The Anderson City Council demonstrated true leadership in being the first jurisdiction to say "no" on April 21st to a program that would impose impact fees only on a select group of people to pay for future improvements on an interstate highway that benefits everyone who drives on it. They also expressed a need for the State to live up to their responsibility in maintaining I-5. Thank you Norma Connick, Melissa Hunt, Butch Schaefer, and James Yarborough for considering all sides of this issue and having the courage to make a difficult and fair decision.

The Redding City Council also showed that they have the best interests of their citizens in mind when the majority voted "no" on May 5th. They acknowledged that everyone knows congestion on I-5 will increase in future years, but did not agree that a select group of our local citizens should be penalized because legislators in Sacramento can't make the decisions statewide that need to be made for all of its people. They agreed that this program is not a fair and equitable solution for relieving congestion on I-5 when it becomes necessary many years into the future. Many thanks go out to Rick Bosetti, Patrick Jones, and Missy McArthur for their emphatic "no" votes.

The Shasta County Supervisors also deserve credit for refusing to participate in any further hearings on the "SCRIP" subject, effecting a "no" vote on the program. In particular, thanks go out to CAO Larry Lees, who could have gone ahead and scheduled a public hearing, but chose not to do so.

It does not appear that the SCRTPA will waste any time trying to bring something else to the table. We will keep you informed as we learn "what's next" from them. Perhaps we could offer *them* a solution crafted by the general public next time around for consideration. Now ***that*** is an idea that deserves serious scrutiny! Interested? Just contact Mary to move forward on that note: **(530) 222-5251, mary@shastavoices.com**

Commercial Construction Incentive Program Approved In Redding

Phased Benefit Provides Flexible Cash Flow/Financing Option

It is no secret that construction activity in Redding is down significantly since 2006. To help address this situation, the City Council adopted a **residential** construction incentive program in June, 2008 to stimulate residential construction activity. This included the reduction of building permit processing fees, the deferral of impact fee collections for new homes, additional rebates and homeowner rehabilitation loans, and deferral of the July 2008 inflation adjustment increase for the Traffic Impact Fees until January 2009. The incentive program was received positively by the business and development community, and may have resulted in additional residential construction.

In October 2008, the City Council again took positive action to aid construction activity. They approved a **permanent deferral** of impact fee collections to the time of final inspection for all **residential** construction. A fee deferral program was also considered for commercial construction, but no action was taken then.

The construction industry remains in a challenging environment. The economy has not improved. Lending institutions are hesitant to lend. Because of these continuing economic problems, City Manager Kurt Starman was willing to revisit a deferral program for commercial construction in Redding. At the April 7, 2009 Council meeting, the Council approved a program that would defer payment of water and sewer impact fee payments for commercial construction for a 6-month period. Here is how the program will work:

- Commercial projects within redevelopment project areas are allowed an option to pay 25% of the water and sewer impact fees at issuance of the building permit, with the remaining 75% to be paid over a maximum of 3 years, in regularly monthly installments.
- The installments are subject to an interest charge equal to the City's typical funding investment rate.
- Any project proponent or property owner wishing to take advantage of the program would be required to enter into an agreement with the City that stipulates the fees as a debt against the property with specific consequences for non-payment. The remedies for collection would include placing a lien on the property for the debt or terminating the delivery of utilities until such time that the debt is brought current. The agreement would be recorded against the property.

The City Council will revisit this program after 6 months, and depending on its effectiveness, will discuss deferring traffic impact fees as well, particularly for smaller businesses, as requested by Shasta VOICES and others.

At the same meeting, the City Council also approved an **automatic 6-month building permit extension**. Currently, a building permit expires 180 days after issuance if the work is not started, with one six-month extension possible. Once work commences on a project, if it stops for a period of 180 days or longer, the permit becomes void. This new 6-month extension is retroactive to permits and permit applications which were valid on or after January 1, 2009. It would remain in place for all expiring plan checks and building permits through July 1, 2009.

Shasta VOICES wholeheartedly supported these changes, and requested one more positive change at this meeting. That would be to implement a policy to make it **mandatory** that appropriate City staff **provide a building and impact fee estimate** to any person applying for a permit, whether for new construction or remodels/changes to existing structures. Currently, staff only provides an estimate if one asks for it specifically. We've learned that most tenants making improvements have no idea they could be charged for "impact fees" on an existing building, and therefore, it never occurs to them to ask for an estimate. They experience sticker shock and often financial distress, usually after they are already more than halfway into their project, when they learn about the requirement to pay such fees.

City Manager Kurt Starman directed his development services managers to reinforce staff to provide this information each time, and to enhance the existing literature to include verbiage indicating that a fee estimate needs to be obtained before proceeding with any project.

The resolution to implement the changes in fee collection and permit extension was brought back to the City Council for approval at the May 5, 2009 City Council meeting. It was unanimously approved. Programming modifications to the Development Services Department computer system will also be required to track the changes, and should be complete prior to commencement of the program, which will begin June 1, 2009.

Shasta County Increases Development Impact Fees

It seems hard to believe that the public notice of upcoming increases in the Development Impact Fees in unincorporated Shasta County could possibly be correct! We are in the worst recession in our history, construction is almost at a standstill in Shasta County, other communities in the State are **reducing** their fees to stimulate construction activity, and Shasta County is increasing their fees?

But, after researching the records, it appears that there is no mistake. And, as we wrote back in January, Redding also increased their fees in January.

On July 1, 2009, the Shasta County Development Impact Fees will increase an additional 6.4% based on the Building Cost Index provided by the Engineering News-Record in accordance with Shasta County Ordinance 665.

We aren't sure how to question the Building Cost Index at this point. Research indicates that construction costs have been reduced in the last 2 years significantly, and our community, as well as all others in California, has benefited tremendously from this reduction.

But, be that as it may, the County Ordinance allows for regular inflationary increases based on this index. There is no requirement to bring this before the County Supervisors and/or the public for discussion.

So, here are the increased rates that will become effective on July 1, 2009:

	Single Family	Multi-Fam. Per unit	Commercial Per 1000 SF	Office per 1000 SF	Industrial Per 1000 SF
Main Fee	\$3,351	\$3,209	\$ 523	\$ 377	\$ 235
Main Fee + Fire	\$4,391	\$4,205	\$1,131	\$ 840	\$ 511
Main Fee + Traffic	\$4,099	\$3,670	\$1,550	\$1,591	\$1,070
Main Fee + Fire + Traffic	\$5,139	\$4,666	\$2,159	\$2,054	\$1,345

Of course, **not included** in these fees is the cost of bringing water and sewer services to property in unincorporated Shasta County, school fees (\$2.97 per sf), and the **additional** South County Regional Traffic Impact Fees imposed in the amount of \$2,394 to \$5,852 (for single family homes, more for commercial), depending on exactly where you build.

Explanation Falls Short for Redding Utility Rate Increases

On May 19, 2009 at 7:00 p.m. during the regular Redding City Council meeting in the City Council Chambers, a public hearing will occur to discuss raising monthly user rates for water, wastewater, and sewer services for the City's 33,000 utility customers. A "ballot" or "protest form" was sent to each customer, as required by Proposition 218, to ask them to approve this rate hike:

- ***If a written protest is filed by a majority of the affected parcel owners, the proposed rate change will not be imposed.***

The explanation included with the protest form falls short of offering details to demonstrate the need for such increases. As usual, the fall-back explanation is that "rates are being adjusted to keep up with increases in costs."

The public hearing will occur whether or not a majority prevents the rates from increasing. Alternative decisions will need to be made, from reducing overhead costs to altering the level of service now provided if the rates are not increased.

If you intend to file your protest form, you must do it by May 19th. We won't know until then whether or not the majority voted against the increase.

If you want to express your views (pro or con) to the City Council before a decision is made to increase these rates, you need to attend the public hearing and speak up!

RTPA Sends Letter Denouncing Proposed Anderson Courthouse Site

The Shasta County Regional Transportation Planning Agency (SCRTPA) voted at its meeting on April 28th to send a letter to the Administrative Office of the Courts (AOC) regarding the future location of the Shasta County Courthouse. Two sites were submitted in the City of Redding and one in the City of Anderson.

The SCRTPA recommended the location of the Shasta County Courthouse remain in downtown Redding. They sited transportation related factors based on traffic studies showing this 173,000 square foot facility would generate 7,500 daily vehicle trips. They asked the AOC to consider congestion levels on travel time between support facilities such as the county jail and the proposed sites. They asked the AOC to consider equitable public access to the courthouse (RABA bus service). And they asked the AOC to consider state mandates to reduce vehicle miles of travel and greenhouse gas emissions and other pollutants.

Board members felt it was their purpose to make the best decisions for transportation in the region, regardless of their personal feelings on particular issues such as this.

The City of Anderson, who has a seat on the SCRTPA Board, was disappointed in this decision. They had never seen a request to put one partner in the SCRTPA against another. Theirs was the lone vote against this letter.

Redding City Council Scolds Unions While Making Budget Cuts

In a special meeting held on May 5th, the Redding City Council was forced to cut \$4.6 million in expenses from the general fund to keep the City from going into the red. The City has is currently spending about \$350,000 more each month than it is taking in, and reserves could be exhausted by next June without these cuts.

Council members scolded the bargaining units for refusing to make concessions that would prevent layoffs. Asking them to forego a raise (that they haven't even received yet) or pay a portion of their benefits, doesn't seem like too much to ask during the worst recession in our history.

Because the unions have not agreed to concessions, the Council voted unanimously to lay off 35 full time workers and 25 part-time workers. These layoffs will begin June 12, 2009. This is in addition to other reductions that have been agreed upon throughout the City, and may not be the last round of reductions.

Some key reductions include: laying off and eliminating the Economic Development Director; furloughing all Directors one day per month; laying off and eliminating 7 positions in the Development Services Department, (saving \$450,000); eliminating 15 part-time seasonal/on-call positions and 2 full-time administrative positions in the Fire Department (saving \$460,000); reducing the contribution to Turtle Bay by \$31,500; laying off and eliminating 20 positions in the Police Department including 13 community service office positions and 4 police records technicians (saving \$1.6 million); and reducing street maintenance by \$400,000.

If unions would make concessions, there would be no layoffs. Furloughs would save up to \$3.6 million; foregoing raises would save \$1.3 million; employees paying 10% of their health insurance premiums would save \$532,000; employees paying their share of the Cal Pers retirement contribution would save \$2.3 million.

Public Pension Reform in Shasta County? Maybe...

While most private sector employers and employees are struggling to make ends meet during the worst economic recession in our history, a flurry of information is surfacing about outrageous public sector employee salaries and benefits and the extreme cost to taxpayers.

It's bad enough that people are being laid off from their jobs or having reductions in salary, losing employer-paid health care coverage, experiencing steep declines in 401 k retirement accounts, and having trouble making their monthly mortgage payments. But to learn that in spite of all this, they are continuing to pay taxes to keep public sector employees working with full benefits in tact and funding their overly generous pensions, is just too difficult to take.

Lucrative benefit programs have been implemented by our elected officials over the past several years. They have given away the farm (so to speak), and made it difficult, if not impossible, to roll back benefits that have already been earned. And all this at the expense of the taxpayers. Redding and Shasta County are no exception.

Studies have been done that highlight problems with public employee compensation that allow workers to spike their already generous pensions. Public safety employees can receive a pension equal to 90% of their highest 12 months' salary. In addition, they can receive credits for such things as sick leave, administrative leave, vacation buy-back, standby pay, and even include auto allowances to spike their salary figures, earning more in retirement than they ever did while working. This must change.

There is so much public anger associated with this topic that Shasta VOICES is planning to host a "*Pension Forum*" in Redding. We feel that all sides of this issue need to be heard, and are planning accordingly. If you want to be involved, contact Mary at **(530) 222-5251**.

We will provide more information and details when finalized. Stay tuned!!

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