



The VOICE

Your independent news source

Greater Shasta County, CA

Volume VI, Issue V

www.shastavoices.com

October 2012

Did you know...

- In August, 2012, there were 128 single family homes sold in Redding. Of these, 76 were "normal" sales averaging \$227,000; 32 were REO's, averaging \$157,000; and 20 were short sales, averaging \$152,000. For the first time in a long while, local realtors are seeing a decline in the number of distressed property sales.
- Redding's Fire Station #2 on Placer Street, which closed in January 2011, was re-opened on October 14, 2012. The Redding Professional Firefighters Local 1934 members agreed to pay a portion of their pensions and receive less generous retiree health insurance benefits, saving about \$2.5 million over the next six years which will be used to keep this station open.

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Anderson Has it Right.... Things Are No Longer Booming

Craig T. Lund, of Los Altos, is in escrow to purchase the 530 acre Vineyards subdivision property in the City of Anderson (which includes 95 ready-to-build lots). This property was currently owned by Heritage Bank. The new owner requested that the City dissolve the Community Facilities District (CFD) that was set up for this development when things were "booming" because it is now unnecessary and an encumbrance to the project.

The City of Anderson agreed, and officially dissolved the Community Facilities District (CFD) which had been set up for the Vineyards Planned Development in 2009, at its October 16, 2012 City Council meeting with a 5-0 vote.

This CFD was a special tax fund that had been formed to issue tax-exempt bonds to finance the construction of public infrastructure and facilities to serve the Vineyards development. The CFD was formed for the purpose of financing certain facilities and services, including school district facilities (elementary school or K-8 facility), City facilities such as road improvements, traffic signalization, improvements to the City's sewer collection system or treatment plants, development of public parks and trail improvements, public community center facilities, police services, ambulance and paramedic services, maintenance of parks, the construction of a fire station and additional ladder trucks.

But, the bonds for the CFD were never issued. The need for infrastructure did not materialize. There is no obligation to pay any outstanding debt. There is no money currently being held in the CFD. The CFD has no authorization to levy a special tax. Things are no longer booming.

On September 4, 2012, a Public Hearing was held by the City Council for the removal of 95 recorded parcels in the Vineyards development from the CFD at the request of the owner. No comments were received either for or against the proposal, and Council did further research to see that the proper process was followed for amending the CFD accordingly.

An Ordinance (No. 780) was issued and approved by City Council dissolving the CFD in its entirety. It will take effect thirty days from its adoption, or on November 17, 2012.

Had the CFD continued, each parcel in the Vineyards Specific Plan would have been assigned a special tax rate of 1.75%. At a sales price of \$250,000, the assigned annual special tax would have been \$525.00. This would have been in addition to other special assessments which will remain for landscaping and lighting maintenance and the Anderson Fire District.

The Anderson City staff and City Council clearly understand that the economy has changed drastically from just a few short years ago. They are willing to do what is needed to provide better opportunities for business growth and economic revival.

Perhaps the City of Redding and County of Shasta should take note and learn from Anderson. Policies, fees, and taxes that seemed like a good idea during the "boom" are now unnecessary and unaffordable. All local jurisdictions should revisit those policies and make adjustments that will provide better opportunities for business growth and economic revival for their citizens.

New Costco Store in Design Phase

Costco outgrew its existing store on Dana Drive in Redding long ago, and has been considering building a newer, larger Redding area store with the addition of gas pumps for many years. Their CEO has now officially signed off on the construction of a new store, and Costco is moving forward with plans to build a 148,000 square foot facility at the Northeast corner of I-5 and Oasis Road.

The Oasis Road area is targeted for planned development within the City of Redding, and infrastructure improvements are required to ensure that development can occur. Federal stimulus funds, referred to as ARRA funds, were approved in the spring of 2009 and \$3.1 million was granted to the City to complete Phase I of the I-5/Oasis Road interchange reconstruction. In the summer of 2011, a newly expanded on-ramp opened from Oasis Road to I-5. With this interchange work now completed, Costco can build and open a new store in this area.

Costco’s design team met with City officials from Redding to discuss the on-site improvements that will need to be made in early October. They are at a point now where they can start their construction drawings. Once completed, they can submit the drawings for building permits and a review by city planners.

Discussions are continuing to determine if the City and Costco can work out a deal to have Costco front the money and be repaid through future impact fees for certain infrastructure improvements that will bring water and sewer services to the site. There will also be a need to build or expand existing roads, and Costco will pay more than \$4 million in traffic impact fees towards this effort.

It has been estimated that it will take 18 months to two years before Costco opens its doors at this new location.

Shasta County Taxable Property Values Still Down

Property tax is the single largest source of discretionary revenue available to Shasta County. For the County’s adopted budget for fiscal year 2011-2012, the property tax was 86.6% of all general revenues.

At a basic tax rate of 1%, over \$146 million in revenue will be generated for schools and local government from this year’s tax assessment roll, according to Leslie Morgan, the Shasta County Assessor-Recorder.

With the continuing decline of real estate values, a proactive approach was taken to initiate property value reviews in order to appropriately value properties. As a result, 29,512 property owners were notified that their taxable value has been reduced. These reductions were based on a comparison of the current market value of their property as of January 1, 2012, to the factored base year value (Prop 13 value) of their property in accordance with State law.

The distribution of taxable values by city and the unincor-

porated areas as of January 1, 2012 looks like this:

	<u>Gross Value</u>	<u>%</u>	<u>vs.</u>
	<u>of County</u>		<u>prior year</u>
Shasta Lake:	\$ 629,736,046	(4.3%)	- down 3.31%
Anderson:	\$ 599,118,504	(4.09%)	- down 6.22%
Redding:	\$ 7,430,331,676	(50.72%)	- down 2.2%
Unincorporated:	\$ 5,990,310,818	(40.89%)	- down .97%
TOTAL:	\$ 14,649,497,044		

The above figures do not account for exemptions granted, which total \$905,881,218. When subtracted from the total gross value, the net taxable value of properties in Shasta County totals \$13,946,310,151 for the 2011-2012 fiscal year.

General Election is November 6, 2012



Don't forget to vote on Tuesday, November 6, 2012!!

Threat of Lawsuit Causes City to Hold Off on Call Center Outsourcing

At the Redding City Council meeting held on September 4, 2012, direction was given to staff to pursue outsourcing the City's utilities Call Center services to a company called Vertex Business Services, who also provides the software that runs the City's billing system.

The City has operated a Call Center for its utility customers for many years and has struggled at times to maintain levels of service that are commonly achieved by other similar types of call centers. There are likely many causes for this (according to Electric Utility Director Barry Tippin), but a main issue is the ability to quickly and effectively grow and reduce staffing levels to reflect the call volumes, causing long wait times and abandoned calls (hang-ups). Although the work load is up and down, the City staffs to the "middle."

The current budget for the City's Call Center is \$1,070,000 per year. The cost from Vertex to perform this service is \$535,000 per year assuming a seven-year contract is negotiated. If this option is eventually contracted, impacted existing City employees would maintain their employment with the City at their current rate of pay performing other customer service duties or working in other areas of the City, filling existing vacant positions. The Vertex contract would potentially solve the problem of proper staffing and growing or reducing staffing levels as needed, and provide equal or better levels of service to customers for less cost. The cost savings could potentially help reduce rates or retire REU debt. However, the Vertex call center services would be provided by employees located in Scotts Bluff, Nebraska.

Not surprisingly, a labor union representing employees at Redding Electric Utility's customer service department (SEIU) has filed a grievance, warning of a lawsuit if the city tries to outsource the Call Center. SEIU argues that the City is breaking the labor contract with them by outsourcing jobs to a private company and transferring the Call Center workers to other city departments. They base their arguments on a ruling published last month by the Fourth District Court of Appeals, which was a case filed by the Costa Mesa City Employees' Association (CMCEA) against the City of Costa Mesa.

In March, 2011, the City Council of Costa Mesa approved an outsourcing plan to contract out for a variety of city services, including street sweeping, graffiti abatement, animal control, jail operations, special event safety, information technology, graphic design, reprographics, telecommunications, payroll, employee benefit administration, building inspection, and park, fleet, and facility maintenance. Thereupon, the City's Public Services Director sent layoff notices to over 100 city workers who are represented by CMCEA, indicating that the layoff would be effective September 30, 2011.

In the Costa Mesa case, the CMCEA filed suit against the City, contending the City's proposed outsourcing plan violated state law as well as the parties' collective bargaining agreement. They sought a preliminary injunction to prevent the City from contracting with a private entity for any of the services performed by CMCEA members or laying off CMCEA members as a result of such contracting. In targeting the City's outsourcing plan, CMCEA requested this injunction to prevent the plan's implementation while it's lawsuit was pending.

Ultimately, the court decided to grant CMCEA's request for a *preliminary injunction*. In its decision, the court indicated that "...a preliminary injunction is an order that is sought by a plaintiff *prior to a full adjudication of the merits of its claim*." The court went on to say, "The purpose of such an order is to preserve the status quo until a final determination following a trial. ***It does not constitute a final adjudication of the controversy.***"

Costa Mesa is a general law city. In 2004, it entered into a collective bargaining agreement with CMCEA regarding the terms of employment for city workers who are represented by CMCEA. The agreement was memorialized in a Memorandum of Understanding (MOU), which is effective until March 13, 2013. Article 14.1 recognizes, "It is in the interest of the City of Costa Mesa and CMCEA to establish a consistent policy regarding the City's approach to evaluating the cost of providing municipal services on a regular basis in which CMCEA has an interest....The City is interested in involving the employee associations to the greatest degree in this regard; and, as such, agrees to make them part of discussions regarding the contracting of services." Article 14.2 goes on to say "that should a decision be made to contract out for a specific service which is at the time being performed by employees covered by this MOU...the City will make every effort to transfer and utilize regular attrition in making the necessary adjustments."

So, how does this ruling affect the City of Redding's decision to pursue an outsourced Call Center? A review of their agreement (MOU) with SEIU shows that in Article 3(i), the City has "the right to contract out work to be done or services to be rendered, provided however, that the impact and effect of any such decision may be subject to the meet and confer process." It also states in Article 10.3 that a "part-time employee may work part-time, intermittently, or on an irregular schedule." It would seem that this could provide an alternate solution to the "proper staffing" issue without having to outsource local Call Center jobs to Nebraska. Perhaps this is a better solution for SEIU to pursue than a lawsuit.

The City of Redding's management is leaving it to attorneys to interpret what this ruling means, if anything, to the City of Redding. In the meantime, the City is holding off on drafting an outsourced Call Center contract.

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— A local Advisory Group consisting of Gary Blanc (Sierra Pacific Industries), Pat Corey (McHale Signs), Monique Gaido (citizen from Garden Tract area), Michele Goedert (realtor/downtown BID), Chris Haedrich (Haedrich & Co.), Mary Machado (Shasta VOICES), and Frank Sawyer (SDS Engineering) have been meeting with City staff and the consultants 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. These meetings are not public meetings (yet). The current goal is to provide an update on the progress of the study to City Council and the general public at a Council meeting in December, 2012.

The Advisory Group is not shy about providing feedback and suggestions to the findings that are being presented for consideration and study. Most of City staffers seems to be responsive to their concerns, although staff tends to hold on to the methods of the past when the economy was drastically different than it is today. Policies, fees, and taxes that seemed like a good idea during the “boom” certainly seem now unnecessary and unaffordable. If adjustments are not made to create a better opportunity for business growth and economic revival, it won’t matter what policies, fees, and taxes are in place...no growth will occur. And with fees and special taxes on new growth, 100% of zero is zero. Nobody wins, and everybody, including the City, loses. As evidenced by the tremendous success of the temporary program waiving sewer and traffic impact fees that totaled \$12,518 per single family unit in Redding through June 30, 2012, there is a “number” that pencils out for new construction, and that number is **lower**, not higher than the existing impact fee levels. At some point, there needs to be a balance of what the City wants or needs, and what is affordable without stifling growth and an economic recovery locally.

If you are reading this and want to provide input about current and/or future impact fees and utility rates, please feel free to contact Mary Machado, (530) 222-5251 or mary@shastavoices.com.

Northern California Veterans Museum—At the August 21st Redding City Council meeting, Museum Director Rob Burroughs asked for and the Council approved (by a 4-1 vote, Sullivan dissenting) a donation of \$193,800 to be used towards architectural documents, civil documents, traffic studies, and environmental studies for the proposed \$50 million museum campus on 16 acres at the southwest corner of Redding Municipal Airport. But at the October 16, 2012 Council meeting, the Council was deadlocked with a 2-2 vote (McArthur, Sullivan dissented, Jones recused because he serves on the Museum advisory board) on a budget resolution that would have officially given the money to the museum. McArthur reversed her August 21st vote supporting the allocation of these funds, expressing concern that for such a huge project, \$200,000 could not be raised by outside donors, as was originally presented; how then, would the museum get the rest of the money for the project?

Under the City funding agreement, the museum would have until December 31, 2013 to complete the paperwork before the city would release the money (with the possibility of an extension). With a 2-2 vote, **no action** was taken on this item. **Three votes** would be needed to approve, or not approve this resolution. The 2-2 vote does not preclude the request from coming back to Council for another vote at another Council meeting. If Councilman Jones changes his mind about having a conflict of interest and determines that he can participate in the vote without conflict, we may see this item come back for yet another vote.

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