

**Did you know...**

- At the end of 2012 in Redding, the city-wide retail vacancy rate increased to 9.62% (from 8.83% at the end of 2011).
- The City of Redding will receive the Tree City USA and Tree Line Utility Awards on Friday, March 8, 2013 at noon at a ceremony to take place in the McConnell Arboretum on the north side of the Sundial Bridge. The City has proclaimed this day as Tree Planting Day, and March 7-14 as Arbor Week. Eight-hundred tree seedlings will be offered to city residents on March 7th and 8th for planting on private property. The trees will be distributed by the Parks Maintenance Division staff at the Teen Center in Caldwell park. Turtle Bay staff will distribute any remaining trees on March 9th in Paul Bunyan's Forest Camp at Turtle Bay..

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## Anti-Panhandling Campaign Becomes Business Priority

The Redding Merchants Crime Watch group has organized a “Handouts Don’t Help” anti-panhandling campaign effort.

The Redding Merchants Crime Watch is a group that communicates among each other any crime or suspicious activity. They meet about every 8 to 10 weeks or as necessary. There are over 300 businesses in the loop and growing every day. Participants include those from the big box loss prevention people to small businesses throughout the entire city. Panhandling was one of the main concerns of many people in the group, and that is what prompted this campaign. The Merchants group did a lot of good things during the holidays that helped to apprehend several groups of people who were targeting retail stores and taking goods. There are Redding police officers as well as city council members in the group.

The anti-panhandling campaign is designed to encourage businesses to display posters in their windows that show a man holding up a sign that says, “Don’t Feed My Habits” (shown here). Posters can be obtained by contacting Frank Strazzarino at the Redding Chamber of Commerce, (530) 225-4433, extension 110.

There is also a website that offers more information about this campaign:

[www.handoutsdonthelp.org](http://www.handoutsdonthelp.org)

The website states: “Don’t encourage panhandling. Your handout keeps them on the streets, allows them to delay treatment, and encourages professional panhandlers to come to our area creating a public nuisance. Instead support the programs that offer treatment, housing, food and shelter.”

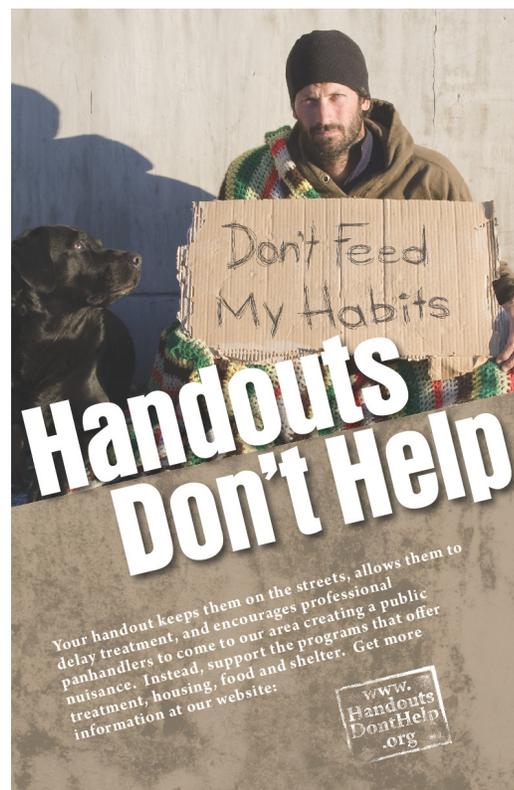
The ultimate message and purpose of the campaign is that “It’s OK to say “no” to panhandling and “yes” to giving.”

Here are some of the organizations that provide programs for those in need:

People of Progress (POP) - 1242 Center St., Redding, CA, 96001; (530) 243-3811

Redding Veterans Resource Center—280 Hemsted, Ste. 100, Redding, CA, 96002; (530) 223-3211

County Continuum of Care Council—1450 Court St., Ste. 108, Redding, CA, 96001; (530) 225-5160; [www.shastacoc.org](http://www.shastacoc.org)



Your handout keeps them on the streets, allows them to delay treatment, and encourages professional panhandlers to come to our area creating a public nuisance. Instead, support the programs that offer treatment, housing, food and shelter. Get more information at our website:

[www.HandoutsDontHelp.org](http://www.HandoutsDontHelp.org)

## Mid-Year Budget Report Tells Economic Story

Redding City Council reviewed and accepted the City’s mid-year budget report at a special meeting on February 13, 2012 after hearing staff recommendations for some revisions to General Government appropriations.

Of particular interest was an overview of revenues to the General Fund:

**Sales Tax Revenue:** 7-1-12 through 12-31-12 sales tax revenue was \$7,835,263 (2.4% above estimates). Cash collections in the third quarter of 2012 increased by 7.6 percent over the past year. The primary driver of the increase has been **new car sales**, which has increased by **27 percent**. Excluding new car sales, sales tax has increased 5.8 percent. The City has experienced seven straight quarters of sales tax growth. Although this is good news and shows a little bit of stability in the local economy, sales tax revenues are nowhere near the levels they were 6 years ago.

**Property Tax Revenue:** 7-1-12 through 12-31-12 property tax revenue totals \$1,842,837 (230% above estimates). The reason this is so far above estimates is due to the distribution of redevelopment funds earlier than expected. Through December 2012, the city received \$1,085,117 in one-time redevelopment funds. This year’s property tax estimate is about \$300,000 more than last year’s actual amount. Due to a recent court ruling, the county has reduced the amount charges to cities for the administrative fee. The lower administrative fee will provide around \$400,000 in additional property tax revenue to the City each year going forward.

**Other Taxes:** Business licenses, property transfer taxes, franchise taxes produced revenue from 7-1-12 through 12-31-12 of \$807,397 (2% below estimates). Over the past three years these taxes have decreased by over 8 percent.

**Revenues from Other Government Agencies:** 7-1-12 through 12-31-12 revenues from other governmental agencies total \$1,461,076 (5.6% below estimates due to timing of grant related revenues to be received later in the year).

**Late Fees:** 7-1-12 through 12-31-12 late fees revenue total \$938,256 (6% above estimates).

**Building Related Fees:** 7-1-12 through 12-31-12 building related fees total \$575,667 (13% below estimates). The slow-down in the economy over the past few years has had a significant effect on building activity. It appears, however, that building fees are starting to stabilize.

**Revenue from Internal Departments:** 7-1-12 through 12-31-12 revenues from internal departments total \$4,945,890.

**Other Revenue:** 7-1-12 through 12-31-12 other General Fund revenues total \$1,666,911 (4.8% above estimates).

Economically speaking, the City is still in survival mode. Sales tax revenues, once at \$23 million per year, are hovering around \$16 million. Property taxes have decreased substantially over the past 5 years as values declined sharply with the housing crisis. Building activity is still far below past years. The City of Redding continues struggling to maintain a balanced budget and live within their means. Under the circumstances, they are doing what they need to do and making the tough decisions that must be made in the downturned economy, although “appropriating” (which is really moving money around from one area of city government to another) doesn’t do anything to prevent over-spending.

## Electric Rates Go Up—Lifeline Program Expanded

On February 5th, Redding City Council voted 3-2 (Cadd, Jones dissenting) to increase Redding Electric Utility (REU) rates by 7.84% effective on March 5, 2013, followed by another 7.84% increase effective in March, 2014.

As part of these increases, a “network access charge” replaces the fixed meter charge to better account for fixed utility costs and reduce subsidies between customers. Residential “fixed” charges will go from \$9.80 to \$11.30/\$13.00 per month. Small commercial will go from \$16.50 to \$18.00/\$20.00 per month. Large commercial will go from \$25.00 to \$29.00/\$33.00 per month.

City staff said the rate increase amounts to about \$9 more per month in 2013 and another \$9 more per month in 2014.

To assist low income individuals with these increases, Council voted unanimously to modify and expand the Lifeline Program, using the (required) Public Benefits funds.

The current Lifeline benefit is extended to households including a family member with a disability (not just the rate-payer, as was the existing policy).

And, the Lifeline Program is **expanded** to include extremely low income households (30% of median income), with benefits given regardless of age or disability. It will extend a 25% discount on up to 300 Kwh per month (basic needs). Here is the income criteria to qualify:

Family   30% of Median Monthly   30% of Median Yearly

1	\$1,032	\$12,400
2	\$1,183	\$14,200
3	\$1,329	\$15,950
4	\$1,475	\$17,700
5	\$1,596	\$19,150
6	\$1,713	\$20,550
7	\$1,829	\$21,950
8	\$1,950	\$23,400

## *Streets and Police Facility Take Priority*

Redding City Council met on February 13th to set some priorities that will assist City staff as they head into the preparation of the next two-year budget cycle, which will be presented in June 2013.

At the top of the priority list was **city street maintenance**, whose budget has been reduced due to the Great Recession. That budget is not adequate to maintain the City's street infrastructure.

The City is currently **only** utilizing its gas tax revenue for this purpose. It costs about \$3.4 million per year to maintain existing streets, not including the backlog.

City officials say that additional funds are needed for street maintenance, even though consumers are paying heavily for gas taxes. According to the American Petroleum Institute, California's gasoline taxes and fees, averaging **68.9** cents per gallon, and California's diesel taxes and fees, averaging **77.1** cents per gallon, both rank second highest in the nation. Among these taxes and fees are a federal excise tax of 18.4 cents per gallon, a state excise tax of 36.0 cents per gallon, and a sales tax averaging 3.12 percent when local taxes are included. The sales tax is calculated on the total price of the fuel sale including excise taxes, resulting in double taxation—consumers pay a tax on a tax. For diesel fuel, the federal excise tax is 24.4 cents per gallon, the state excise tax is 10 cents per gallon, and the sales tax is 9.42 percent plus applicable local taxes.

Interestingly, there was no discussion of just where additional funds would come from to fund additional street maintenance. Perhaps the answer to this question will be in the draft budget documents in June.

The second priority for the City was to **move the Redding Police Department (RPD) to the City Hall complex**, and **construct two new buildings immediately to the west of City Hall to accommodate Patrol and Evidence**. If the concept is ultimately approved, the City would move the Redding Electric Utility (REU) functions to a new facility. REU would lease new office space, using the \$285,000 per year that they now pay for office space at City Hall. RPD would occupy that space (18,000 square feet) for administration and most RPD functions, except for Patrol and Evidence. A building for Patrol would be built to comply with the Essential Services Act, and would be 8,500 square feet. A second building for Evidence would be warehouse space of around 10,000 square feet. It would cost approximately \$7.4 million to construct these new RPD improvements (seen in this picture).

The City would utilize \$2 million in remaining bond proceeds from the Stillwater Business park to help finance these improvements. The City also will be receiving a one-time payment from the County of about \$1.5 million as the result of winning a lawsuit for having been overcharged for the administration of property taxes. And, because of the suit, future charges from the County for performing these functions will **reduce** the cost to the City by \$350,000 to \$400,000 per year. If the City were to add the \$1.5 million one-time payment to the \$2 million already set aside for the new facilities, they could then obtain a new loan for the remainder of just under \$4 million. The annual debt service on the new loan would be less than the "savings" in property tax administration charges to the County of \$350,000 to \$400,000 annually. It is feasible that there would be enough money from all these sources to cover the cost of the new Police Facilities. At least, this is one potential funding plan to make sure our Police Department has a safe place to work. It's the first plan in the last ten years that appears to be both practical and affordable.



Redding Police Chief Paoletti, when asked by Council members if his priority for his department was to add officers versus having a new facility, said that he **prefers having a healthy building** for all of his public safety staff to work in. He added that virtually all of his public safety staff have filed worker's compensation claims for lead exposure in the existing building, which is not the only problem with the existing old building (which has seen its better days).

Items that did **not** make the cut as priorities for the next budget cycle include making contributions toward the **unfunded liabilities** for the City's CalPERS/PARS pension fund (\$157 million through 6-30-11) and the City's retiree health care program (\$134.6 million through 6-30-12). The retiree health care program alone would require a contribution of \$12.3 million per year to become fully funded. Instead, the City uses a "pay-as-you-go" system, which costs \$3.2 million per year. At some point in the future, these items will have to be addressed. For now, Council opted to tackle those items that they believe are doable within the immediate upcoming budget.

## *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.

**Anselmo/Seven Hills Land & Cattle Co. vs. Shasta County**—Legal proceedings continue on the multitude of lawsuits filed by Reverage Anselmo against Shasta County (and the County's cross-complaints). Mr. Anselmo wants to get construction permits, wants to comply with appropriate codes, and will spend the money to do what's required for expanding his winery near Shingletown. Why wouldn't the County be willing to have a settlement discussion with him to get this straightened out? They are now saying they would be willing...let's all hope so. As of the end of January 2013, the County has paid **\$422,029** to outside counsel to defend themselves. Payment for these fees comes from the County's Risk Management fund— \$250,000 as its self-insured retention (already paid by the County), and the balance is being submitted to the County's self-insurance pool for a determination to see if they have coverage and reimbursement. At a minimum, taxpayers are stuck with a \$250,000 bill, no matter what the outcome, and possibly much more. It's time to settle this mess!

**Shasta County Hires Director for Department of Resource Management**— Richard Simon, the former Assistant Director of the Department of Resource Management, has been appointed as the new Director effective February 10, 2013. His monthly salary will be \$10,641. The County's new Building Official will be Dale Fletcher, who was the Building Division Manager. He holds the required International Codes Council (ICC) certificate.

**Map-21: A New Two Year Federal Transportation Law**—CalTrans hosted a forum for local and regional city governmental officials and staff, as well as special interest organizations in Redding on February 6, 2013 at Redding City Hall to explain a new two-year transportation authorization, entitled Moving Ahead for Progress in the 21st Century (Map-21). The new law authorizes \$10.6 billion in fiscal year 2013 and \$10.7 billion in fiscal year 2014 for public transportation. Map-21 expands the National Highway System to incorporate arterials not previously included, adding 5,500 centerline miles (22,500 land miles) of local roads. It seems that now the federal government will have a say in improvements, design standards and how our local roads owned by them should be maintained, whether or not federal funding is used for such improvements. They are not offering any new money, only new requirements. CalTrans suggested that whatever projects are already programmed for funding by each region be delivered as soon as possible—the "old program" money is there now, and needs to be used before it sunsets. There will be transition plans. None of the local participants from the North State regions seemed particularly pleased with the new direction taking place with Map-21.

**Redding to Anderson 6 Lane Project**— CalTrans hosted an informational open house on February 13, 2012 regarding the project to widen Interstate 5 to six lanes from the South Bonnyview/Churn Creek Road interchange in Redding to the Deschutes Road interchange in Anderson. This project will reduce congestion, enhance safety and improve merging operations on this stretch of Interstate 5. Although there weren't a large number of attendees, the response was very favorable and supportive of this project. This is another step in the process of completing the required Environmental Impact Report (EIR). Once the EIR is complete, the project will move into the design stage.

**REU Commission Moves Forward**—On February 5, 2013, Redding City Council voted 3-2 (Sullivan, McArthur dissenting) to establish an Electric Utility Commission. It shall consist of seven members, who shall be residents of the City of Redding and ratepayers of the utility, selected by the Mayor for four year terms, subject to approval of Council. The Mayor is to strive for a balance of members from a variety of backgrounds, with at least one member with accounting/financial background, at least one member with experience in utility engineering discipline, and at least one member with background in the law or the electric industry regulatory environment. The Commission shall meet at 6:00 p.m. on the third Thursday of each month at City Hall. The Mayor is working on the appointments, and will bring the names forward for Council approval as soon as possible.

***Join Shasta VOICES today.***

**We depend on membership and other contributions.**

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Mary B. Machado, Executive Director