



The VOICE

Your independent news source

Greater Shasta County, CA

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Did you know...

- Several California lawmakers rewarded their employees with pay hikes during the first half of the year. At least 87 California Assembly staff members received pay raises totaling more than \$430,000 on an annualized basis, even as the state faced a growing budget deficit that led to furloughs and pay cuts for many other government workers and steep reductions in core services.
- The City of Redding has convened a "Privatization Evaluation Committee (PEC)" that will meet the 2nd and 4th Monday of each month (through January 2010) at 6:30 p.m. in the Community Room at Redding City Hall's Council Chambers building. The 10 member committee includes all 5 Council members. The meetings are open to the public.
- The City of Redding now provides live streaming video of City Council Meetings on their website. These meetings are held each 1st and 3rd Tuesday of the month at 7:00 pm.

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CalPERS Will Participate Last Chance! **Get Your Public Pension Forum Tickets Now**

Don't delay! There are still tickets for the upcoming Shasta VOICES annual event, a "Public Pension Forum." There will be no tickets sold at the door. The event, designed to foster a better understanding of public employee pension systems and provide for open discussion, will be held on Thursday, **September 24, 2009**. Lunch will be provided, and we will be eating as we listen and learn to maximize time spent with our featured panelists.

There has been *two changes* to our panel of experts. Chris Darker, UPEC and Joint Council of Redding Employees Unions spokesperson, is unable to attend. He is sending Steve Allen, UPEC and Northern California Union Negotiator in his place. And, *CalPERS does intend to participate* and will send Brad Pacheco, Chief of Public Affairs. Here are the details one last time:

SHASTA VOICES PUBLIC PENSION FORUM

A Working Lunch (food included)

Date: **Thursday, September 24, 2009**

Time: **11:30 am—1:30 pm**

Location: **Holiday Inn, Redding
1900 Hilltop Drive, Redding, CA 96002**

Featured Panelists:

- Gene Bell (Becker and Bell Consultants) - Union Negotiator for Shasta County
 Marcia Fritz (her representatives) from the CFFR
 Ed Bond (Ed Bond Consulting) - Private Sector Pension expert
 Steve Allen (Northern California Union Negotiator, UPEC)
 Larry Lees (CAO for Shasta County)
 Kurt Starman (City Manager, City of Redding)
 Brad Pacheco, Chief of Public Affairs, Cal PERS Administration

Ticket Information

\$25 each or \$250 to reserve an "up front" table (seats 8 people)

Tickets must be purchased in advance.

To secure your tickets, contact:

Mary Machado

Phone: (530) 222-5251

Email: mary@shastavoices.com

Please note: There will be no tickets sold at the door.

Privatization Study Succeeds in Generating Discussion

Shasta VOICES, after about four months of research, released its completed “*Privatization of Public Services*” study at a news conference held August 24, 2009. This inclusive study defines the various types of privatization, explains how the process works, and addresses the pros and cons of privatizing public services locally through the words of our City and County Managers and elected officials, the public employee union leaders, and the business community at large.

The 33 page study is available for all to view at our website, www.shastavoices.com. It appears front and center on the Home Page for access. It addresses the **concept** of privatization, and is not an analysis or comparison of the actual number involved. Before that type of analysis is performed, we must first obtain agreement from those involved in the process that they are willing to cooperate with such an effort. Our goal with this study was to be the **catalyst** for those important discussions to take place, and that goal has certainly been realized.

The study has created a great deal of discussion in the community already. The media is determined to find fault with the study itself and create controversy. But, the finished product simply states the **viewpoints** of all the people who participated. Not agreeing with someone’s viewpoint doesn’t make it wrong. Each documented point of view illustrates the challenge involved in seriously taking a look at all options available in the provision of public services.

The viewpoints varied widely, but one consistent theme developed throughout the research process: Comprehensive privatization programs can offer city and county governments a way to maximize revenue, cut costs, have greater flexibility in solving each problem, and make greater use of private capital for public services and facilities. If governments properly manage the privatization process and carefully monitor the implemented projects, government spending can be held in check and high quality can be achieved.

Not surprisingly, government officials are concerned about having to step back in if privatized services don’t work out for some reason. Having to set up “infrastructure” again and incur start-up costs again could be costly. They believe in order to retain control and accountability of public fund expenditures, contracts must be extremely detailed. Generally speaking, the **savings** that can occur when services are privatized are **in the area of employee wages and benefits**, and in gaining proper expertise to provide services that they are not willing or able to provide.

Public employees believe that because private business is out to make a profit, it is far too easy to lose accountability and control. They feel they are more vested in accountability, and held to stricter standards as public servants. And, they believe that there is worker exploitation in the private sector. Rather than lowering or taking away pay and benefits from public sector employees, they would rather see raises in the level of pay and benefits for the private sector.

The business community believes that privatization efforts can face many obstacles, including existing legislation and regulations, public employee resistance, misperceptions about privatization, and a general resistance by governments and elected officials to change. They provided a long list of services that they feel should be explored for privatization opportunities. They see no down side to exploring all options.

During this unprecedented economic downturn, there is added pressure on local governments to examine their methods of providing public services in the most efficient, effective, and fiscally responsible manner possible. As mentioned above, this study can serve as a catalyst for those discussions to take place.

Of course, Shasta VOICES will do a follow-up report in the not too distant future as we monitor progress towards these discussions and potential action on the subject of privatizing public services locally.

Privatization Evaluation Committee (PEC) Update #1

The City of Redding’s first two PEC meetings, held on August 17th and August 24th, were spent reviewing the city’s organizational structure and budget, as well as the purpose and scope of the committee. The makeup of the committee is somewhat unique, with 5 City Council members sitting on it along with 5 citizens. Therefore, City Attorney Rick Duverney explained the guidelines and assisted in setting up voting rules. It was agreed that the 10-person committee must have 6 votes to approve any recommendations.

Unfortunately, the PEC has been asked by City Manager Kurt Starman to limit its evaluation to **no more than six** specific services. He feels that otherwise, it could take years to move forward on anything. The next meeting will be held on September 14th at 6:00 p.m. in the Council Chambers. Members from the public (including Mary Machado) have been invited to speak to the committee. Look for update #2 in our next issue of “*The VOICE*” in mid-October, 2009.

Shasta County Area Benefitting from Economic Stimulus Funds

The American Recovery & Reinvestment Act Funds (ARRA) designed by the Federal Government to provide economic stimulus throughout the entire United States are finding their way to Shasta County in many different forms.

Last month, we wrote about the Transportation projects funded by the ARRA grants. Those projects received about **\$25 million** so far.

The community has also received some impressive grants for **“Workforce Services:”**

- \$423,871 for Adults, age 18+
- \$999,097 for Youth, age 18-24
- \$798,002 for Dislocated Workers, age 18+
- \$162,820 for Rapid Response, age 18+

The total amount so far is **\$2,383,790**. The term of use for this money is from 2-17-09 through 6-30-11. The funds for “Youth” programs were directed to be used for a 2009 summer youth program.

These Workforce Services funds will be used for assessments, job search, development of job skills, workshops, supportive services, GED preparation, work experience, internships, on the job training and outplacement services for employees downsized or laid off due to company closure.

These stimulus funds come from the Department of Labor, then to the State of California, and on to an organization called NoRTEC, who was contracted with the local SMART Center to provide the services after a competitive process.

Another large ARRA stimulus grant amount has been received for **“weatherization”** projects in the Redding area. In simple form, weatherization is retrofitting a house in an effort to lower utility use. So far, **\$892,000** has been set aside for Redding, with more (possibly a similar additional amount) expected for other Shasta County areas. The Shasta Builders Exchange has joined with Shasta College and the SMART Center to develop the tools necessary to train people in the industry to provide weatherization services in the local area.

The **Redding Municipal Airport** also received an ARRA grant to provide approximately 224,000 square yards of pavement preservation for runways and taxiways. This grant is for **\$728,810**, and was based on the winning competitive bid, which was awarded to Valley Slurry Seal Company.

Of course, it is difficult to measure the amount of funds provided through the recent **“Cash for Clunkers”** program. It does appear that our area also benefitted from this program as well, at least for a short time.

Confused Council Changes Their Mind

Making decisions during the worst economic recession in our history is proving to be quite a challenge for our Redding City Council members.

The City of Redding is spending more money than it is generating in revenues, and there is no alternative other than to make budget cuts. This is much easier said than done. The City is being held hostage by inflexible union contracts. Though trying to be creative in the solutions brought forward by the staff for consideration, there are no easy answers to this continuing decline in revenues.

So, it has become the City Council’s job to determine just where and how these budget cuts should occur. Several decisions have been made that are popular politically, but don’t do anything to solve the budget crisis. Sound familiar? We’ve been hearing the same thing out of Sacramento for the past two years.

Take, for instance, the recent decision to “postpone” the approved utility rate late fee reduction. The council in June had lowered utility late fees based on the recommendations of a committee, which was appointed to make such determinations, in an effort to cut the number of REU customers disconnected for non-payment. The newly approved policy would have lowered the late fees from \$36 to \$25, or 30%. It was estimated that this would lower the “late fee revenue” to the City by \$619,000 per year.

But on September 1st, and again on the 15th, three Council members changed their minds. They decided they would not lower the late fees, and instead, use the extra money collected to save the jobs of 7 police officers. Missy McArthur and Patrick Jones voted against this. Of course, the decision was to “postpone” the lowering of the late fees. That would indicate that they’ll be having this same discussion again in the not too distant future.

No one particular item has been targeted for unusual expenditure more than the “lower than expected bid” on the first phase of construction for Stillwater Business Park. It seems that there is an extra \$3.5 million from the sale of bonds to pay for this construction. First, the Police Facility Review Committee recommended that it be used to help build a new police facility. In June, the Council voted to accept a federal grant instead that would match this remaining \$3.5 million, providing a “free” additional \$3.5 million to build the \$7 million second access bridge across Stillwater Creek. But on September 1st, the Council pondered giving the free \$3.5 million back and using the leftover bond funds for some other unnamed utility project, transferring the debt repayment of \$212,000 out of the general fund. Eventually, they voted to keep the free \$3.5 million and finish the Stillwater access bridge.

Without concessions from the unions, more confusion and tough decisions will continue.

A Revolution is Brewing

The Howard Jarvis Taxpayer Association is leading the way in the California Tax Revolt that is occurring all over the State. Many cities are forming their own organizations. Redding is no exception.

The **Redding Tea Party Patriots** group has become active in the past couple of months. They are a totally independent local group motivated to do something about the “insanity” of our government and the “impossible burdens placed upon our once thriving industries by unaccountable, arrogant politicians intent on the complete destruction of California’s once world class economy.” But they are just as interested in issues at the Federal and local government level. You may have read about them marching from Market Street to City Hall on Sunday, September 13th, opposing President Obama’s Health Care Reform Plan.

Some of the issues that they have become vocal about (taken from www.CaliforniaTeaPartyPatriots.org) include:

- In California’s vast and fertile central valley, the federal government has shut off the water to farmers.
- The timber industry is literally being driven out of business by the politicians in Sacramento.
- Businesses are leaving California in an unprecedented exodus of capital and talent.
- California’s unemployment rate is skyrocketing, our cost of living is increasing, and our politicians respond by passing even more stringent legislation and higher taxes, even when we vote against it.
- AB 32, which is essentially California’s experiment in controlling global warming, is devastating California’s economy, and studies show that over a million jobs will be lost by the time it is fully implemented.
- Congress just narrowly passed a cap and trade bill that amounts to endlessly increasing taxes on any enterprises that produce carbon dioxide or other so-called greenhouse gas emissions.
- Government healthcare is a multi-trillion dollar program which will crush our economy and grow the size of government. Your health will be in the hands of politicians and government bureaucrats.

The Redding Tea Party Patriots have their own website: www.reddingteaparty.com. They have regular general meetings, and say that usually between 200-300 people attend. Their next meeting is scheduled for:

Monday, September 21, 2009
Holiday Inn, Redding
5:30 p.m.

Anybody is welcome, if you are so inclined, to attend and learn more about this group, the issues they are addressing at all levels of government, and the revolution that is brewing all over the State.

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