



The VOICE

Your independent news source

Greater Shasta County, CA

Volume VII, Issue IX

www.shastavoices.com

February 2014

Did you know...

- Pension reform supporters have until June 5, 2014 to gather more than 800,000 signatures for a statewide pension reform initiative to appear on voter ballots in November. It would allow cities across the state to renegotiate public workers' future pension and retirement benefits.
- Hundreds of people gathered on February 21st for the annual Greater Redding Chamber of Commerce Chamber of Commerce Chamber of Commerce Chamber of Commerce winners. They were **Doreeta Domke**, Citizen of the Year; **Black Bear Diner**, Business of the Year; **Randy Denham**, SJ Denham Chrysler, Businessperson of the Year; **Karen Simmons** of Five Star Bank, Volunteer of the Year, and **Brittany Nelson** of Belfor Property Management, Ambassador of the Year.

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REU Vacancies To Hold Up Construction Projects? Shasta VOICES Thinks Not—Offers Solutions

According to the Redding Electric Utility (REU), staffing shortages could force construction and remodeling projects scheduled to move forward in 2014 to shut down, or be delayed for some time. Developers and engineers seeking electric design services are receiving letters from REU that their projects are on hold, and REU is unable to complete any new service requests for the next six months. The letter leaves it uncertain when things might get done. We believe this is not an acceptable situation. Shasta VOICES compiled some potential solutions to this hiring dilemma, both for the short and long term.

Here is the problem: The utility has 32 vacancies, with two-thirds of the positions responsible for maintenance work. The reason given for such vacancies is non-competitive salaries, failure of written examinations testing candidates' knowledge of mathematics, electric theory and the job, and of course, skill shortages. Raising salaries may or may not be the best or only solution under these circumstances. REU has relied perhaps too heavily on recruiting from other utilities in the past. That strategy appears to have seen its better days, and we believe it's time to seriously think outside that particular box.

At the City Council meeting on February 4th, Shasta VOICES (SV) presented some potential solutions to this hiring dilemma. Executive Director Mary Machado was the lone speaker at the podium that night—with only 3 minutes to speak, the Mayor cut her off before she could finish, even though there was nobody else waiting to speak, and no other public agenda items behind her. As other Council members brought her back up to answer questions, it was clear that there *was* interest in hearing more. We believe these suggestions not only warrant serious consideration, but will, in fact, be studied further:

Solution #1: Hire outside independent contactors as needed to perform electric design service reviews. In previous years when we faced a shortage in both designers and plan checkers, City staff used outside consultants to get plans reviewed. The City, in particular, the Development Services Department already has a policy called the "Optional Use of Outside Plan Review Consultants" referred to as Number PR-1, codified 10-20-98. It was established for those times when the Building and Code Enforcement Division cannot meet established target processing time during busy months. This could and should work the same way for REU electric design services. This is *not* a suggestion to outsource jobs—it is only on a project by project basis until REU is once again able to perform these functions. REU Director Barry Tippin has now agreed (after our Council meeting suggestion) that this *is* a possibility.

Solution #2: Rather than continuing to raise salaries, keep the special skilled positions "base" salaries below those of the supervisory personnel, but add "other special pay" to their salaries based on their special qualifications to insure they are paid appropriately and competitively. This has been done in other government agencies for many years. The "other pay" is guaranteed as long as the qualifications continue to be met and are required as part of their job functions. This could eliminate the need to raise salaries for those supervisory personnel as well—the City feels the need to have at least a five percent to ten percent higher salary for supervisory level people, who may or may not have the skill level of those they supervise.

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REU Vacancies Solutions (Continued from Page 1)

Solution #3: Grow the needed skilled employees from within REU or partnering with educational institutions on a continuing basis so this never happens again. REU doesn't have a history of running its own apprentice programs. There are ways to incorporate some sort of "we will pay you to obtain these skills, but you will have to pay us back if you don't stay" clauses in agreements with such employees. Partnerships have proven to be a very cost effective method of recruiting and retention of skilled employees. REU's main competitor, PG and E, currently has partnerships with American River College, Sacramento Employment and Training Agency (SETA), Sacramento Municipal Utility District (SMUD), and Roseville Electric to help military veterans prepare for high demand jobs in the utility and energy industry. Between our local college, Lassen MUD, Trinity PUD, and Shasta Lake City (to name a few), there may be enough interest to create a pool of qualified employees locally. With the existing skill shortages, it no longer makes sense for REU to rely solely on recruiting their employees from other utilities.

In the meantime, the City was contacted by a retired REU distribution planner who read about the dilemma, and is willing to offer his services on a part-time basis as a retired annuitant. He will begin working in this capacity temporarily. This should help REU keep up with requested design services, at least in the short run, and help keep some existing construction projects on track while a more permanent solution can be implemented.

We will continue our efforts to be part of the solution to this dilemma so that we will all continue to enjoy the exceptional level of electric services that we have come to expect from REU, while at the same time keeping our local building activity moving in a positive direction. Developers employ a lot of people during construction, who in turn employ others that help our community to prosper.

But beyond the issues of holding up construction projects and falling behind with required maintenance, it is important for City Council to properly manage the process of recruiting, hiring and retaining the appropriate employees at REU. Raising salaries may seem like a solution, but it will not solve the problem of skill shortages in the industry. Doing things the same way over and over again just because that's the way they have always been done no longer works, at least not when it comes to the hiring process. It's time to create a new, successful way of "doing things."

SRTA Preparing EIR for 2015 Regional Transportation Plan

On Wednesday, February 19, 2014, the Shasta Regional Transportation Agency (SRTA) hosted an Environmental Impact Report (EIR) scoping meeting to solicit input on all transportation goals in the region through the year 2035. Unfortunately, only five people showed up to participate, including representatives from the City of Redding, Cal Trans, Shasta LAFCO, Shasta County Health, and Mary Machado.

The Project for which the EIR is required is the Shasta Regional Transportation Agency (SRTA) 2015 Regional Transportation Plan (RTP).

SRTA is responsible for preparing an EIR every 5 years to address local needs for all transportation modes including motor vehicles, transit, rail, goods movement (rail freight and trucking), bicycle and pedestrian facilities, aviation systems, and intelligent transportation systems. The last RTP was adopted in July 2010.

The geographical extent of the proposed RTP includes the area within the limits of Shasta County, including the incorporated cities of Anderson, Redding, and Shasta lake. Capital improvement projects identified in the RTP may be located on I-5, state highways, county roads and local streets, as well as on airport property, transit district property, federal lands, state lands and tribal lands.

The 2015 RTP will include a newly required element called

the Sustainable Communities Strategy (SCS) because of the requirements of SB 375. The more familiar term for this is greenhouse gas reductions. Under this state requirement, the region must show how they intend to reduce (to the extent feasible) greenhouse gas emissions from cars and light trucks to meet specific targets for 2020 and 2035. The Shasta Region targets were set by the California Air Resources Board (CARB) - a regional target of **no increase** in per capita greenhouse gas emissions for the planning year 2020 and no increase for planning year 2035.

SB 375 also requires that the Sustainable Communities Strategy identifies general land uses, residential densities, and building intensities as well as areas to house future residents.

The SRTA wants to demonstrate how greenhouse gas reduction targets will be met through "integrated land use, housing, and transportation planning. SRTA will develop several possible growth scenarios to evaluate the effect of various land use and transportation choices on meeting ...the established targets."

We do know that any strategy in the RTP must be consistent with the adopted General Plans of Shasta County and the cities within it. Therefore, we **should** see no surprises when the draft RTP is posted for review in October, at least where land use and housing elements are concerned.

Anderson Council Asks for Sales Tax Increase... Two Weeks After Pay Raises Approved

The Anderson City Council voted unanimously at their regular meeting on February 18th to try and adopt a **one-half cent** transaction and use tax, also known as a **sales tax**. The vote will add a ballot measure to the June 3 election ballot asking voters in Anderson to approve an additional half cent sales tax.

City Manager Jeff Kiser wrote in his staff report on this subject that the tax would be a vital source of revenue to fund general City services, such as public safety. General fund reserves were drawn down five of the last seven years to keep the City operating. The housing market crash has taken property tax revenues back to the early 2000's. Growth in sales tax has been modest. These two revenue sources provide about 71% of general fund revenue to the City. Costs of providing essential services have not declined.

Kiser said that City staff has been diligent in working with Council to reduce expenditures, such as implementing second tiers in retirement formulas, refinancing the side fund with Cal PERS, not filling vacant positions, monitoring overtime, consolidating positions, and laying off two full time general fund positions in 2012. **Reducing** expenditures? Really? Read on.

Just two weeks prior to this meeting at the February 4th Council meeting, Council adopted a resolution **increasing** salaries for all represented employees by 5.73%, and by 9% for all public safety employees, and brought the effective date back to July 1, 2013. Then on February 18th, the Council adopted an ordinance to **increase** the pay for all non-contract management and confidential classifications by the same percentages with the same effective date. It appears that the raises were negotiated to offset the new requirement that employees pay for their share of the Cal PERS retirement contribution.

In **addition** to these salary increases, all employees will receive a **salary increase** effective July 1, 2014 based upon increased sales tax dollars received above the adopted budgeted sales tax revenue of at least 1%. This means that should actual sales tax revenue for fiscal year 2013-2014 increase by at least 1%, the employees will be provided with a .5% salary increase. As a further example, should the sales tax revenue increase by 3%, employees will receive 1.5% salary increases.

And what solution is Council, with staff recommendation, proposing to pay for all these raises? Charging an additional half cent sales tax. It's difficult enough to pay for the **existing** promised salary and benefit programs, including the ever-increasing cost of the Cal PERS retirement program. Now, Council is not only choosing to grant raises they admit they cannot pay for, but asking the taxpayers after the fact to give them those extra revenues with higher taxes.

So it appears that those reductions in expenditures served to increase salaries for employees. Will voters support paying higher taxes to accommodate this strategy? We will find out on June 3rd.

Final Approvals Granted to Costco and Moore's Flour Mill

Redding's Board of Administrative Review approved two projects at their February 17th meeting:

- **Costco Wholesale** was given final approval to divide 37 acres into six commercial parcels at the northeast quadrant of the Interstate 5-Oasis Road interchange. Costco will acquire and develop two parcels to build their large retail warehouse and fuel station on the west half of the site. Construction should begin this year. An anchor-based multi-building shopping center, and three free-standing building pads will occupy the remaining four parcels. Levenson Development owns and plans to eventually develop these four parcels referred to as the Oasis Towne Center.
- **Moore's Flour Mill** was given final approval for a site development permit to construct a new food manufacturing facility on an 11.2 acre parcel at 6150 Shasta View Drive, which is located off of Airport Road where Shasta View Drive has not yet been extended. The building is designed to be 63,000 square feet and will be used in the manufacturing of a variety of milled food goods with a small retail sales storefront, with uses broken down as follows: Office space—6,307 square feet; Retail Sales—1,983 square feet; Gluten-Free Production—6,929 square feet; Granola Production—12,103 square feet; Wheat Production—4,385 square feet; Climate-controlled Warehouse—19,381 square feet; Other Space—11,912 square feet. The owners hope to begin construction shortly.

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.

Turtle Bay Land Sale—At its meeting on February 4, 2014, Redding City Council approved and executed a “Rescission Agreement” for Addenda 3 through 7 of the Turtle Bay Ground Lease, dated January 7, 1992. These Addenda items were previously requested by Turtle Bay at the behest of third party lenders to facilitate leasehold financing of the proposed hotel project approved for development on the premises. They were technical items such as boundary modifications and clarifications of right-of-way easements. Addenda 3, however, “...clarifies Turtle Bay’s right under the Ground Lease to finance and construct a hotel and necessary improvements, Hotel Project, on a portion of the Premises.”

The legal issue of whether the hotel project requires payment of prevailing wages has been clouded by the prior approval of Addenda 3 through 7. “It has consistently been the position of both the City and Turtle Bay, before the State Department of Industrial Relations and now Shasta County Superior Court where the matter is presently being litigated, that these Addenda do not add value to the Ground Lease and do not amount to a public financial subsidy of the hotel project” according to the Staff Report dated January 24, 2014. Apparently the Department of Industrial Relations disagreed, saying this ***does*** constitute a subsidy. There is no guarantee that this rescission will resolve the pending public subsidy issue over construction of the hotel.

In the meantime, negotiations for a land purchase between the City and McConnell Foundation have been ongoing since April of 2013. The McConnell Foundation is now offering ***\$600,000*** for 14.17 acres of the currently leased Turtle Bay Exploration Park property, which is the subject of three appraisals done ranging from \$75,000 to \$443,000 towards the proposed hotel project on the property. ***This purchase offer will be considered at the City Council meeting schedule for March 4, 2014.***

Redding to Anderson Six-Lane I-5 Project Hits Snag—Cal Trans has been busily preparing the design work necessary to widen I-5 to six lanes from about Smith Road south to Deschutes Road in Anderson. Unfortunately, there are six bridges that will need replacement in that stretch of highway, putting the cost of the project up to \$75 million. One of those bridges, just north of Deschutes Road, is a railroad overcrossing. There are 13-14 trains that come through the tracks in an average day, and the railroad will not allow any construction in and around their tracks when trains are running. Cal Trans needs to find a way to stay out of the railroad right-of-way during construction, but they aren’t sure that’s reasonable. They are working with Union Pacific Railroad representatives hoping to find a middle ground solution that would work for all parties. In the meantime, they are preparing alternate plans to shorten the project: Phase I, Knighton Road to Bonnyview with a target date for delivery 2-1-2016; Phase II, North St. to Knighton Road with a target date for delivery 2-1-2016; Phase III would then be from Deschutes Road to North St. with a later target date when a proper solution has been found to that stretch of the project. Funding sources still need to be identified before construction could begin on any of the planned phases.

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Mary B. Machado, Executive Director