



The VOICE

Your independent news source

Greater Shasta County, CA

Volume IV, Issue XII

www.shastavoices.com

June 2011

Did you know...

- **In a 4-3 decision, the Wisconsin Supreme Court said a Judge overstepped her authority when she said lawmakers violated the state's open meeting statutes in the run-up to passage of Governor Scott Walker's union rights law, and in declaring the union rights law void. The law is needed to help address the state's \$3.6 billion budget shortfall. It will now go into effect, and state workers will pay their share of pension costs, as well as 12.5% of their health insurance costs.**
- **The unemployment rate in Shasta County for the month of May 2011 was 14.7%, down from 15.5% in April 2011. Construction added 200 jobs last month, and there were gains in leisure and hospitality industry jobs. Civilian employment, however, was down 1,200 jobs from one year ago.**

Inside this issue:

Knighton/Churn Creek Retail Center Approval	1
"No" on Charter City	2
More Drama on Parks Maintenance Issue	2
Council Passes Biennial Budget	3
City Loses First Court Hearing on REU Lawsuit	3
Shasta Metro Program Introduced	4
Join Shasta VOICES	4

Knighton and Churn Creek Commons Retail Center Receives First Approval

The Hawkins Company, developers from Boise, Idaho want to develop and operate a commercial retail and entertainment center on approximately 92 acres in Shasta County, located at the northeast corner of Knighton Road and the Interstate 5 interchange. When completed, the project would include around 740,000 square feet of mixed commercial development which may include retail shops, restaurants, lodging, food supplies, recreation activities and equipment, traveler services including fuel sales, and entertainment related facilities. They have been in the planning stages for over three years, responding to requests for information and data from multiple government agencies in Shasta County, as well as property owners located in the general vicinity.

At the Shasta County Planning Commission hearing to formally consider this request held June 9th, eight people spoke in favor of this project, and nine spoke against it. Staff members from Shasta County were extremely well prepared, highly knowledgeable about all aspects of the project and County processes and requirements, and answered every question asked in great detail.

The Shasta County Planning Commission voted 3-2 to approve a recommendation to the Shasta County Board of Supervisors to do the following in response to their request:

1. Certify the Environmental Impact Report (EIR).
2. Adopt the Mitigation Program.
3. Adopt the Statement of Overriding Consideration.
4. Adopt a General Plan Amendment.
5. Adopt a Zone Amendment.

Those speaking against the project were concerned about the effects it would have on global warming, loss of prime agricultural land, increased traffic and related issues at Pacheco School, and a general discontent with anything being built in this quadrant. They also took issue with the EIR, and want time to continue disputing it's findings.

Those speaking in support of the project highlighted the fact that the Hawkins Company plans to invest **millions of private dollars** in our community, and will bring other private investors with them. They are not asking for any handouts from the County, and have followed County and State rules at their own expense, responding to all requests for more than three years now. The County can, and has, imposed many conditions to mitigate impacts attributed to this project. This company deserves to be treated fairly, just as any other applicant who comes forward seeking approval. A representative from Cal Trans came forward to say they supported the project, but wanted clarification on the traffic modeling that was used in the EIR. Hawkins is continuing to work with them.

New jobs will be created by such a project, both for construction and related trades as well as long term positions with businesses that would come to our community, providing an infusion of up to \$25 million per year economically. Our community ought to be **welcoming** those who are willing and able to bring that infusion of cash into our community, especially if they are willing to play by the rules. The next step will be County Supervisor approval, which has not yet been agendized or scheduled. Stay tuned!

Final Decision: “No” on Charter City Question

At the June 7th City of Redding Council meeting, the Council voted 3-2 (Patrick Jones, Rick Bosetti dissenting) **against** moving forward to pursue a ballot measure for Redding to become a Charter City, with Councilmen Rick Bosetti and Patrick Jones dissenting. Mayor McArthur encouraged those who are so passionate about having a Charter to take the alternate route and gather the signatures needed to petition the item for a ballot measure. If they can gather signatures of 15% of the 47,000 registered voters in Redding, the city would put the “question” on the ballot as to whether or not the general public is in favor of a Charter City. If the majority vote yes, then a Charter can be written, and again brought before the voters for approval.

Those voting against this issue cited the lack of public interest as one of the reasons for not moving forward. Only 63 people spoke up during the Charter City Exploratory Committee meetings over the past 4 months. The committee was split at 5-5 as to whether or not to pursue this issue any further after a tremendous amount of study and dialogue. So they punted back to Council to make this final determination.

More Drama on Parks Maintenance Outsourcing Issue

Redding City Council voted 3-2 on June 7th to implement the six cost saving measures for the parks maintenance department that were brought before them on December 7, 2010, but **not** approved at that time.

As a review, those cost saving measures include: installing smart controllers on sprinklers to reduce water and electricity usage; making sure parks crews have a wide range of skills (eliminating need for specialists); continue utilizing volunteers for community clean-up programs; establishing landscape maintenance districts for all new neighborhood parks; and utilizing in-house temporary full time and part time workers (with no City employee benefits) for basic landscaping tasks such as mowing, blowing and pruning.

City Council, at the December 7th meeting, had directed City staff to **first** complete and circulate a Request for Quotation from private landscape contractors so that there could be an accurate comparison of their rates for basic maintenance vs. the City’s cost for existing staff performing those duties. Apparently, Director Kim Niemer didn’t understand this direction, and apologized for her error in assuming the Council’s vote to put parks maintenance out to bid included approving the six cost saving measures.

Additionally, since the December 7th meeting, City staff executed a side-letter of agreement with the IBEW bargaining unit covering in-house temporary positions without the approval or knowledge of Council. The agreement allows in-house temporary workers to work less than a 40 hour work week, which had not been allowed prior to the March 18, 2011 side-letter.

The problem with this is twofold. First, Council members assumed that the RFQ would be a fair comparison to the **existing** costs for City employees to perform the same tasks, i.e. those with full City benefits. It wasn’t. Second,

Council members were unaware that a side-letter of agreement with IBEW on this issue was allowed without their approval. After much research, we learned that this type of agreement is allowed under the MMBA State Statute, and that the City has executed 130 side-letters in the last five years. This particular issue seemed to be more than just the typical “small” employment issue usually covered with side-letters. A sampling of other side-letters showed such issues as reclassification of one job, ability to use vacation or comp time for funeral leave, and changing qualifications for a particular job.

And there was one additional issue with the side-letter: It includes a 90-day cancellation clause by either party. That means that the IBEW could give 90-days notice and simply change their minds. So, Mayor McArthur added a motion that Council be notified if the 90 day clause in this side-letter was used and the agreement cancelled. She further added that if this were to occur, Council would then ask for the RFQ again. That motion passed unanimously. So far, the agreement has not been cancelled. It is considered a temporary agreement, but could be made a permanent part of the IBEW contract with the next round of negotiations.

It continues to be of great concern to those in the private sector that the City appears to do everything they can to prevent outsourcing or some other level of privatization to occur. In this particular case, the fact that the private sector may have indeed been able to provide cost reductions below that of the City forced the parks maintenance department to make in-house changes to reduce their costs. At least they did make changes to reduce their costs, or at least that is the “budget plan” for 2011-2012.

So, the good news is that costs for City parks maintenance will be reduced. The bad news is that the process to get to this point was seriously flawed.

Council Passes 2011-2012, 2012-2013 Biennial Budget Convention Center Gets 6 Week Reprieve

A highly organized group of “Citizens to Save the Redding Convention Center” won their battle to keep this civic auditorium open, at least until August 5th. It only took them 11 days to collect the signatures of over 2,500 residents on a petition to keep the center open. It has been targeted for closure as a cost-saving measure to balance the City’s biennial budgets. A **concrete solution** needs to be identified in order to prevent closure on August 5th.

Currently, the Convention Center runs a deficit of \$300,000 each year, even with the over \$800,000 of Transient Occupancy Tax (TOT) revenue that is devoted to it each year. There were many potential solutions offered at the hearing to close and eliminate this gap while keeping the center open. A deadline of August 5th was given for these ideas to become **reality**. At least two organizations are making formal proposals for taking over operation and management of the center. One is Bethel Church, who has proposed leasing the building for 10 years, making a significant financial investment in the building, and accommodating as many community needs as possible. Representative Charlie Harper said Bethel plans to provide marketing for whatever the community will support. Another not yet identified event promoter is also expected to make a formal proposal next week. City Councilors were open to any real alternatives that come before them prior to the deadline for consideration.

Otherwise, the Council approved the \$308,900,000 budget for 2011-2010, and the \$293,444,000 budget for 2012-2013. Some drastic measures were needed to balance these budgets because of a continued decline in revenues.

In 2006, the City received \$23.3 million in sales tax. In 2010, that number has dropped to \$17.8 million. There are currently 1,000 full-time and part-time employees at the City; 126 full-time equivalent positions have been eliminated since 2008. Employee retirement benefit costs are up by \$2.9 million in 2011-2012. Employee group health insurance costs are up by \$1.6 million in 2011-2012. These two items alone total \$4.5 million. When all was said and done, the City’s General Fund budget had to be reduced by \$3 million to bring it in line with revenues in order to balance the budget.

Some of the painful measures to be implemented July 1, 2011 include closing City Hall two days per month (putting employees on unpaid furlough those days), and implementing the voter approved ballot Measure A for new collective bargaining agreements, which requires employees to pay all of their share of the CalPERS retirement cost (9% for public safety, 7% for others). Additionally, each department (except for public safety and enterprise funds) developed budgets with anywhere from 5 to 10 percent reductions.

City Loses First Court Hearing on REU Lawsuit; Claims Filed—Settlement Offered

A lawsuit filed against the Redding Electric Utility (REU) by local REU ratepayers in February 2011, claims that the 7.84% rate hike approved last year is illegal since it includes an almost \$6 million transfer of “in-lieu property tax” funds (PILOT charges) from the utility to the General Fund without voters approval.

The first 9 judges assigned to hear the case originally scheduled for April 4th recused themselves. On June 6th, the first Shasta County Superior Court Hearing on the matter was finally held, with Judge William Gallagher presiding. The City of Redding had filed a “demurrer” to the complaint—a motion by the City in which the City claims that the Citizens have no valid legal basis to file a lawsuit. Each side had submitted a request for judicial notice. This is a rule in the law of evidence that allows a fact to be introduced into evidence if the truth of that fact is so well known that it cannot be refuted. Matters submitted under judicial notice are accepted without being formally introduced by a witness. Judge Gallagher granted the requests.

On all issues of the demurrer, Judge Gallagher ruled that the Citizens do have a valid legal basis to file a lawsuit. The lawsuit will now move forward. The next Court trial hearing date is set for November 8, 2011, at the Shasta County Superior Court.

The collection company for these and any other ratepayers who would like an eventual refund of the overcharges to their account is Fee Fighter LLC. Local attorney Walt McNeill, representing Fee Fighter LLC, filed the first 400 rate payer claims with the Redding City Clerk on June 20, 2011.

At the June 21st City Council meeting, Walt McNeill brought forward a **settlement offer** to the City if they would agree to hold an election no later than the end of September, 2011, to allow the voters of the City of Redding to decide on approving a tax on REU service in the amount of the PILOT. The City must abide by the results, honor the refund claims up through the date of the settlement, and make an award of court costs and attorneys fees. They now have 30 days to enter into a formal and fully binding settlement agreement. Stay tuned!

Shasta Metro Program Introduced by SCRTPA

The Shasta County Regional Transportation Planning Agency (SCRTPA) is once again putting a funding program together for transportation projects in Shasta County. This time, it's called the "***Shasta Metro Program.***" Most people will recall their last funding program—it was called "***Fix 5/SCRIP***" and Shasta VOICES spent a considerable amount of time and resources to successfully defeat this program. What appears at first glance to be different with the Shasta Metro Program is that there is ***no mention of any local fees*** attached to it. The stated purpose of this new program is that "Shasta County will be more prepared and better positioned for funds if regionally significant transportation improvements are presented as a unified and interdependent program of projects." The program outline provides a comprehensive list of improvements, estimated costs, and prospective funding sources to address congestion on Shasta County's regional transportation network, including freeways, interchanges, and key arterials. The Shasta Metro Program is not a policy document nor does it assign priority to any specific project over another. Here is a list of the projects scheduled and included for improvement:

Location Description	Total Cost (\$Mil)	Location Description	Total Cost (\$Mil)
Fourth St OC/SR 273	funded	Gas Point Road Interchange	12.2
SR 273/Riverside Ave OC	69.9	Knighton Interchange	20
Riverside Ave OC/S Bonnyview OC	38.1	Oasis Road Interchange	54.6
S Bonnyview OC-Central Redding IC	44.5	S. Bonnyview Interchange	7
Central Redding IC/N Redding	34.3	Airport Rd/SR 44 Interchange	18
N. Redding/Mountain Gate OC	built	Ox Yoke/Riverside Ave. Corridor/IC	33.4
SR 151/Mountain Gate OC	22.9	Airport Rd. Widening	50
Main Street Interchange	9.8	Shasta Gateway Access	11.2

We are told that the adoption of the Shasta Metro Program would have ***no direct fiscal impact*** on the agency or its partners in Shasta County, but may result in additional grant funds for needed projects. If that occurs, then it would prove to be very beneficial to the entire Shasta County community.

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