



The VOICE

Your independent news source

Greater Shasta County, CA

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Did you know...

- The Redding Chamber of Commerce will be celebrating its **100th Anniversary** at this year's WINTER SOCIAL: Wednesday, December 8th, Redding Convention Center, 5:30 pm—7:30 pm.
- Members of the largest CA state employee union have approved a contract that cuts pay by nearly 5% for 95,000 government workers and rolls back pension benefits. Service Employee Union Local 1000 announced on November 9 that 76% of its voting members had ratified the contract. The terms go into effect immediately.
- Annual rates paid by some of the 2,000 local government plans in the Cal PERS system could soar roughly 55% over the next three years, according to Cal PERS. The estimate was made from new data received this month on the impact of investment losses and a forecast of lower investment earnings.

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Giving Thanks...

In the spirit of the Thanksgiving season, Shasta VOICES would like to take this opportunity to say "thank you" to the people and events that shaped 2010 as the year our community actually "did something" about the Great Recession we are experiencing locally.

Thanks go out to the **Radical 10 in '10** committee, spearheaded by Kent Dagg, for bringing ideas forward to jump-start our failed economy. And great thanks also go out to the staff members at the City of Redding for implementing five of the Radical 10 ideas successfully, as well as the Redding Chamber of Commerce for producing a successfully expanded "Shop Local" campaign with our local new car dealers.

The **Anderson** City Council and staff members deserve praise for their cooperative effort with the private sector in moving the development of "The Vineyards at Anderson" project forward. Homes in this residential subdivision are now being sold.



Shasta County employees are to be commended for stepping up to reign in future pension costs. The bargaining units agreed to modifications in their pension formulas for all future hires, and now require new employees to pay 100% of the employees portion of the PERS pension costs (9% for public safety, 7% for all others). Some bargaining units also made concessions that included current employees paying their share of PERS, at least temporarily, to assist the county in getting through the worst recession in our history.

Commercial building incentives to support commercial construction activity were expanded by the **Redding City Council** in April. Deferral payment programs for water and wastewater impact fees, a phased collection of traffic impact fees, and adding six months to the life of active building permits and applications provide more flexible cash flow and financing options for commercial projects.

A multitude of local public works projects are now in the construction phase, with **local contractors** sharpening their pencils and winning bids to do the work. These include the I-5 Cottonwood Hills Truck Climbing lanes from Gas Point Road to Deschutes Road, Mary Street Lift Station, improvements to Buenaventura Boulevard at Highway 273, and the Oasis Road Interchange reconstruction.

Thanks also go out to the Redding Community Services Advisory Commission (**CSAC**) members for taking the proper amount of time and effort to study the pros and cons of outsourcing the Convention Center and the Convention and Visitors Bureau. Their recommendation, approved and implemented by City Council, to outsource the Convention and Visitors Bureau services will save the City of Redding almost \$200,000 annually. CSAC is currently exploring the pros and cons of contracting out some or all of the City's park maintenance functions, again devoting the proper amount of time and effort needed.

Less than one year after the defeat of the "Fix 5/SCRIP" fees, the California Transportation Commission approved a grant of \$22.5 million for the **South Redding Six-Lane Project**. Construction will begin in the summer of 2011. Special thanks to Dan Little and his SCRTPA staff for aggressively pursuing and obtaining these funds.

Lastly, thank you to all the supporters of Shasta VOICES. We are making a positive difference to the economic opportunity in the community because of you. We are looking forward to another successful year in 2011. *Happy Thanksgiving!*

The Silent Majority Speaks With Their Votes

The mid-term elections are finally over. To say the political campaigns were just plain ugly is an understatement, both nationally and locally. But the local Shasta County area voters couldn't have been more loud and clear with their votes.

The vast majority prefer to have leaders who will implement fiscally responsible measures to keep our cities financially sound through this Great Recession and into the future. In Redding, voters overwhelmingly agreed with "advisory" Measure A, to have City employees pay their own share of their pension costs, and Measure B, to have the City's share of retired employees' health care costs be based on years of service.

Though the advisory measures themselves won't change the existing union negotiation process, they do bind city councils to an opening offer that represents the voters (taxpayers) wishes. There should no longer be any confusion as to what the general public supports when it comes to the city's cost for pensions and retiree health benefits. This is truly all about the numbers...including the majority of voters.

All over the state, public employee unions are making concessions to existing contracts, as well as rolling back salaries and pension benefits during future contract negotiations. Shasta County employees, faced with the fact that the money just isn't there to continue overly-generous pension benefits, have been slowly agreeing to pay their portion of the cost of the Cal PERS pension program over the past year. Not so in the City of Redding, at least not yet.

The Shasta VOICES 2010 City of Redding "Employee Salary and Benefits Survey and Comparison" with other north state cities (accessible on our website) provides a multitude of potential solutions to managing the continually rising costs of city salaries and benefits. We could learn a lot from other cities who have been proactive in their approach to planning their future finances.

For instance, if Redding were to simply eliminate the practice of reporting the Employer Paid Member Contribution (EPMC) to Cal PERS as additional compensation for retirement benefit calculation, they would save a little over 3% of every dollar of payroll for the City. This would save the City millions of dollars and not one city employee would lose one cent of their salaries. The net effect to employees would happen at retirement, when they would receive either 90% of their highest year's salary for public safety instead of 98%, or 81% for all others instead of 87%. Of course, as Redding voters have said, having all employees pay their own retirement contribution would save the City an additional 9% for public safety and 7% for all other positions, and would automatically exclude the EPMC provision. This would save the City around \$4.3 million dollars each year.

Other cities also have learned to put "caps" on the amount of money they are willing to spend on such things as the amount of active employee health insurance premiums they pay, the amount they will pay towards retiree health care premiums, the increases they are charged by Cal PERS each year, and salary caps per position.

Other cities also have provisions in their bargaining unit contracts that accommodate drops in revenues, preventing the expenditure of dollars that they do not have. Had this been done here, Redding would not be in a financial bind today, and such a clause would have prevented all the animosity that has occurred locally between union employees, council members, and the general public.

The majority of citizens in Redding can only hope that the message they sent with their votes will be taken seriously, and changes will occur to reduce and control the costs of City employee salaries and benefits moving forward.

Public Hearing Set for More REU Electric Rate Increases

The Redding Electric Utility (REU) will once again ask for electric utility rate increases at a public hearing to be held during the next City Council Meeting as follows:

**Tuesday, December 7, 2010
6:00 p.m.
Redding City Council Chambers**

The three page staff report presented at the November 16th Council meeting seeking approval for this public hearing did not show where there had been any other plan or any detailed explanation of efforts made to reduce expenses and overhead in order to accommodate REU's "cost of doing busi-

ness." Shasta VOICES asked for the backup documentation, and now it has been uploaded on the city's website. You can access it here:

<http://www.reupower.com/rates10/index.htm>

The bottom line is that REU is seeking Council approval to raise electric customer rates for each of the next 4 years by 7.84% per year. Rates were already increased in 2009 and 2010 by the same percentage. If approved, the total increases from 2009 through 2014 will be 47.04%. If you have questions or concerns about such increases, review the uploaded document and plan to attend the public hearing.

Frustrated CSAC Recommends Parks Maintenance In-House... for now, but with cost reductions

At the November 18th Community Services Advisory Commission (CSAC) meeting, the commissioners voted 3-2 to recommend to the Redding City Council that parks maintenance functions continue to be performed in-house, and new cost-efficient measures be implemented to save money for the City. But they did so under questionable circumstances.

Shasta VOICES, among others, encouraged the commission *not* to make a recommendation to Council until they had an opportunity to seek bids or quotes from local private landscape maintenance companies for accurate comparison purposes. Although the majority of commissioners were not at all comfortable with the public versus private sector cost comparisons prepared by City staff, they were informed by Kim Niemer, Director of Community Services, that they did not have the “authority” to issue a Request For Proposal (RFP) to determine exactly what private companies were able to do for them. Unfortunately, she or other staff members in attendance did not see fit to explain that CSAC did, in fact, have the authority to issue some form of a request, such as a Request for Quotation, or Request for Information. Perhaps City Council will fix that problem when this “recommendation” comes before them in the next month or so. How else could they obtain *real* numbers for comparison purposes?

CSAC Chair Susan Hinz expressed her concerns and frustration about being given the task of determining specifically if the parks maintenance functions could be or should be outsourced by City Council last year, and thus whatever “authority” was needed to do so. She felt that “if we are hampered by our inability to get an RFP, we are hamstrung.”

It is never an easy process gathering all the financial and other information needed from the City in order to find out if the private sector is competitive or not in providing the same services. But if you are not given the “authority” to make that comparison, something is very wrong with the process, and it needs to be changed. Clearly a more objective look at these services from a less-conflicted and disinterested third party would yield unbiased information on which the CSAC commissioners could base their recommendations.

Nonetheless, something good did come out of this process. The need to be cost-efficient with both staff and material resources was taken seriously. Six specific recommendations were approved:

1. The Parks Maintenance Division of the City needs to continue to provide technical training and field cross-training to ensure the staff is as versatile as the needs.
2. For the performance of tasks identified as “basic maintenance” which includes mowing, blowing, and pruning, staff assigned should reflect **a balance of roughly half permanent and half temporary workforce**. This balance will provide a mix of abilities for a cost that is more favorable.
3. Pursue adjustments to the IBEW labor contract that would **allow for the use of part-time temporary employees** in addition to full-time temporary employees. This would provide for **additional flexibility with staffing** and the ability to keep employees year round in a part-time status.
4. Utilities count for \$365,000 or 15% of the Parks budget, making it the single largest water customer for the City. Staff is investigating utilities savings to be realized through **the installation of smart controllers** than can be programmed remotely and react to the various micro-climate conditions in Redding.
5. Staff will supplement park maintenance services through the highly successful Adopt-a-Park, Adopt-a-Trail and Community Clean-Up programs. These efforts provide additional care to our valuable park assets without incurring costs to the park maintenance budget.
6. Any future pocket parks will become landscape maintenance districts, and **contracted out to private companies**.

Each of these recommendations provides an opportunity to realize cost savings and/or minimize future cost impacts to the General Fund.

Not adding full-time permanent jobs in the parks department, and the use of part-time and full-time temporary workers without the City’s employee benefits packages produces the same type of savings as an outsourced contract with regard to labor costs for the lower skilled positions. This new direction is a welcome departure from the old way of doing business. CSAC commissioners, however, expressed their concern that the parks division was “top-heavy” and would like to find a way to control those costs as well.

The next step is for CSAC to make their formal recommendation to the Redding City Council. We will let you know in advance when this item appears on a Council agenda in the near future.

Google Ultra-High Speed Broadband—Update

Earlier this year, Google announced plans to build and test ultra-high speed broadband networks in a small number of American communities. Since then, a team of Google engineers has been hard at work experimenting with new fiber optic technologies. Following a series of tests run on Google's campus, they have announced the next step in their project.

Google has reached an agreement with *Stanford University* to build an ultra-high speed broadband network to the university's residential subdivision, a group of approximately 850 faculty and staff owned homes on campus. Through this trial, they plan to offer Internet speeds up to 1 gigabit per second—more than 100 times faster than what most people have access to today. They plan to start breaking ground in early 2011.

To be clear, this trial is completely separate from Google's community selection process for Google Fiber, which is still ongoing. Their ultimate goal is to build at least 50,000 and potentially up to 500,000 people, and they still plan to announce their selected community or communities by the end of the year. As you may recall, Redding is one of the applicant cities for this project.

Stanford's residential subdivision, the first "beta" deployment to real customers, will be a key step towards the overall goal of the project. Google will be able to take what they learn from this small deployment to help scale the project more effectively and efficiently to much larger communities.

Why did Google decide to build at Stanford? Most important was Stanford's openness to having them experimenting with new fiber technologies on its streets. The layout of residential neighborhoods and small number of homes make it a good fit for a beta deployment. And its location—just a few miles up the road from Google—will make it easier for their engineers to monitor progress.

Redding Fire Department Dilemma Continues

Redding's west side Fire Station #2 on Placer and Buenaventura streets may close on January 1, 2011 due to drastic financial conditions. City Council had to make this tough choice to close a \$1.3 million gap in the fire department budget for next year. Unfortunately, IAFF union fire employees are unwilling to set aside future salary increases of 7.5—12.5% in order to keep all existing positions, and all fire stations open without getting something equal in return. They prefer to keep their current contract just the way it is, regardless of how many of their fellow employees may lose their positions, and regardless of the fact that revenues to pay for those raises do not exist.

Perhaps between now and January 1, fire employees and City Council will be able to come to some other arrangement that will enable Station #2 to remain open. Nobody believes closing this, or any fire station is the best way to achieve budget reductions. But with this large a deficit, there are few choices. Revenues are continuing to slide, and the problem we have now will only get worse in years to follow. The only solution to closing such a large deficit is to reduce employee salaries, benefits, or both to balance the budget without sacrificing public safety. Every city in the nation is dealing with similar dilemmas, and their employees are making concessions to keep their jobs and maintain a high level of public services. Concessions, unlike contract negotiations, are supposed to be "give-backs" to existing labor agreements without requiring something in return, and they are the most effective way for a city to avoid insolvency during this unprecedented Great Recession. An overwhelming majority of Redding citizens expressed this view at the polls on November 2nd, not to mention at the podium during the Council meeting on November 16th.

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.

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