

SHASTA COUNTY BOARD OF SUPERVISORS

Tuesday, September 13, 2005

REGULAR MEETING

9:00 a.m.: Chairman Kehoe called the Regular Session of the Board of Supervisors to order on the above date with the following present:

District No. 1 - Supervisor Kehoe
District No. 2 - Supervisor Cibula
District No. 3 - Supervisor Hawes
District No. 4 - Supervisor Hartman
District No. 5 - Supervisor Clarke

County Administrative Officer - Doug Latimer
Assistant County Counsel - Mike Ralston
Deputy Clerk of the Board - Tazina Otis
Deputy Clerk of the Board - Elaine Grossman

INVOCATION

Invocation was given by The Reverend Kay Young, First United Methodist Church.

PLEDGE OF ALLEGIANCE

Pledge of Allegiance to the Flag was led by Supervisor Clarke.

INTRODUCTIONS

Introductions of the Members of the Board, County staff, elected officials, and County department heads were made.

ITEMS PULLED FROM CONSENT CALENDAR

Supervisor Clarke pulled for discussion the item regarding the amount of the California Department of Housing and Community Development 2005 HOME Program grant application. Director of Housing and Community Action Larry Lees explained that the grant has been increased from \$500,000 to \$800,000.

CONSENT CALENDAR

By motion made, seconded (Hartman/Cibula), and unanimously carried, the Board of Supervisors took the following actions, which were listed on the Consent Calendar:

Authorized the issuance of warrants totaling \$2,423.50 requiring special board action. (Auditor-Controller)

Approved the minutes of the meeting held on August 23, 2005, as submitted. (Clerk of the Board)

Adopted Resolution No. 2005-118, which approves and authorizes the Chairman to sign an application to the California Department of Housing and Community Development 2005 HOME Program in the amount of \$800,000 for first-time homebuyers down payment assistance and housing rehabilitation; approves and authorizes the Chairman to sign a contract if one is awarded; and authorizes the Director of Housing and Community Action Program to sign additional required application and participation documents. (Housing and Community Action Programs)

(See Resolution Book 46)

Approved and authorized the Chairman to sign an amendment to the agreement with Critical Solutions, Inc. increasing compensation by \$80,619 (for an amount not to exceed \$875,509) to include special testing and inspection services for the Shasta County Library Redding Main project. (Public Works)

Authorized the Public Works Director to sign a Notice of Completion for the 2005 Slurry Seal on Various County Roads project and record it within ten days of the actual completion of the work. (Public Works)

For L & R Estates Permanent Road Division (Millville area): Received the petition for formation and activation, affidavit verifying petition information, maintenance cost estimate, County Surveyor's report, and parcel charge report; and set a public hearing for November 1, 2005 at 9:00 a.m. (or as soon thereafter as may be heard) to consider formation and activation. (Public Works)

For Tract No. 1852, Rolland Country Estates (Cottonwood area): For Rolland Country Estates Street Lighting Zone, received the petition for formation, affidavit verifying petition information, County Surveyor's report, and parcel charge report; for Rolland Country Estates Permanent Road Division, received petitions for formation and activation, affidavit verifying petition information, maintenance cost estimate, County Surveyor's report, and parcel charge report; and set a public hearing for November 1, 2005 at 9:00 a.m. (or as soon thereafter as may be heard) to consider formation and activation of the Rolland Country Estates Zone of Benefit for Street Lighting and the Rolland Country Estates Permanent Road Division. (Public Works)

For Parcel Map No. 99-021, Sutter (Shingletown area): Approved and authorized the Chairman to sign an agreement with Billy Sutter to provide maintenance of the common leach field and sewer force main for one year; accepted security guaranteeing workmanship in the amount of \$22,500; and adopted Resolution No. 2005-119, which accepts sewer system improvements for operation and maintenance in County Service Area No. 13 - Alpine Meadows. (Public Works)

(See Resolution Book No. 46)

REGULAR CALENDAR

BOARD MATTERS

PROCLAMATION: CONSTITUTION DAY AND CONSTITUTION WEEK

At the recommendation of Daughters of the American Revolution representative Marcene Bolton and by motion made, seconded (Clarke/Hawes), and unanimously carried, the Board of Supervisors adopted a proclamation which designates September 17, 2005 as Constitution Day and September 17-23, 2005 as Constitution Week in Shasta County.

GENERAL GOVERNMENT**ADMINISTRATIVE OFFICE/BOARD OF SUPERVISORS****LEGISLATIVE UPDATE/SUPERVISORS' REPORTS**

County Administrative Officer (CAO) Doug Latimer presented and update on specific legislation of importance to Shasta County, including Assembly Bill 18 (LaMalfa), which provides allocations for property tax revenue reductions resulting from the recent fires in Shasta County. The Bill has been approved by the Assembly and Senate and is ready for the governor's signature. By consensus, the Board of Supervisors approved and authorized the Chairman to sign a letter to Governor Schwarzenegger supporting AB18.

Supervisors reported on issues of countywide interest.

ADMINISTRATIVE OFFICE

ADOPTION: FISCAL YEAR 2005-06 FINAL BUDGET
RESOLUTION NOS. 2005-120 AND 2005-121
SALARY RESOLUTION NO. 1274

At the recommendation of Budget Officer Kim Pickering and by motion made, seconded (Hawes/Cibula), and unanimously carried, the Board of Supervisors adopted Resolution No. 2005-120, which approves the Fiscal Year 2005-06 Final Budget; adopted Salary Resolution No. 1274, which reflects the position allocations approved in the Fiscal Year 2005-06 Final Budget effective October 2, 2005; adopted Resolution No. 2005-121, which authorizes the transfer of Sheriff Asset-Forfeiture funds to the City of Shasta Lake to be utilized for approved law enforcement purposes in the City; and increased the number of vehicles in the County fleet by 3 for a new total of 386.

(See Resolution Book No. 46)

(See Salary Resolution Book)

ADMINISTRATIVE OFFICE/ MENTAL HEALTH

MENTAL HEALTH CUSTODY AUTHORITY
RESOLUTION NO. 2005-122

Senior Analyst Celeste Buckley gave a summary regarding involuntary detention under the provision of the Lanterman-Petris-Short (LPS) Act. Ms. Buckley explained that the resolution extends California Welfare and Institutions Code section 5150 authority to Shasta Community Health Center psychiatrist Dr. Lynn Pappas while a Memorandum of Understanding is in effect between the County and the Shasta Community Health Center, and requires that all designated professional persons shall attend initial and annual training as determined by the Shasta County Mental Health Director Dr. Don Kingdon to acquire and retain the authority granted by the resolution.

At the recommendation of Senior Analyst Celeste Buckley and by motion made, seconded (Hawes/Clarke), and unanimously carried, the Board of Supervisors adopted Resolution No. 2005-122, which repeals Resolution No. 2004-75 and designates professional persons who may take, or cause to be taken, individuals into custody in accordance with Welfare and Institutions Code sections 5150 and 5585.50.

(See Resolution Book No. 46)

COUNTY CLERK/ REGISTRAR OF VOTERS

MOUNTAIN GATE COMMUNITY SERVICES
DISTRICT BOARD APPOINTMENTS

By the recommendation of County Clerk Cathy Darling and by motion made, seconded (Hartman/Cibula), and unanimously carried, the Board of Supervisors approved the appointment of Robert Gambrel, Gary M. Gunter, and Greg R. Peterson in lieu of election for a term from December 2, 2005 to December 4, 2009 to the Mountain Gate Community Services District Board of Directors as listed on the County Clerk's certificate.

LAW AND JUSTICE

PROBATION

PROBATION/JUVENILE HALL
POSITION ALLOCATIONS
SALARY RESOLUTION NO. 1275

At the recommendation of Chief Probation Officer Jim Kuhn and by motion made, seconded (Hawes/Clarke), and unanimously carried, the Board of Supervisors adopted Salary Resolution No. 1275, which deletes three Supervising Group Counselor positions and two Group Counselor I/II positions from the Juvenile Hall budget; adds two Supervising Probation Officer positions and two Deputy Probation Officer III positions to the Juvenile Hall budget; and moves one Supervising Group Counselor position from the Juvenile Hall budget to the Juvenile Community Services Program budget.

(See Salary Resolution Book)

PUBLIC WORKS

AGREEMENT: HAT CREEK CONSTRUCTION
FERN ROAD AT DRY CLOVER CREEK
BRIDGE REPLACEMENT PROJECT

At the recommendation of Public Works Director Pat Minturn and by motion made, seconded (Hawes/Hartman), and unanimously carried, the Board of Supervisors awarded to the low bidder, Hat Creek Construction, Inc., on a unit-cost basis, the contract for construction on the Fern Road at Dry Clover Creek bridge replacement project.

RESOURCE MANAGEMENT

HOUSEHOLD HAZARDOUS WASTE GRANT
FISCAL YEAR 2005-06
RESOLUTION NO. 2005-123
BUDGET AMENDMENT

At the recommendation of Staff Services Manager Ronni Harman and by motion made, seconded (Clarke/Hawes), and unanimously carried, the Board of Supervisors adopted Resolution No. 2005-123, which authorizes Resource Management to accept the Local Government Household Hazardous Waste Grant - Fiscal Year 2005-06 in the amount of \$291,137 on behalf of the County of Shasta and the Cities of Anderson and Shasta Lake, appoints the Director of Resource Management as the agent for Shasta County for the purpose of

the grant, authorizes program expenditures to be included in the budget for Fiscal Year 2005-06, and authorizes the Auditor-Controller to pay claims for said expenditures; and approved a budget amendment increasing expenditures by \$67,000 and revenues by \$74,000.

(See Resolution Book No. 46)

OTHER DEPARTMENTS

COUNTY FIRE

U.S. DEPARTMENT OF THE INTERIOR GRANT FOR RURAL FIRE ASSISTANCE PROGRAM BUDGET AMENDMENT

At the recommendation of County Fire/CDF Division Chief Warden Scott Holmquist and by motion made, seconded (Clarke/Hawes), and unanimously carried, the Board of Supervisors approved a grant in the amount of \$8,736 from the U.S. Department of the Interior, Bureau of Land Management, Rural Fire Assistance Program; and approved a budget amendment increasing revenue and expenditures by \$8,736.

9:55 a.m.: The Board of Supervisors recessed and convened as the Shasta County Housing Authority.

SPECIAL DISTRICTS/OTHER AGENCIES REGULAR CALENDAR

SHASTA COUNTY HOUSING AUTHORITY

HOUSING AUTHORITY ADMINISTRATIVE PLAN

Director of Housing and Community Action Larry Lees explained that the Department of Housing and Urban Development (HUD) sent a recommendation authorizing counties and Housing Authorities to adopt a change in their priority plan that allows a specific higher priority for those individuals that have been displaced based on a federally-declared disaster so they can receive a flexible voucher for Section 8 rental assistance. Mr. Lees stated that Shasta County would not be affected at this time because the directive from HUD stated that they are looking for an area that is within a 500-mile diameter from the Hurricane Katrina impact area.

CAO Latimer advised that the Office of Emergency Services requested all individuals from federally declared disasters that come to Shasta County or any other county to register with the local Red Cross and with the Federal Emergency Management Agency.

In response to a question by Supervisor Clarke, Mr. Lees advised that individuals affected by a federally declared disaster would be provided preference on the waiting list and that Shasta County is allotted 644 Section 8 rental vouchers.

In response to a question by Supervisor Hartman, Mr. Lees explained that the revision to the Administrative Plan would stay in effect for future and local federally declared disasters.

By motion made, seconded (Hawes/Hartman), and unanimously carried, the Board of Supervisors adopted a revised Administrative Plan to update policies and procedures to align with U.S. Department of Housing and Urban Development directives.

10:05 a.m.: The Shasta County Housing Authority adjourned and reconvened as the Board of Supervisors.

CLOSED SESSION ANNOUNCEMENT

Chairman Kehoe announced that the Board of Supervisors would recess to a Closed Session to take the following actions:

1. Discuss appointment of a public employee (County Administrative Officer), pursuant to Government Code section 54957, subdivision (a).
2. Confer with its Labor Negotiators, County Administrative Officer Doug Latimer and Director of Personnel Joann Davis, Labor Consultant Becker and Bell, to discuss the following employee organizations: Shasta County Employees Association, Shasta County Mid-management Association, Deputy Sheriffs Association, Deputy Sheriffs Association-Correctional Officers, Sheriffs Administrative Association, Professional Peace Officers Association, Unrepresented Employees, United Public Employees of California-General Unit, United Public Employees of California-Professional Unit, and Teamsters-Trades and Crafts, pursuant to Government Code Section 54957.6.

10:07 a.m.: The Board of Supervisors recessed to Closed Session and convened as the In-Home Supportive Services (IHSS) Public Authority Governing Board.

IN-HOME SUPPORTIVE SERVICES

PUBLIC AUTHORITY GOVERNING BOARD

CLOSED SESSION ANNOUNCEMENT

Chairman Kehoe announced that the IHSS Public Authority Governing Board would recess to a Closed Session to confer with its counsel to discuss one case of anticipated litigation entitled Service Employees International Union v. County of Shasta, pursuant to Government Code Section 54956.9, subdivision (a).

10:08 a.m.: The IHSS Public Authority Governing Board recessed to Closed Session.

10:30 a.m.: The In-Home Supportive Services (IHSS) Public Authority Governing Board recessed from Closed Session.

AFTERNOON CALENDAR

3:00 p.m.: The IHSS Public Authority Governing Board reconvened in Open Session with all Supervisors, Assistant County Counsel Mike Ralston, CAO Doug Latimer, and Deputy Clerks of the Board Elaine Grossman and Tazina Otis present.

REPORT OF IN-HOME SUPPORTIVE SERVICES

PUBLIC AUTHORITY GOVERNING BOARD

CLOSED SESSION ACTIONS

Assistant County Counsel Mike Ralston reported that the IHSS Public Authority Governing Board met in Closed Session to discuss one case of anticipated litigation; however, no reportable action was taken.

3:01 p.m.: The IHSS Public Authority Governing Board adjourned, and the Board of Supervisors reconvened.

REPORT OF BOARD OF SUPERVISORS

CLOSED SESSION ACTIONS

Assistant County Counsel Mike Ralston reported that the Board of Supervisors met in Closed Session to discuss a public employee appointment (County Administrative Officer) as well as labor negotiations; however, no reportable action was taken.

GENERAL GOVERNMENT

ADMINISTRATIVE OFFICE/RESOURCE MANAGEMENT

TAX AND REVENUE SHARING AGREEMENT PROPOSAL **COOPERATIVE PLANNING AGREEMENT PROPOSAL**

3:03 p.m.: Supervisor Hawes recused himself as he owns property adjacent to the Stillwater Business Park project and left the room.

Director of Resource Management Russ Mull presented the staff report and explained that the planning agreement proposal has taken two years utilizing County of Shasta staff, City of Redding staff, and community members. The proposed Shasta Regional Auto Mall at the Knighton Road/Interstate 5 interchange makes the proposals a timely issue. In response to a comment by Supervisor Kehoe, Mr. Mull replied that the proposals are a policy document and not in contractual language.

Referring to the Local Sales and Transient Occupancy Tax Revenue Sharing Proposal, Mr. Mull began with Section 1: Actual Revenue Determination. He discussed methods of calculating the County's future financial gain for two scenarios: no agreement and development of the Shasta Regional Auto Mall; and with approval of a cooperative tax-sharing agreement.

In reference to Section 2: Actual Revenue Fluctuations, Mr. Mull spoke of a hypothetical ten-year diagram which illustrated how growth plus the base of one year becomes the base for the next year and showed what could occur if there are years of no growth or decline.

Regarding the Cooperative Planning Agreement Proposal, Section 1: Churn Creek Bottom Development, Mr. Mull stated that the County will continue to acknowledge the Shasta County General Plan in regard to the Knighton Road/Interstate 5 interchange near Churn Creek Bottom.

In relation to Section 2: Annexation Revenue Sharing Tax Split, Mr. Mull replied to a question of Supervisor Cibula, stating that the historical growth tax split with the City of Redding is zero; 50/50 with the City of Anderson; and the City of Shasta Lake has not annexed County land since the City's incorporation. If the property tax value is high on the annexed land, the City of Redding would have a high benefit.

Section 3: Stillwater Business Park placement into the SHASTEK Redevelopment Project Area indicates the Business Park cannot be successful unless it is in the redevelopment zone, and it needs this agreement as a financing bridge.

Mr. Mull stated that Section 5: Public Facilities Fee Collection allows flexibility in the amount of the fees for newly developed facilities, and developers and residents would be a part

of that determination discussion. Section 6: Development Standards asserts that Shasta County already requires these development standards except for the extra five feet of landscaping required by the City of Redding. Continuity of public works standards is necessary for utility connections during an annexation.

Mr. Mull outlined Section 8: Ten-Year Review of Cooperative Planning Agreement. He stated the County Administrative Officer and County Counsel advise that a five-year opt-out ability term is preferable to the ten-year term as requested by the City of Redding. Mr. Mull concluded, stating that Shasta County wants to preserve revenue and adding that the California Horse Park project would need this type of agreement to proceed.

In response to a question by Supervisor Clarke, Mr. Mull replied that the City of Redding has a combined agreement to review at the City Council Meeting because the City did not have time to split the document into fiscal and land use components. If all the issues are in one agreement and the state law changes, then the entire agreement has to be changed. Any planning changes could occur with a majority vote using separate agreements, but if they are tied to tax sharing, a four-fifths vote by the Board of Supervisors would be required for both tax-sharing and planning issues.

CAO Latimer suggested including in the agreement a clause that if one item is not completed, then the entire agreement is null and void. The 50/50 split works for vacant land, but on annexed, occupied land, the County must still provide services except for road, law enforcement, and fire. The impact fees cannot be used as General Fund money to put people into new capital improvements.

County Budget Officer Kim Pickering stated there are four distinct issues of the proposal. These issues are the tax exchange document, redevelopment, the impact fee process, and annexations.

In reference to tax exchange, Ms. Pickering used the growth rates from 1999-2004 as they are most consistent and did not include the 2004-2005 figure due to it being skewed because of the triple-flip activities.

Regarding redevelopment, Ms. Pickering explained that if the County supports this proposal, it must adequately protect itself in case the Stillwater Business Park is not fiscally viable, since the sponsoring entities are ultimately responsible for the debt incurred, and Shasta County is the largest stakeholder in the Stillwater Business Park portion of the SHASTEK Redevelopment Project.

Ms. Pickering stated that the impact fee process is a viable option for possible capital projects such as a new Public Safety building and County Jail. She said these fees cannot be used for operational funds, only the building itself. Sales tax revenue, such as from the proposed Auto Mall at the Knighton Road/Interstate 5 interchange, is needed to increase the General Fund for those County departments that depend on it for operational funding.

In reference to annexations, Ms. Pickering stated that when developed land is annexed, half of the property tax, the County's largest source of General Fund revenue, would go to the City of Redding, but the County continues to provide 85 percent of the services to the area. She suggested having the opportunity to evaluate annexations on an individual basis.

Chairman Kehoe announced that although this was not a public hearing, the Board would allow public input after the Board of Supervisor's comments.

Supervisor Clarke stated that City of Redding staff rejected previous tax-sharing revenue percentage splits of 65/35 and 75/25, and the initial discussions did not include planning projects such as the California Horse Park, Stillwater Business Park, and proposed Shasta Regional Auto Mall. She stated that the County loses transient occupancy tax and any growth potential in property tax each time an annexation occurs. When there is new development in the County that is not annexed, the City will get 86.3 percent of the taxes but will not be required to

provide services. Additionally, the City will always have discretionary money; however, the County General Fund revenue, which supports such entities as the library, jail, and Veterans' benefits, depends on unincorporated sales and property taxes. Supervisor Clarke clarified that she would vote no on the proposals as presented for reasons stated.

In response to questions by Supervisor Cibula, CAO Latimer replied that he previously stated his concerns with the ten-year time limit, that he would want at least an 83/17 or 84/16 percentage split, and the option to look at annexations and loss of discretionary money.

In response to questions by Supervisor Cibula, Assistant County Counsel Mike Ralston replied that he is unsure if the penalty formula is legal as it was not an issue brought to County Counsel for review.

Greater Redding Chamber of Commerce Board Chairman Ed Rullman stated that he supported the proposals presented by Mr. Mull, as the Stillwater Business Park could bring high-paying jobs to Shasta County.

McConnell Foundation CEO Lee Salter commented that without an agreement, there will not be a California Horse Park, which could bring 190,000 visitors and tax revenue to Shasta County.

Proposed Shasta Regional Auto Mall developer Jim Maxwell expressed that the Auto Mall could bring 500 jobs and increased tax revenue to Shasta County.

Economic Development Corporation (EDC) Board of Directors Chairman Cheryl Calhoun said the EDC has made no formal decision, but she supports any measures to develop Stillwater Business Park and said it is necessary to have a tax exchange agreement with the City of Redding.

In response to a question by Supervisor Kehoe, Assistant County Counsel Mike Ralston replied that today's proposals do not require a four-fifths vote for approval, but a future agreement would.

Churn Creek Bottom Homeowners' Organization Chairman Victor Ogrey articulated that the Auto Mall project does not have a Final Environmental Impact Report, and the project should not be viewed as a certainty. He questioned the legality of rezoning for the proposed Auto Mall in the planning agreement proposal.

In response to questions by Supervisor Cibula, Mr. Mull replied that the amount of tax revenue from Hilltop Drive could also be generated at the Knighton Road/Interstate 5 interchange, but municipal services are needed for such high-caliber development. He stated that the unincorporated interchange is an anomaly as all other high-value retail land and associated transient occupancy and sales tax revenue has been given to the Cities of Redding, Anderson, and Shasta Lake.

Supervisor Hartman communicated that a tax agreement with the City of Redding has been discussed for years and concurs with its necessity. However, she stated concern with the percentage split, the SHASTEK liability, losing General Fund money, and locking the County into terms that may not be lucrative in the future.

Supervisor Kehoe moved to accept the Local Sales and Transient Occupancy Tax Proposal as presented in the staff report with no changes. The motion failed for lack of a second.

Supervisor Cibula moved to direct staff to continue negotiations with the City of Redding and answer the concerns regarding the agreement term and penalty issue.

In response to a question by Supervisor Clarke, Mr. Mull recommended that the Board of Supervisors approve or reject the proposal at this time as it appears to be an exercise in futility to go back and negotiate further. Supervisor Hartman stated it would be unfortunate for

negotiations to cease, and she supported negotiating a tax-sharing agreement which excludes planning development issues. Supervisor Clarke also encouraged a fair tax exchange agreement and a separate annexation proposal.

Supervisor Hartman seconded Supervisor Cibula's motion to direct staff to continue negotiations, but asked him to clarify if the negotiations would only be for a tax-sharing agreement or the current staff report proposals. He replied that it would be for the current proposals. The motion failed by the following vote:

AYES: Supervisors Hartman and Cibula
NOES: Supervisors Clarke and Kehoe

By motion made, seconded (Clarke/Hartman), and carried, the Board of Supervisors directed staff to approach the City of Redding for further negotiation of a tax-exchange agreement. In response to the motion, CAO Latimer suggested including a third staff person in the negotiations and at least two of them to meet with City staff for the negotiations. Supervisor Clarke requested one financial report for proposal discussion. Supervisor Kehoe voted no as he preferred a decision for the current proposal.

Supervisor Clarke moved to oppose the Cooperative Planning Agreement Proposal; Supervisor Hartman seconded the motion. The motion failed by the following vote:

AYES: Supervisors Hartman and Clarke
NOES: Supervisors Cibula and Kehoe

Supervisor Cibula moved to continue negotiations with the City of Redding on a cooperative planning proposal. The motion failed for lack of a second.

There being no alternate motions, no action was taken on the consideration of directing staff to prepare the necessary agreement with the City of Redding regarding a cooperative planning agreement.

5:20 p.m.: The Board of Supervisors adjourned.

Chairman

ATTEST:

H. DOUGLAS LATIMER
Clerk of the Board of Supervisors

By _____
Deputy