

CITY OF MT. SHASTA
SPECIAL CITY COUNCIL WORKSHOP MEETING MINUTES
Monday, March 4, 2013; 3:00 p.m.
Approved - March 25, 2013

1. Call to Order

Mayor Moore called the meeting to order at the hour of 3:07 p.m.

2. Roll Call

Present: Council Members Michael Burns, Sr., Jeffrey Collings, Geoff Harkness, Tim Stearns, and Mayor Tom Moore

Absent: None

3. Public Comment:

No public comments were noted.

4. Strategic Planning & Goal Setting Workshop

City Manager Marconi made the observation that Council has held one Council Workshop and one Community Workshop and are at the point now in bringing the information from those meetings together to come up with a set of policies and goals for the next year or two. City Manager Marconi stated that he wasn't sure how Council wants to proceed so he would defer to Council.

Council Member Collings stated he had drafted a summary of what Council has been talking about that incorporates a little bit of what was brought forward at the community meeting. Council Member Collings provided a copy of his document to the other Council Members. Council Member Collings stated his summary provides background information and uses the values that Council is trying to stay focused on, such as the general strategies that Council has been discussing and the revenues the City actually receives and what kind of considerations and/or objectives would have an effect on actually bringing in more revenue. Council Member Collings suggested there are five things that define the City's current situation. Council Member Collings noted that half the home sales last year were sold in foreclosure and the average median home price was half of what it was in 2006 and the number of homes sold of 115 is about the same as in the past. Council Member Collings pointed out that the City's property taxes are negatively impacted by the reduction in home prices. Council Member Collings noted that in terms of the schools, in 1991 the City's school enrollment was 1,027 K-8 and enrollment this year is 518 and that number is projected to decrease to 470 next year. Council Member Collings noted the City's population has remained roughly the same but retirees are moving in and living wage families are moving out which effects school enrollment. Council Member Collings noted that Fire, Police, and Public Works all have vacancies that the City is not filling because the City doesn't have enough revenues to pay for those additional positions. Council Member Collings noted that equipment needs to be updated but again that isn't being done due to lack of funding. Council Member Collings made the observation the City is doing a great job of meeting its expenses and making due with the revenues that are coming in. Council Member Collings made the observation there are some storefronts that are remaining empty in the long term but others are doing well. Council Member Collings made the observation the City is trying to protect its values which is the small town feel. Council Member Collings made the observation the City needs more money and there are three ways to do that. Council Member Collings suggested that is where the strategic goals come into play. Council Member Collings made the observation the City can either raise taxes as was done with the Library Tax, attract more tourists who provide additional sales taxes and TOT taxes, or bring more jobs to town. Council Member Collings made the observation that income from tourists is subject to the shoulder seasons when tourists aren't coming here. Council Member Collings made the observation that bringing more living wage jobs to Mt. Shasta means that those moving here will be spending their money here 12 months a year, they put their children in school, and they buy homes here. Council Member Collings expressed the opinion that the last idea of bringing more living

wage jobs to Mt. Shasta should be the primary objective the City turns its attention to. Council Member Collings made the observation that the next strategy is to increase living wage jobs in Mt. Shasta.

Council Member Collings suggested there are two ways to do that, either organically like what has been going on for the last 20 years with perhaps small businesses with lower paying jobs that don't bring anyone new to the City and provides services to the existing Mt. Shasta pool of money which helps the money move faster, but it doesn't grow the supply of money here. Secondly there is targeted growth which the City used to be when the lumber industry was here, since that time the City has become a tourist or service based economy. Council Member Collings suggested the City moves again to a more targeted growth and do tourism as well. Council Member Collings made the observation that if a large business were to move to Mt. Shasta, and there are 40-50 new homes sold in this town it would bring about \$7,000/year to the town in property taxes. Council Member Collings made the observation if the City were to bring \$20 Million in new gross salary to the City, in the form of new jobs, that would bring about \$340,000 in new money to the City from total sales, gas, and property taxes and many millions more into the local economy from that money being spread around the town. Council Member Collings asked what is it that we want...is it bringing 1,000 people to the City who make \$25,000 per year or 250 people that make \$100,000 per year? Council Member Collings suggested that higher paying jobs might be preferable to the City in order to retain our small town feel, and the kind of industry that would provide those higher paying jobs could be found in the computer industry.

Council Member Harkness asked whether Council Member Collings has included grant monies in his calculations.

Council Member Collings responded in the negative.

Council Member Stearns agreed with Council Member Collings about increasing tourism and living wage jobs by having not only organic growth but targeted growth as well. Council Member Stearns suggested the City should target those industries that we think would be compatible with Mt. Shasta and would bring high paying living wage jobs with them and market to those industries.

Council Member Harkness concurred and made the observation that would be in line with Mt. Shasta's mission which is to achieve economic growth yet maintain the standards and quality of life here.

Council Member Stearns asked Council Member Collings about his proposal of bringing low cost high speed internet to Mt. Shasta.

Council Member Collings responded he had since learned the City has enough high speed internet capabilities available.

Mayor Moore made the observation there are better internet services available for businesses in Mt. Shasta than there are for residences.

Council Member Collings agreed that was the case and noted that although the internet speed at home is slower than available at a business in Downtown Mt. Shasta, there is about a 6 minute commute to the availability of the internet at one's downtown business.

Mayor Moore pointed out there are a multitude of people whose business is done out of their home and it is those users who he was referring to who are frustrated with the slow internet available to them. Mayor Moore made the observation that bringing fiber optics to people would not cost that much.

Council Member Stearns asked for clarification as to whether there is a consensus of the Council to put as a goal to increase tourism in shoulder seasons and also target living wage or high wage jobs for Mt. Shasta.

Mayor Moore asked Council Member Stearns what he considered to be a living wage job.

Council Member Stearns responded he considered \$22-\$25/hour as being a living wage job.

Mayor Moore responded that he would be out of business were he to pay his employees a minimum of \$25 per hour.

Council Member Stearns suggested that if Council is looking at selecting 5-6 priorities to work on in the next 2 years is there a consensus that one of those 5-6 priorities would be business attraction?

Mayor Moore responded he agreed that business attraction would be a priority.

Council Member Burns asked as to what kind of business attraction.

Council Member Stearns made the observation that both Council Members Collings and Harkness were also in favor of business attraction as being a priority.

Council Member Harkness stated he would be fine with just a general priority of economic growth.

There was a consensus of the Council with Council Member Harkness' statement.

Council Member Harkness suggested that Council might use this opportunity to focus on the 3-4 things that must be accomplished in the next 2-3 years to achieve economic growth. Council Member Harkness made the observation that if Council wanted to define that as job creation or business promotion then that would be fine. Council Member Harkness suggested taking this opportunity to revisit the goals they had put out there at the beginning of this process and revise them and then identify those that meet this objective.

Council Member Stearns noted the General Plan has goals and implementation measures so this would be similar to that.

Council Member Harkness made the observation that they didn't need to get into implementation yet.

Council Member Stearns made the observation that if the goal is economic development and economic growth then what will help achieve that economic growth.

Council Member Harkness suggested using the easel to go through what was input at the community forum and then Council could mold and modify 3-4 different objectives.

Council Member Stearns stated that economic growth is the number 1 priority for the next 2 years because if the City doesn't have economic growth then it doesn't have the revenue to accomplish what we need to accomplish and the City would also be facing problems with the schools and with the community. Council Member Stearns suggested that City Manager Marconi should write economic growth up there on the board.

Mayor Moore stated the recollection that under economic development and community promotion, at the community forum the community had made it clear they wanted the promotion of the bicycle and pedestrian trail system. Mayor Moore suggested that the 2nd through 5th things they had stated support for could be summarized into their agreeing to the importance of marketing Mt. Shasta in other areas as a business friendly city and support local businesses and develop living wage jobs. Mayor Moore made the observation that economic growth is important and this is what the community had stated their support for. Mayor Moore agreed that economic growth must be the top thing on the Council's radar. Mayor Moore noted that under that is a plethora of other things. Mayor Moore made the observation he has been hearing that the City needs economic development ever since he moved here. Mayor Moore made the observation that everyone has their own interpretation of what economic development is. Mayor Moore suggested beneath this is why aren't people coming here and why aren't they coming to California. Mayor Moore made the observation that the high taxes in California are prohibitive to people wanting to come here, especially if they are in a higher income bracket. Mayor Moore stated all he is trying to say is that when people are looking at being taxed at 63% of their income, that doesn't encourage them to want to live here. Mayor Moore stated the need to look at things objectively and just because Council puts economic development at the top of its priorities didn't mean that it would happen.

Council Member Stearns suggested putting growth up on the board and then discuss what actions Council proposes be taken in the next two years to help foster that.

Council Member Collings noted the Mayor had made a good point. What exactly does that mean?

Mayor Moore made the observation that what is needed is a more consistent fluid economy. How do we get more of a fluid economy here? Mayor Moore made the observation that what is wanted is more dollars being brought into the economy.

Council Member Harkness agreed that economic growth should be our focus and this is our opportunity to define what that means and what the objectives are for the next couple of years.

Council Member Stearns suggested economic growth and more money as being equivalent.

Council Member Harkness suggested reviewing the Council's original goals and then adding any additional thoughts such as attracting businesses. Council Member Harkness suggested it might mean lowering our business permitting fees or such. Council Member Harkness suggested determining Council's 3-4 top priorities by the end of this meeting.

Council Member Collings noted the Mayor had made a good point as to what stands in the way of that economic growth, why don't people come here? Council Member Collings suggested part of the answer to that is by looking at who does come here. Council Member Collings made the observation that those who don't come here are those who need to sell direct to their customers because Mt. Shasta is out in the middle of nowhere. Council Member Collings made the observation that by being able to sell via the internet makes it possible for a business owner to live anywhere because they are mobile. Council Member Collings made the observation that this is the category of people who can move here because it doesn't matter where they live.

Council Member Stearns suggested another category of those who do not come to Mt. Shasta are those who don't know that Mt. Shasta exists. Council Member Stearns suggested the City needs a greater highway presence. Council Member Stearns suggested using target marketing to attract new members to the community.

Mayor Moore questioned whether there is an industry out there that pays at least \$25 per hour that would move to Mt. Shasta.

Council Member Collings responded that businesses like the Surf Shack would fit into that category.

Mayor Moore asked whether we want more Wholesale Solar or more Surf Shack businesses on Mt. Shasta Boulevard. Is that the future we see for Mt. Shasta Boulevard?

Council Member Stearns responded that whether it is Mt. Shasta Boulevard or not he would not mind seeing some such additional businesses in Mt. Shasta.

Council Member Harkness suggested they didn't necessarily have to be on Mt. Shasta Boulevard.

Council Member Collings suggested the free market would help determine where those businesses end up and he didn't think they would all want to be in the downtown area, they would just like to be in the Enterprise Zone.

Mayor Moore expressed the opinion the City would lose TOT revenues if there were a lot of those types of businesses in the downtown area because it is doubtful whether tourists would be attracted to come here to shop and spend money at those types of businesses.

Mt. Shasta Chamber of Commerce Executive Director Marie Josee Wells made the observation that those types of businesses have employees who love to go to coffee shops, who would shop locally, so there might be less focus on the tourism aspect but more on the community part of it. Ms. Wells suggested such businesses would grow the community in a different way than it grows now.

Mayor Moore expressed the opinion that the coffee shops and beauty parlors would go away.

Ms. Wells expressed her disagreement with the Mayor's comment.

Mayor Moore asked whether it was the desire of the Council to have a lot of companies like Surf Shack and Wholesale Solar on the City's main strip or to have businesses in the Downtown area that would attract people to come and stay for the weekend and shop Downtown.

Ms. Wells made the observaton that it would be better to have more businesses like Surf Shack and Wholesale Solar located off of Mt. Shasta Boulevard and at locations on the periphery.

Mayor Moore agreed with Ms. Wells' observation.

Council Member Stearns stated that past City Council's have made a commitment to protect the vitality of downtown Mt. Shasta. Council Member Stearns noted that Council had not supported development of businesses away from the downtown area that would draw people, money, and vitality away from the downtown. Council Member Stearns made the observation that there is now a new City Council that could take a different position but historically the Council has supported preserving the vitality of downtown. Council Member Stearns made the observation there wasn't anybody here who would like to see only businesses like Surf Shack in the downtown area. Council Member Stearns stated the understanding that Ms. Wells is saying that if there are a lot of offices downtown then employees of those businesses would be purchasing coffee before going to work and at lunch time they would be eating at the local restaurants and cafes. Council Member Stearns suggested the more entertainment opportunities available the more they would be used. Council Member Stearns pointed out that Council controls what goes where through the City's zoning. Council Member Stearns suggested Council should choose about six items that are of priority for the Council to work on for the next two years before working out the details. Council Member Stearns suggested as an example "to attract 25 new jobs in the next year".

Mayor Moore suggested that might be a good starting point, to attract 25 new jobs in the industries themselves plus new businesses coming in. Mayor Moore made the observation that no one is a better sales person for new business coming in than existing businesses that like it here. Mayor Moore asked whether it was possible to determine whether that goal has been achieved.

City Manager Marconi responded that there should be a way to track that through the business licenses issued by the City.

Finance Director Terrell suggested using the information available through the Enterprise Zone as a way of tracking that.

Council Member Stearns suggested setting aside economic growth and moving on to identify other goals.

City Manager Marconi suggested a challenge to Council before they moved off of economic growth and he noted that he has been doing this for thirty years now and he has never sat in any group, anywhere, in any setting that didn't say they wanted to see economic development or economic growth. City Manager Marconi challenged the Council to ask themselves why they want economic growth. Does the Council want to see more population, more traffic, more pollution, higher crime, more jobs, more people, more money, why does Council want economic growth? Why does Mt. Shasta want economic growth?

Council Member Stearns suggested Council Member Collings had answered that question when he had talked about more dollars coming to the City versus more people and the City having sufficient funds, sufficient revenues to provide.....

City Manager Marconi interjected that he was hearing that Council wants more money.

Council concurred that the question was a good one.

Mayor Moore made the observation that at the community meeting the members of the community had indicated their desire to maintain Mt. Shasta's small town feel and had stated a preference for things staying the way they are. Mayor Moore expressed the opinion the number one thing needed in Mt. Shasta is more younger people living here. Mayor Moore made the observation that even the City is unable to pay its employees enough for them to be able to afford to live within the city limits. Mayor Moore asked what is expected. Do we expect a business to come in and be able to pay \$25+ per hour and that those people would live here in the community? Mayor Moore questioned whether that was realistic.

Council Member Collings made the comment that he believed that to be possible.

Council Member Stearns made the observation that one other goal he is hearing is to attract young families to Mt. Shasta to maintain the vitality of the school system and the community. Council Member Stearns suggested that goal as being interconnected with economic growth.

Council Member Harkness made the observation the City has a lot of monetary needs, whether that be for the Fire Department, the Police Department, whether it is the City's crumbling sewer infrastructure, whether it is for the maintenance of the roads, and he noted the importance that City is able to maintain Mt. Shasta's population in order to sustain revenues. Council Member Harkness made the observation that without sustaining revenues the City would ultimately not be able to meet the basic expectations of the population and more people would move away. Council Member Harkness made the observation there is a basic level of needs the City needs to provide to its citizens and it takes a certain level of revenues to be able to do that. Council Member Harkness made the observation that the City not only needs to protect its revenue sources but also needs to consider how it is going to prepare for the future and that is what this meeting is about. Council Member Harkness noted the City was a lumber based economy before and perhaps tourism isn't enough to provide for the needs of the City. Council Member Harkness suggested the issue might be how to attract additional industries so the City can maintain and protect its revenue base.

Council Member Stearns made the observation that in prior economic forums we have heard that tourism doesn't provide nearly as much financial wealth to a community as something that is created, whether that is manufacturing or something else. Council Member Stearns suggested it doesn't have to be an either or, tourism or something else, but having something else puts the City in a situation where the City is not strictly dependent upon tourism. Council Member Stearns made the observation that if the City is more diverse and not just a tourist based economy then the City would have more stability.

City Manager Marconi stated the belief that business attraction is not a viable strategy for a community. It is not cost effective and it generally never works.

Mayor Moore agreed with City Manager Marconi's statement.

City Manager Marconi suggested Council needs to figure out what the City of Mt. Shasta has to offer that nobody else has to offer and who that is going to attract. City Manager Marconi agreed that Surf Shack is a great business but he did not believe the City of Mt. Shasta would be able to have ten businesses like Surf Shack all doing business in Mt. Shasta. City Manager Marconi made the observation that many young people in that industry are already in the Silicon Valley and they live there because those kids want a night life that Mt. Shasta would never be able to offer. City Manager Marconi made the observation that people who live in Mt. Shasta are people who want to be in the outdoors and want to ski, hike, and fish and they are going to come to Mt. Shasta and if they happen to have those skill sets they are going to come here. City Manager Marconi expressed the opinion that the City of Mt. Shasta would not be able to attract that kind of industry here. City Manager Marconi pointed out that there is a reason why Google is in Palo Alto, because there is a whole conglomeration of things that feed off of each other there and we are fooling ourselves if we try and go after something like that.

City Manager Marconi stated we want to encourage the ones who come here and grow organically and we want to help them prosper and to bring their friends here but he didn't believe the City of Mt. Shasta could go out and attract those kind of people here.

Council Member Collings agreed that there is a large incestuous group of companies that need to be near each other and they are generally big and have a large footprint and presence. Council Member Collings made the observation that it is these smaller companies that target a specific industry and have a niche, and there are thousands of them, and after 30 years of marketing experience he disagreed with the belief that the City could not target a specific targeted electronic package.

City Planner McKinley stated that he had spent a lot of time in economic development classes while earning his graduate degree and he noted that Council seemed to be stating support for quality of life and that means more than just clean air, clean water, and hiking out your back door. It is hospitals, schools, infrastructure, and good

housing and economic development creates wealth in the community. City Planner McKinley made the observation the Council is concentrating on attracting businesses. City Planner McKinley asked as to what the City is using to attract them and suggested the City needs to get its own house in order first, then study the house, because we don't really know the kind of labor force available here. City Planner McKinley suggested we have to figure out what it is we are. City Planner McKinley suggested that is one of the pitfalls associated with small town economic development.

Council Member Collings responded that the businesses he is suggesting the City target are those which bring their own employees with them.

City Planner McKinley stated that he was talking about this group going to that pitfall of making a wish list of the businesses they want to attract without knowledge of what we have to market. City Planner McKinley suggested the City needs to figure out what it can do and then go after those businesses that it can market for. City Planner McKinley made the observation that it might be determined that Mt. Shasta is set up for the Surf Shacks and the Wholesale Solars but by going straight to the wish list is doing us a disservice.

Council Member Stearns agreed the City does need to be able to identify what the City has to offer to anyone the City wants to attract. Council Member Stearns suggested that what the City has to offer is the lifestyle of clean air, clean water, etc., and the six minute versus the hour commute. Council Member Stearns noted that the schools in Mt. Shasta have rated in the top 10% in the state and Mt. Shasta is less crowded than other places. Council Member Stearns suggested the City Planner could come up with a whole list of things.

City Planner McKinley stated the kind of studies he is suggesting are more of a marketing study. City Planner McKinley made the observation that other things are important to people moving here such as hospitals, wages, housing, infrastructure, all of these things. City Planner McKinley reiterated that before making a wish list the Council should figure out what we are trying to market and what can we do.

Council Member Stearns made the observation that not everyone is attracted by the same things. Council Member Stearns stated the understanding that there are many people who moved here because this is a great place to raise kids.

Mayor Moore made the comment that they can't afford to live here and that is why they are living in Shastina or Weed.

Council Member Stearns stated the understanding Council Member Collings is suggesting the City target people who bring their jobs/company with them. Companies with 5-15 employees whose employees come too. Council Member Stearns stated the hope that today one of the things Council gets done is to establish its goals, one of which is economic development and economic growth and he is hearing another goal of increasing young families for the schools.

Mayor Moore made the observation that in order to attract young families the housing prices would need to be lower than they are now.

Council Member Stearns responded that they may end up renting.

Mayor Moore made the observation that rent would be \$800-\$1,000 per month for a two bedroom home versus \$600 per month in Weed. Mayor Moore made the observation that housing costs are supposed to be about 35% of your gross income and now you're proposing that you may not be able to live here but you can rent...however, they know that they can buy in Lake Shastina or Weed and pay less money than to rent a home in Mt. Shasta. Mayor Moore made the observation that in order to attract young people to Mt. Shasta it would be necessary to come up with the kind of housing they can afford to buy.

Council Member Stearns made the observation that right now the Council needs to establish goals and from those goals Council would then need to figure out the how to. Council Member Stearns asked whether one of the goals is to increase the number of young families in Mt. Shasta.

Mayor Moore responded that he would not put a goal on the list that he believes in unattainable.

Council Member Stearns suggested targeting jobs that pay more than \$30,000 per year or realistically the City has people living here now who are either single parents or two parent families with kids in Mt. Shasta schools who are renting and are making \$30,000-\$40,000 per year with both parents working. Council Member Stearns made the observation that if everybody thought as Mayor Moore does then everybody would be living in Lake Shastina but the truth is otherwise.

Mayor Moore suggested a goal of providing affordable housing to allow them to live in Mt. Shasta. Mayor Moore stated the understanding that Council Member Stearns had said that Mt. Shasta needs jobs paying \$25 per hour in order to provide a living wage job.

Council Member Stearns responded that he had not said that.

Mayor Moore stated he had asked Council Member Stearns what he considered to be a living wage job.

Council Member Stearns responded that a living wage job is considered to be a job paying something like \$16.00 an hour which equates to \$32,000 per year.

Council Member Collings noted that is for one person and most households are dual households.

Mayor Moore suggested a goal of going after grants to build affordable housing. Mayor Moore made the observation the City's utility connection fees are so high that after a builder pays \$30,000 to connect to the City's utilities the selling price of that house is not marketable to young people.

Council Member Stearns stated he saw affordable housing as a how to or implementation measure in terms of reaching a goal.

Mayor Moore made the observation that a majority of the City's Police force lives outside of the City because they can't afford to buy a house here and he believes the City needs to rectify that. Mayor Moore suggested a goal of looking into ways of building low cost housing here.

Council Member Stearns stated support for having affordable housing in Mt. Shasta. Council Member Stearns suggested putting that as a goal because it is a way of keeping the community as a viable community.

Council Member Collings stated the belief that the City could attract the high income group, a small number of them so that it would minimize their impact on the community and they would come and bring their employees with them. This would result in more money being spent in restaurants and coffee shops and other places so it would help to raise the tide and all boats would come up. Council member Collings suggested the increase to revenues and to the general economy would be in the neighborhood of \$300,000 per year.

Council Member Collings suggested as people move here and wages start to increase then eventually that would provide jobs paying more so people could then afford housing in Mt. Shasta.

Council Member Stearns made the observation that Council could decide to take care of streets, sidewalks, Fire, and infrastructure and not worry about the shrinking of schools.

Mayor Moore agreed that it is a problem and noted that once the schools shrink it would be hard to get back. Mayor Moore noted the hospital in Mt. Shasta is one of the top rated hospitals and there are also great schools here.

City Manager Marconi stated he had put up on the board the opportunities and challenges that had been brought up at the community meeting.

Council Member Burns made the observation the City is a full service community with its hospital, schools, and library, all of which can be marketed. Council Member Burns suggested they are resources that are already here and they can be built upon as marketing components. Council Member Burns agreed that we need to identify what we have first and then build on them to achieve some of those goals such as bringing jobs here. Council Member Burns noted all of the challenges up on the board of lack of wages, lack of jobs, condition of streets, cost of transportation, high cost of food and fuel. Council Member Burns made the observation that the high cost of

everything here is a deterrent to bringing people here. Council Member Burns noted that people live on the peripheral because they can't afford the cost of living in this community. Council Member Burns reiterated City Manager Marconi's query as to whether the goal is to bring in more revenues or jobs. Council Member Burns made the observation that bringing in more jobs and growing might not be compatible with retaining that small quaint community feeling. Council Member Burns asked whether the City has the land base to support that growth. Council Member Burns made the observation that goals are fine but there is a need to take inventory of what we have and he's not sure that has been done.

Council Member Stearns stated something more he has listed for the City Planner to do is to take an inventory of available commercial storefronts, identify owners, location, size, and cost per square foot. Inventory vacant commercial industrial buildings, inventory available commercial and industrial building sites, and inventory available residential building sites.

Council Member Burns suggested an inventory of houses for sale.

Council Member Collings stated the understanding there are currently 35 homes for sale in Mt. Shasta and noted there are about 115 homes sold each year in Mt. Shasta.

Police Chief Cross made the observation that Mt. Shasta is becoming a retirement community and suggested that we accept who we are and decide to capitalize on that.

Council Member Stearns made the observation that if we are not proactive the City will increasingly become a retirement community.

Council Member Collings agreed that is where inertia is heading us.

Police Chief Cross made the observation that it is the retirees who can afford to live here. Police Chief Cross made the observation that increasing affordable housing would have impacts on the community and not all of those impacts would be positive.

Mayor Moore stated when he says affordable housing he means housing that competes with Weed, it doesn't mean that it's affordable. It still means it would be a reach for people making \$30,000+ a year. Mayor Moore stated he had been in Grants Pass when they realized they were becoming a retirement community.

Police Chief Cross made the observation that Grants Pass is busy with tourists going there to enjoy the river and the parks.

Mayor Moore agreed that there are tourists but Grants Pass had noticed that retirees don't spend money, they don't buy clothes, or new skis, or running and walking shoes. Mayor Moore stated Grants Pass had done a study and had they not marketed tourism they could not have survived. Can we do that here?

Police Chief Cross suggested the demographics in Grants Pass and in Mt. Shasta are very similar.

Council Member Harkness proposed using the next 1 ½ hours to decide what goals the Council would like to set for the next two to three years and get some ideas up on the board.

Fire Chief Melo made the observation that this is the third time he has participated in the Council's goal setting workshop and he made the observation that it appeared that we are just spinning our wheels. Fire Chief Melo made the observation that we aren't looking at the big picture. Fire Chief Melo made the observation that Mt. Shasta is circling and it is now a retirement community. Fire Chief Melo made the observation that the Fire Department used to have to turn volunteers away and put them on a list because there were 35 people available. Fire Chief Melo noted the Fire Department has 15 volunteers right now and we're lucky if there are 2 responders to calls who are under the age of forty and he suggested that if the City doesn't turn things around there won't be a Volunteer Fire Department and the City would have to have a paid department, something the City can't afford. Fire Chief Melo noted that he is on call 24 hours a day. Fire Chief Melo noted there are only two paid Fire Department employees and when one goes on vacation the remaining paid employee has to cover. Fire Chief

Melo made the observation that if economic growth is needed then let's make the City grow or quit talking about it.

Public Works Director Bryan expressed the opinion that it was not possible to make the City grow.

Fire Chief Melo made the observation that sewer connections are expensive, to build here is expensive, to move here is very expensive, to live here is ridiculously expensive, so after all those issues are fixed then maybe it would be possible to bring an industry here that provides jobs. Fire Chief Melo stated that he knows many people living here that make \$8 or less an hour which is way below \$25 per hour.

Council Member Stearns made the observation that \$8 was minimum wage so they weren't making less than that.

Fire Chief Melo responded that actually they are making less per hour because they have to pay for their own insurance costs because if you have a job, you cannot qualify for Medicare or anything else here. Fire Chief Melo suggested the serious problem in Mt. Shasta is us and we're not going to fix that until we realize that we need to fix us before we can do anything else. Fire Chief Melo made the observation there is a need for industry here. Fire Chief Melo recalled that when his father had worked for the lumber mill there had always been food on the table and families had insurance coverage through the Mill and that isn't available to the people working here now. Fire Chief Melo expressed the opinion the City is becoming a retirement community and such a community will require the services of Police, Fire, and Public Works so the City needs to figure out how to pay the people that provide those services because we don't have volunteers available like they have been in the past.

Council Member Stearns made the observation that those services do not generate the revenues necessary to pay for the services being demanded.

Fire Chief Melo agreed that to be the case.

Council Member Collings asked whether Fire Chief Melo had any suggestions.

Fire Chief Melo suggested the City could invite an industry here and give them the Roseburg Property for their business and get rid of the headache that property has become. Fire Chief Melo made the observation that the City has dumped more and more money into that property with no return being made on its investment and there are no more jobs today than there was 20 years ago.

Council Member Stearns expressed the opinion that the Roseburg Property is a business attraction, it can be an incentive.

Council Member Stearns made the observation that other communities have used city owned property to attract businesses by providing the incentive that if the business creates a certain number of jobs at a certain pay level and the business stays for a certain number of years then the business could end up receiving ownership of the City property they have been given to use for their business. Council Member Stearns stated that other cities have attracted businesses by providing either low or no cost leases for X number of years and a city can enter into a 55 year lease which is tantamount to ownership for purposes of financing. Council Member Stearns stated that some cities have been very successful in attracting businesses by having a no cost or low cost lease which gradually, over the years, increases.

Mayor Moore suggested the need to quit looking at Roseburg as Roseburg and instead look at areas of Roseburg. Mayor Moore expressed a desire that one part of the Roseburg property is sold by the City for use as an RV park. Mayor Moore suggested the City could consider providing the ground for 10 years and then lease it after that for its continued use as an RV park. Mayor Moore asked whether there was support of the Council for an RV park at Roseburg and what would it take to make that happen. Mayor Moore suggested by using Roseburg for an RV park would start the flow of the infrastructure process that we need to do. Mayor Moore noted the City has invested over \$900,000 so far in the Roseburg property, including the most recent grant awarded, without there ever having been a shovel in the ground there. Mayor Moore asked whether an RV Park at Roseburg is something Council would support.

Council Member Harkness stated one of his goals was to wait until the market study has been completed, which is expected to happen in June of 2013, before taking any action with regard to the Roseburg property. Council Member Harkness stated another economic development idea he had was to use an incubator program and

perhaps expanding JEDI to tie together angel investors with companies here. Council Member Harkness suggested another idea of increasing the City's social media presence as a means of promoting tourism. Council Member Harkness suggested there could be expansion of the City's Facebook presence or expansion of the City's internet presence.

Council Member Stearns stated support for those suggestions. Council Member Stearns expressed the opinion that the City's website could use a facelift. Council Member Stearns expressed the opinion that the City's website should be a "WOW.....this looks like a great place to live and a great place to be...how can I get there?" Council Member Stearns suggested the City's website should look attractive and be attractive to people when they first see it. Council Member Stearns noted that there are cities that have Facebook on their websites. Council Member Stearns stated that improving the City's website would be one of his efforts.

Mayor Moore asked Council Member Stearns how he found out information about places he doesn't know anything about when he visits areas outside of Siskiyou County. Mayor Moore asked if he uses that city's website or that city's Chamber website.

Council Member Stearns responded that he does an internet search and inputs the name of the city. Council Member Stearns stated that it usually takes him to the governmental website that provides a lot of information and also has a link to the Chamber. Council Member Stearns made the observation that the government website has pictures and maps and is very user friendly and talks about what a great place that city is.

Mayor Moore stated that he travels as much as possible and whenever he goes to a city that he is unfamiliar with he uses that City's Chamber website to get information. Mayor Moore stated he has used government websites but has found the majority of them to be boring.

Council Member Harkness made the observation this was not the time to consider whether that is something we will do and he suggested there are other ideas from other Council Members that need to be heard such as Council Member Collings' ideas about tourism, signage in parks, and he provided the opportunity for those other ideas to be brought forward.

Council Member Collings stated when he is visiting an area he is not familiar with he Google's to find a good place to find espresso by typing in "best espresso in Bakersfield" he doesn't use the Chamber or city website. Council Member Collings made the observation that the Chamber site markets the Chamber members and suggested there should be a link to what is happening in Mt. Shasta and he questioned whether Mt. Shasta needs to be promoted as much as does south Siskiyou. Council Member Collings suggested that the whole group of Weed, Dunsmuir, McCloud, and Mt. Shasta should be promoted. Council Member Collings expressed the opinion there is no centralized place for schedules.

Mt. Shasta Chamber of Commerce Executive Director Marie Wells stated that everything is on the Chamber's website. Ms. Wells noted that there are layers and layers and layers of information. Ms. Wells stated that if you go to businesssiskiyou.org you will find a schedule of events for every single town in Siskiyou County.

Council Member Collings expressed the opinion that 50% of the events in Mt. Shasta aren't on that schedule, perhaps even more. Council Member Collings stated support for there being a social media site that people could go to that provides information on what is happening in this town and the events scheduled.

Council Member Stearns stated support for a goal of marketing and promoting Mt. Shasta in the next couple of years.

Executive Director Wells asked whether the City has more money to spend on more marketing and advertising because if so, she could make use of those funds to do that.

Council Member Collings asked who are those being targeted through marketing efforts and what about Mt. Shasta, how is it being marketed?

Council Member Stearns responded business attraction and tourism and that Mt. Shasta is a great place to live.

Council Member Collings suggested skiing, ice skating, hiking, climbing, all the things that you can do and why you should come here so it would be a pure tourist site. Council Member Collings made the observation that would also be the reason for moving a business here.

Council Member Stearns stated the recollection about a city that was in a situation where they were losing population and the City Council made a determination to reverse that process and the way they accomplished that was by creating a video they played on television for television viewers out of their area.

Council Member Collings made the observation that he wasn't sure there was a consensus of the Council that growing this town is what we really want to do.

Council Member Stearns asked whether there were 3 Council Members who support growth.

Mayor Moore stated support for growth of South Siskiyou County and he would like to see the majority of that growth happening in Mt. Shasta.

Council Member Stearns suggested adding "Thinking Regionally" to the list being made.

Mayor Moore expressed concerns that the items on the list were not items making up a two year plan or what is going to be accomplished. Mayor Moore made the observation the items listed are the same things that were listed 10 years ago. Mayor Moore asked the Council to address what could be accomplished in this next year. Mayor Moore noted that act on Roseburg has been on the list for about 20 years and he pointed out that Roseburg has been on the list for so long that people have forgotten the real reason the City accepted the Roseburg property in the first place, it was for the water rights that came with the property not for the property itself. Mayor Moore noted that \$900,000 has been spent on Roseburg and there still isn't any business on the property. Mayor Moore asked the Council to focus, for the next hour, on what small things does this Council want to get done this next year.

Council Member Stearns responded that he did not want to accomplish any small things. Council Member Stearns stated that he wanted the Council to think big and then take small steps to accomplish those big things.

Mayor Moore made the observation that his understanding is that Council is going to determine what goals it could achieve in the next 2 years and he did not believe any big things could be accomplished within that timeframe. Mayor Moore suggested getting an RV park on the Roseburg property might be a small thing that could be undertaken.

Council Member Stearns asked as to the purpose for putting an RV park on the Roseburg Property or anywhere?

Mayor Moore responded that two things would be achieved, firstly the City would actually be putting a portion of the property to use.

Council Member Stearns suggested the goal as being putting a portion of the Roseburg property to use.

Mayor Moore stated the second thing that would do is to bring more tourists to Mt. Shasta. Mayor Moore suggested the possibility that those visiting the RV Park might like it here and decide to move here.

Council Member Stearns stated the understanding that the Council was going to establish some agreed upon goals today and then under each of those goals Council would come up with a number of ideas on how to achieve those goals within the next couple of years.

Council Member Harkness stated he had captured those ideas about the Roseburg property and tourism and asked whether Council wanted to continue on.

Council Member Collings stated the understanding that Council Member Stearns was suggesting that if Council agrees on the big picture and accomplish some small things that are in alignment with the big picture then Council would be making sure the City is marching toward that big picture that includes industrial jobs with mid-scale income.

Mayor Moore stated he just didn't want to compile a list that was unattainable and in two years nothing will have been accomplished.

Council Member Collings stated support for a centralized website that focuses on tourism that could be used to promote Mt. Shasta. Council Member Collings suggested designing that website so it comes up in searches when people type in the city's name and you don't see the government site or you link from the government site and you link from the Chamber site to the tourism site. Council Member Collings suggested it as being a website that would tell people why they should want to come here. Council Member Collings suggested using an LED sign at a local location, like in front of the Chamber of Commerce, that would direct people to the website so they could use the website to find out about what's happening in Mt. Shasta. Council Member Collings stated that the City would need to get the word out to the people holding events and seminars that they would need to get on that website. Council Member Collings stated that by selling ads on the website for promotion of events would provide the funding for the site.

Council Member Harkness asked whether Council Member Collings' middle mile was dead.

Council Member Collings responded that it was and noted his other idea is for the Council to write a piece of Code or change a piece of code to allow restaurants serving at least two meals a day to be able to take two parking spaces and put a sidewalk leveled deck with a 6" buffer in that could provide seasonal Alfresco dining.

Council Member Stearns stated support for that idea and asked whether there was one other City Council Member in support of the idea.

Council Member Harkness stated support for that idea because he believes that it ties in with the two, one way streets idea.

Mayor Moore stated his support for the idea as well.

Council Member Harkness asked whether the Mayor thought that the one way streets might happen.

Mayor Moore expressed the opinion that one way streets would help because it would bring more people down Chestnut Street instead of just Mt. Shasta Boulevard.

Council Member Collings suggested that more businesses would move to Chestnut if people had to drive along Chestnut because of the one way streets which would increase the traffic along Chestnut and therefore increase the visibility of the businesses along Chestnut Street.

Council Member Stearns noted that support of the one way streets had been given support by the members of the community who had attended the community forum.

Mayor Moore suggested that the Vivify restaurant, a very good restaurant, located on Chestnut Street would probably have done much better business if people had to drive by it.

Mayor Moore and Council Member Stearns noted there are Rule 20 funds available through Pacific Power for undergrounding projects. Mayor Moore proposed the use of Quiet Zones so we don't have the train whistles going through town. Mayor Moore stated support for building shoulder season events.

Council Member Stearns stated the understanding that all of the Council Members supported an item of economic development and business attraction. Council Member Stearns stated support for developing a volunteers program by coming up with a volunteers list and what those volunteers are interested in doing and finding a volunteer coordinator.

Mt. Shasta Chamber of Commerce Executive Director Marie Wells stated that she is already working on that.

Council Member Stearns stated that number 3 on his list is to revise the Mt. Shasta City employee's Retirement Agreement. Council Member Stearns noted that Council had heard from the Finance Director at the last meeting of the need to do that for long term viability. Council Member Stearns stated that another one is collaborating with the Library Board to construct a Multi-Purpose room at the Library. Council Member Stearns suggested

there would be advantages to building such a room because it could be used for community events, City Council meetings, for Planning Commission meetings and would provide a revenue stream that would pay for itself.

Council Member Burns stated he did not want any item to have a negative impact to the current fiscal picture of the City. Council Member Burns stated he did not want to see the continual hemorrhaging that has been taking place in terms of City, infrastructure, Fire, Police, and the continual sliding. Council Member Burns stated his goal is to achieve a zero negative impact to the City's coffers. Council Member Burns made the observation that if there are alternatives for funding such as grants, that is a big thing for him. Council Member Burns made the observation that continuing the slide and further undermining our very core services is not a solution, it is a slow death.

Council Member Harkness added financial stability to the list.

Council Member Burns noted that one of the themes he has heard a lot is "where is the money?" and there is a need to stop the "Taking from Peter to give it to Paul" type of situation. Council Member Burns made the observation that you can come up with a bunch of grandiose ideas but how will they be funded?

Council Member Burns stated that it has got to stop coming out of the General Fund because the General Fund is hurting right now. Council Member Burns stated that another thing that needs to be considered is how to increase the General Fund. Council Member Burns made the observation that in order for that to happen rates and taxes would need to be raised or perhaps a bond would have to be brought forward. Council Member Burns stated his support for economic growth and development and suggested following up on City Planner McKinley's suggestion of thinking about what do we want the City to look like and how do we get there. Council Member Burns asked whether the idea of one way streets is something that is a viable option through the City's department. Council Member Burns made the observation the Council could plan until they were blue in the face but if there is a cost factor that would have to be taken into consideration.....

Council Member Harkness asked whether Council wanted to consider some of the Council goals for 2011.

Council Member Burns asked what they were.

Council Member Harkness responded they were implement a business attraction plan, streets & sidewalk improvements, maintain acceptable public service levels, bike lanes, energy efficient projects, revamp CEDAC, assist business, economic development, marketing the Enterprise Zone, Roseburg predevelopment, and pursue grants.

Council Member Stearns made the observation that the information in the community action plan for 2002 is still viable for the Mt. Shasta community.

Council Member Harkness stated his agreement and suggested that once Council polishes up some of these ideas Council could then take the input from the community forum and update the Community Action Plan to some extent. Council Member Harkness led in a quick review of the information received at the community forum.

Mayor Moore suggested bringing forward the items from the community forum that had received the votes of at least 10 of the attendees at the community meeting.

Council concurred.

Council Member Harkness made the observation that some of these items on the infrastructure list are discretionary such as use of solar energy at public facilities, an ordinance delineating appropriate sites for cell towers, and underground utilities. Council Member Harkness asked whether there were any other discretionary items that needed to be listed. No comments were noted so he moved on to Transportation & Parking and noted the items of one-way streets and pedestrian & bike trails. Council Member Harkness moved on to the issue of signage on I-5.

Executive Director Marie Wells stated the recollection that it costs about \$650 for Caltrans to create a sign, have it go through an approval process and then get the sign installed and she noted there are no annual costs for having the sign on I-5.

Council Member Burns suggested putting signs on Northbound I-5 because there are already signs on Southbound I-5.

Council Member Stearns addressed the issue of snow and ice removal Downtown and made the observation that some business owners might not be aware that they are responsible for removal of snow and ice in front of their businesses. Council Member Stearns suggested the City might find a way of getting this information out to the Downtown businesses.

Mayor Moore noted there is a 20' X 24' cement slab that has holes for posts and has electricity to it at Shastice Park that was built about 4 years ago with the help of High School Seniors for use as a stage. It is behind the backdrop of the baseball field and has seating adjacent to it. Mayor Moore stated the goal was to use the stage for events and sell refreshments there and use the monies from the sale of refreshments to build a bigger stage. Mayor Moore made the observation that it is unfortunate that nothing has happened with that plan.

Council held discussion and the following list of items was agreed upon and Council also created a graph showing the effort required for an item versus the impact that item would have. Each Council Member was given three colored dots used to vote on the top three items they believed to be of highest priority. The information placed on the board is noted below as well as the results of the Council's vote.

IN PROGRESS

ALTERNATIVE ENERGY FUELING STATION

CITY'S SUPPORT OF EXISTING BUSINESSES

- CDAC
- CDBG GRANT

SIDEWALK SNOW/ICE REMOVAL

- \$12 DOWNTOWN BUSINESSES
- CDBG GRANT

REVISE CITY'S RETIREMENT AGREEMENTS

PROMOTION OF BUYING LOCAL

ROSEBURG

1) ROSEBURG – ACT AFTER MARKET STUDY (Received 1 Dot)

2) RV PARK ON ROSEBURG (Received 1 Dot)

TOURISM PROMOTION

3) USE SOCIAL MEDIA TO PROMOTE TOURISM ~ UPGRADE WEBSITE (Received 1 Dot)

4) MARKET & PROMOTE MT. SHASTA – TOURISTS & BUSINESS (Received 4 Dots)

- TOP GOOGLE SEARCH THAT PROVIDES INFORMATION ABOUT MT. SHASTA EVENTS AND SUCH

THINK REGIONALLY

TOURISM

5) SHOULDER EVENTS (Received 1 Dot)

6) EXPAND I-5 SIGNAGE

TOURISM/DOWNTOWN FEEL

7) ALFRESCO DINING/MAY 15 – OCTOBER 15 (Received 3 Dots)

8) TWO ONE-WAY STREETS – CHESTNUT & MT. SHASTA BLVD.

9) UNDERGROUND UTILITIES

10) BIKE LANES & TRAILS

ECONOMIC DEVELOPMENT

11) PAIRING “ANGEL” INVESTORS WITH START-UPS THROUGH JEDI (Received 3 Dots)

BUILDINGS

12) LIBRARY MULTI PURPOSE ROOM

13) CULTURAL CENTER

- AMPHITHEATRE
- PERFORMING ARTS

FINANCIAL STABILITY

14) VOLUNTEERS

MAINTENANCE OF STREETS & SIDEWALKS

UPGRADE SEWER & WATER LINES (Received 1 Dot)

EDUCATION OF CHILDREN

THINK REGIONALLY

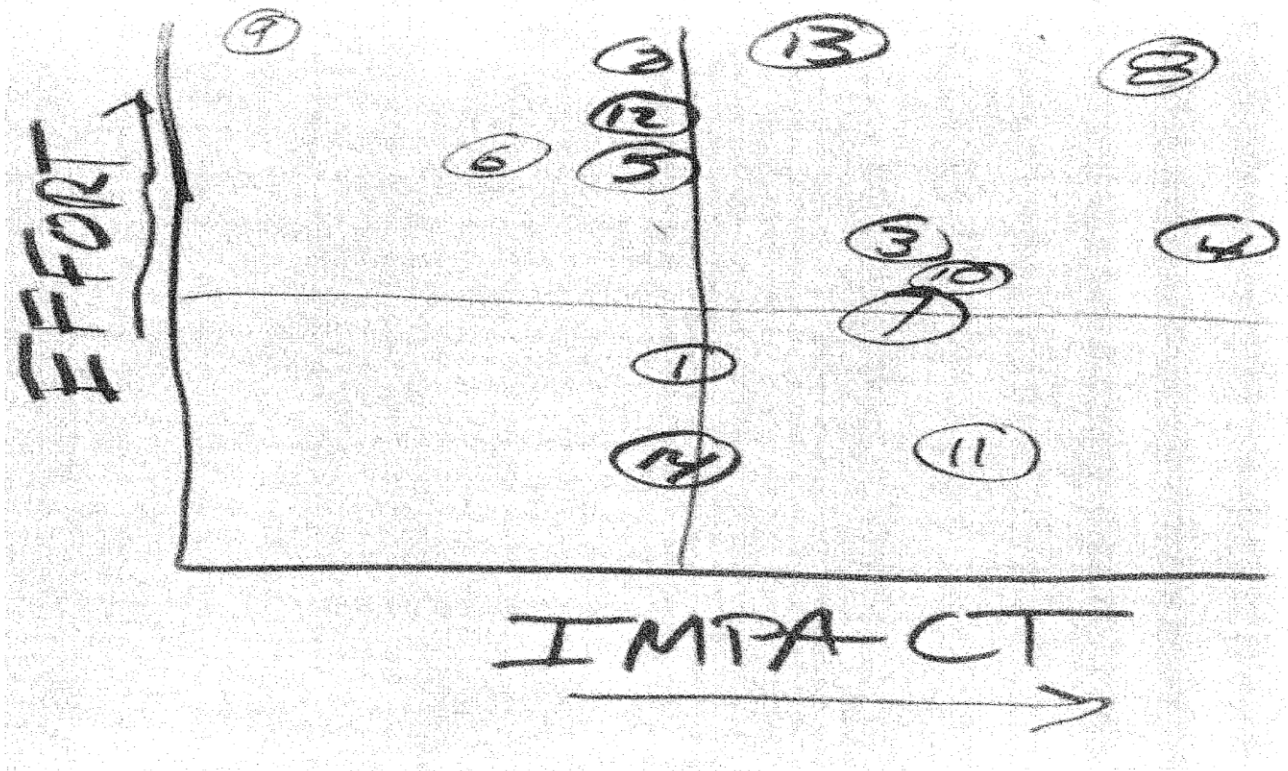
SEEK AND OBTAIN GRANTS

- MATCHING FUNDS

STOP THE HEMORRHAGING (Qualifier)

- NO NEGATIVE IMPACT

REGIONAL COLLABORATION (Qualifier)



MAINTAIN COMMUNITY VITALITY
ECONOMIC VITALITY

- JOBS (FOR WHOM)
- REVENUES (FOR WHAT)
- SCHOOLS
- CULTURE

OPPORTUNITIES	CHALLENGES
CLEAN AIR & WATER	LACK OF JOBS
LOW POPULATION	LOW WAGES
BEAUTY OF AREA	FAR FROM METROPOLITAN AREA
RECREATIONAL OPPORTUNITIES	CONDITION OF STREETS
LOW CRIME	HIGH COST OF TRANSPORTATION, FUEL, & FOOD
CULTURAL DIVERSITY?!	LACK OF TRAINED LABOR
SCHOOLS & HOSPITALS	HIGH HOUSING COST

	WINTER?
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5. Adjourn

There being no further business before the Council, the meeting was adjourned at the hour of 6:10 p.m. to the next Regular City Council Meeting to be held on Monday, March 11, 2013 at 6:30 p.m.

Respectfully Submitted,

Sandra K. Studer

Sandra K. Studer, Deputy City Clerk
For John E. Kennedy Sr., City Clerk