

FOCUS

Analysis, Commentary and Updates on Legislative and Policy Issues that Affect California Cities

April 8, 2005
Issue #14-2005

**COMING UP:
HOT BILLS**

AB 343 (Huff). Utility user taxes: exemption.

Legislative Action Days, May 11-12, 2005. Sheraton Grand Hotel, Sacramento.

WANT MORE DETAILS ON BILLS?

Visit the League of California Cities Website at www.cacities.org/billsearch.

GOVERNOR PROPOSES NEW DISCUSSIONS ON PENSION REFORM

League President Pat Eklund participated in a press conference with Governor Schwarzenegger and other local officials yesterday in which the governor announced that he plans to pull back his ballot measure on pension reform and start discussions that "put everything on the table". *For more see page 3.*



Governor Schwarzenegger calls for more discussion on pension reform.

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LEAGUE OPPOSES UTILITY USERS TAX EXEMPTION

If your city imposes a Utility Users Tax, call or write/fax your Assembly Members today to oppose AB 343 (Huff).

AB 343 was approved Monday, April 4, by the Assembly Revenue and Taxation Committee. This bill would exempt from... *For more see page 4.*

.....
LEAGUE OF CALIFORNIA CITIES HONORS GOVERNOR SCHWARZENEGGER WITH "CHAMPION OF LOCAL DEMOCRACY" AWARD

The League of California Cities presented Governor Arnold Schwarzenegger with a "Champion of Local Democracy" award this week, in recognition of the vital role he played in negotiating the Proposition 1A budget agreement with the legislature on behalf of cities. *For more see page 4.*

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LATINO CAUCUS LEGISLATIVE CONFERENCE, MAY 11 IN SACRAMENTO

The League's Latino Caucus will hold its 14th Annual Legislative Conference on May 11 in Sacramento, in conjunction with the League's Legislative Action Days (May 11 and 12).

The conference will explore land use trends and affordable, infill and mixed-use housing and public transportation. Participants will hear from the governor's cabinet members, legislators and industry experts, who will share their perspectives on current issues impacting the development of rural and urban communities throughout California. There will also be updates on pension reform proposals and workers' compensation issues.

Invited speakers include:

- Senator Torlakson, Chair, Senate Housing & Transportation Committee
- Assembly Member Torrico, Chair, Assembly Public Employees Retirement & Social Security Committee
- Lucy Dunn, Director, Department Of Housing & Community Development
- Daniel Carrigg, League Of California Cities Legislative Director
- Dolores Gallegos, League Of California Cities-Latino Caucus Board Member

For registration information contact the Latino Caucus at 916.669.1343.

KEEPING YOUR "EYE ON INFRASTRUCTURE"

The California Infrastructure Coalition (CIC), a non-profit coalition of associations, businesses and local government organizations concerned about infrastructure, has a new newsletter entitled *Eye in Infrastructure*. The League is a member of CIC, and League Executive Director Chris McKenzie serves as Chairman of the Coalition.

The CIC monthly publication is available on a subscription-only basis. It provides exclusive interviews and insider information about infrastructure issues from key state and local stakeholders. In addition, *EOI* is the California infrastructure community's leading news source about the latest happenings around the state, such as upcoming conferences, legislative issues, and local infrastructure ballot measures. Read this month's *Eye on Infrastructure* at the CIC website: www.calinfrastructure.org/index. To subscribe, please send an email to information@calinfrastructure.org.

HOT OFF THE PRESSES!

THE **2005 CITY HALL DIRECTORY** IS NOW AVAILABLE

Don't miss this opportunity to get the League's most useful reference tool. This comprehensive California directory provides important contact information for mayors, council members and city department heads. The directory also features the League's staff directory, League partners, affiliate organizations and a wide variety of advertisers.

INFORMATION YOU NEED, RIGHT AT YOUR FINGERTIPS!

Purchase this publication on-line at www.cacities.org/store or call 916-658-8257 for an order form. City officials price \$30, non-city official price \$65, plus shipping & handling.

PENSION REFORM from page 1

Eklund thanked the governor for listening to the local government concerns, and for his continuing leadership in working for reforms to help local governments provide the services that Californians need and deserve. (League-CSAC-CSDA Press Statement attached.)



League President Pat Eklund at press conference on pension reform.

The governor's proposal, carried in ACA1X 1 (Richman), has been circulating for signature gathering so that it could be placed on a ballot for a special election next fall. His proposal essentially would require that new state and local government employees be provided a "defined contribution" pension package - a 401 (k) self-directed savings package - in lieu of the "defined benefit" pension currently available to virtually all public sector employees working in federal, state and local governments.

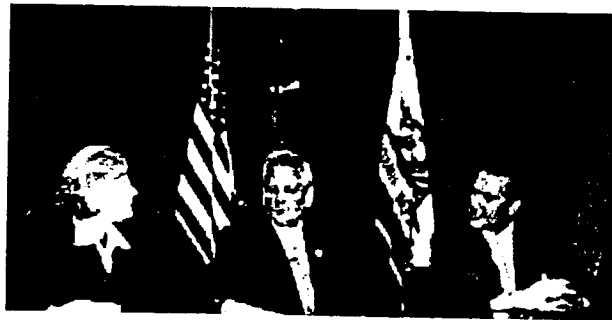
The governor's decision to pull back his proposal came after several days of discussions with various local government and other parties about their concerns with the proposal as it is currently contained in ACA1X 1 (Richman). League representatives had met with the governor's representatives last week, discussing the recommendations of the League Pension Reform Task Force at some length. Those proposals call for retaining the defined benefit plan model for public pension systems, but with some key reforms. Visit the League website at www.cacities.org for a copy of the task force report and an analysis of reform alternatives by the task force actuary.

Next Steps. It is likely that we will see discussions occurring over the course of several months, with various proposals under consideration prior to any specific ideas appearing as amendments to ACA1X 1 or some other piece of legislation. The recommendations provided by the League's Pension Reform Task Force will continue to serve as the League's basic framework from which to participate in discussions. We have also been working closely with CSAC, and will likely continue to do so in the weeks ahead.

The governor has stated that he wants to engage all concerned parties - state and local employers, CalPERS, employees and their survivors, pension plan experts and legislators — in discussions on how best to reform the current state and local pension systems. Several speakers at the press conference also reiterated the importance of consulting with all parties, including employees.

Key issues to be addressed include long term cost savings, reducing the financial risk of pension systems to taxpayers, and reform of the disability payments system.

The governor also stated that if an acceptable reform measure is not produced by the legislature he is prepared to place a constitutional amendment on the June 2006 ballot.



League President Pat Eklund confers with Assembly Member Keith Richman and Governor Schwarzenegger on the governor's pension reform announcement.

UUT from page 1..... CHAMPION AWARD from page 1

utility user taxes (UUT) the consumption of compressed natural gas by a local agency or a school district for transportation purposes under specific circumstances. (For full text, committee analysis of the bill, and copies of the League's opposition letter go to www.cacities.org, click on bill search on the navigation bar and type in AB 343.)

This is an issue of local control. The UUT is a tax that is imposed and administered at the local level and, since Proposition 218 has been in effect, voted on by the citizens residing in the local jurisdiction. Local jurisdictions should be able to retain control over the application of the UUT at the local level. ***This bill sets a bad precedent and opens the door for state intervention over locally imposed UUT's going forward.***

To our knowledge, there is no identified local dispute driving the need for this bill. Neither the author, nor the transit district supporters who testified in committee (and who have received a waiver from the cities in their district) could cite a situation where a local jurisdiction has refused to provide a waiver upon request. In addition, the particular situation the author cited that precipitated this legislation has been resolved at the local level.

Additionally, the analysis from the Assembly Revenue and Taxation Committee could be misleading to members of the Assembly. The analysis states that "***this bill would grant cities the authority to exempt a tax that they are not expressly authorized to impose.***" General law and charter cities **currently have authority** to impose UUT's. For charter cities, authority is found in the California Constitution, Article XI, Section 5 ("Municipal Affairs"). General law cities are granted authority under Government Code, section 37100.5.

We need your calls, letters/faxes now to oppose AB 343 on the Assembly floor (could be heard soon). Contact Jean Korinke, (916) 658-8245, jkorinke@cacities.org or Frances Medema (916) 658-8218, fmedema@cacities.org with any questions. Please fax copies of your letters to the League at 916-658-8240.

"We're honoring Governor Schwarzenegger in recognition of his demonstrated commitment to local democracy, and for his leadership in negotiating a constitutional protection measure to end state raids on local funds," said League President Pat Eklund, Council Member in the city of Novato.

"No governor in recent memory has so grasped the importance of local services as Governor Schwarzenegger," said outgoing League President Ron Loveridge, Mayor of Riverside. "From the day he was elected he seemed to understand that people value local services and treasure the access to government they have at the local level."

"The governor kept his promises to local government, by working with us to win voter support for Prop 1A," said League 2nd Vice President Maria Alegria, Council Member in Pinole. "With his help, we were able to win by an astonishing 84% of the vote last November."

Mayors Alan Autry of Fresno, Heather Fargo of Sacramento, Beverly O'Neill of Long Beach and Curt Pringle of Anaheim, and Mayor Pro Tem Lisa Bist of Santa Ana, joined the League officers in presenting the award today at the State Capitol. Also participating in the ceremony were Vice Mayor Cindy Chavez of San Jose, and Council Members Greig Smith of Los Angeles and Jim Madaffer of San Diego.

**REGISTER NOW!
LEGISLATIVE ACTION
DAYS**

**May 11- 12, 2005
Sheraton Grand Hotel
Sacramento**

To register visit: www.cacities.org/events
or call 916-658-8291.

PROGRESS REPORTED BY LEAGUE HOUSING/GENERAL PLAN TASK FORCE HCD ALSO CONSIDERS HOUSING PROPOSALS

The League's Housing/General Plan Task Force met April 1 in San Diego to review the progress of a task force technical working group.

The technical working group held three full day meetings during February and March to refine the details of concepts that had been agreed to in principle by the full task force at its meeting in January. These include:

- Improving the local planning process for housing to provide greater certainty over where housing can be built.
- Improving the long-term planning for housing.
- Promoting infill development, and preserving and enhancing local land use authority and community input.
- Providing sufficient funds for local planning.
- Identifying funding sources to pay for public services and infrastructure.

Some progress has been made on outlining improvements in the planning process that will provide greater certainty about where housing can be built. Specific changes involve more "up front" planning and environmental reviews, providing greater assurance that homebuilders who meet the density, development standards and other criteria established by the community will be able to construct their housing projects.

The task force agreed, however, that more work is needed to identify where and how funding can be provided to help local governments meet increasing demands for local services and infrastructure improvements.

The technical working group will meet several more times over the next 2-3 months to hammer out details addressing these concerns.

SB 968 (Torlakson) – currently a spot bill – is intended to serve as the legislative vehicle to carry final changes hammered out by the task force.

Schwarzenegger Administration Also Working on Housing Ideas

The League and other local government organizations were also given the opportunity recently to comment on some draft housing legislation ideas developed by the state Department of Housing and Community Development (HCD). The legislation is intended to address some of the same issues regarding certainty for builders and funding assurances for local government that are under consideration by the League's Housing/General Plan Task Force.

The local government response to HCD emphasized the need to avoid state-level "top down" solutions that could undermine the decision making authority and land use control of local agencies.

TAKE THE "CALIFORNIA BUDGET CHALLENGE"

Citizen understanding of the tough policy choices facing California and their consequences is an important factor in the future of this state. Discussions among government leaders often focus on how to increase awareness and involvement so that citizens become informed.

For this reason, the League is encouraging interested city officials to take the "California Budget Challenge," presented by Next Ten. This independent, nonpartisan organization seeks to engage and educate Californians so that they can work together to improve the state's future economy and quality of life. You may also want to encourage citizens in your city to step up to the challenge.

The California Budget Challenge can be found on Next Ten's Web site: www.next-ten.org.

The California Budget Challenge lets individuals create their own state budget for the next 10 years. Participants can make decisions on how much to give to schools, health care, prisons and other areas. They can also decide how to pay for these programs.

Next Ten created the California Budget Challenge as a public service to engage more Californians in the budget process and to create better civic understanding.

Legislative Bill Action

The following are summaries of just a few of the legislative bills that are currently being acted upon by the League of California Cities. For more information about these and other bills, please visit the League website's to access information about legislation, policy issues and related developments. You can track information on bills (www.cacities.org/billsearch), locate legislators and legislative committees, send letters to legislators or the media through the online Advocacy Center (www.cacities.org/advocacycenter), research League policy positions, access useful related links, and much more.

Priority Focus #14 April 8, 2005 Bill Summaries

SB 1059 (Escutia). Transmission Line

Planning. While committee members acknowledged the issues raised by the League about preemption of local land use authority as a problem, concerns about the need for broader state-wide energy transmission line planning carried the day and **SB 1059** passed the Senate Energy, Utilities and Communications Committee this week on a vote of 10-0. The bill's author, Senator Martha Escutia pledged to work with local governments to try to meet the delicate balance of planning for the state's long term transmission line needs and respecting local land use authority.

As amended this week, the bill still gives the California Energy Commission both the authority to designate transmission corridor zones (TCZ) and to preempt local land use authority. It would require a local government to amend its general and specific plans to reflect the CEC's TCZ designations and would permit development within a designated zone if approved by the CEC. This process is in addition to that already vested with the Public Utilities Commission, which currently does have authority to preempt land use decisions.

The League and other local government representatives will continue to work closely with the author's office and others to attempt to find a resolution to this difficult issue. In the meantime, cities should contact members of the Senate Local Government Committee, where it will be heard next, and their Senators to indicate opposition to **SB 1059** unless it is satisfactorily amended to address the concerns expressed by local govern-

ments. **Staff:** Yvonne Hunter; **Status:** Senate Local Government, Hrg. April 20; **Position:** Oppose unless amended.

PUBLIC SAFETY

AB 305 (Mountjoy). Vehicles. Police Vehicle Pursuits. Punishment. **AB 305** would ~~make a misdemeanor~~ a felony the act of willfully driving a motor vehicle in an attempt to flee a peace officer's pursuing vehicle. The bill addresses behavior that is dangerous and unnecessarily places the lives of peace officers and other citizens at risk for injury or even death. **AB 305** sends a strong, clear message to deter offenders from attempting to flee law enforcement officers and endanger lives, by creating an opportunity for prosecutors to seek a felony conviction and providing for prison sentence enhancements and increased minimum fines. **Staff:** Liisa Lawson Stark; **Status:** Assembly Public Safety, Hrg. April 12, **Position:** Support.

SB 148 (Scott). Alcoholic Beverages. Licensing Restrictions. **SB 148** would authorize a city or county to amortize, terminate or impose conditions on liquor stores not currently subject to local regulation.

Under current law, cities or counties can only enforce zoning ordinances that were present when a licensee obtained a license for alcohol sales. It does not, however, give cities the ability to change the law and enforce it. **SB 148** requires retail liquor sales licensees to comply with zoning regulations which a city or county adopts after a licensee obtains a liquor license.

Legislative Bill Action

SB 148 would assist cities and counties throughout California in addressing repeated public safety problems often associated with nuisance liquor stores such as vandalism, littering, loitering, graffiti, excessive loud noises, public drunkenness and lewd conduct. **SB 148** will allow cities to more effectively enforce their laws and also allow liquor store owners a reasonable amount of time to comply with any change in law. **Staff:** Liisa Lawson Stark; **Status:** Senate GO, Hrg. April 26; **Position:** Support.

SB 516 (Ortiz) Fire Protection. Residential Care Facility for the Elderly. **SB 516**, the Anchor Guest Home Fire and Life Safety Act, would require residential care facilities for the elderly that house or care for no more than six clients or residents, to have an approved, operable automatic fire sprinkler system on and after January 1, 2011, if they are licensed as of January 1, 2007.

Residential care facilities strive to provide a supportive and safe environment for the elderly. Yet most of these facilities are not equipped with automatic fire sprinklers. Automatic fire sprinklers will provide residents of care facilities the precious time needed to safely evacuate a building. In addition, fire sprinklers will eliminate hostile and dangerous fire conditions emergency service personnel face in fire and rescue operations. **Staff:** Liisa Lawson Stark; **Status:** Senate Human Services, Hrg. 4/12; **Position:** Support.

**WANT TO SEND A LETTER IN SUPPORT
OF A LEAGUE POSITION?
HERE'S WHO TO CALL:**

ASSEMBLY PUBLIC SAFETY (7)—Leno (Chair), La Suer (Vice Chair), Cohn, Dymally, Goldberg, Ruskin, and Spitzer. 1020 N Street, Room 111. Phone: 319-3744.

SENATE GOVERNMENTAL ORGANIZATION—(11)—Florez (Chair), Denham (Vice-

Chair), Battin, Chesbro, Cox, Dunn, Margett, McClintock, Murray, Soto, and Vincent. Consultants: Steve Hardy and Arthur Terzakis. Assistant: Brenda K. Heiser. 1020 N Street, Suite 584. Phone: (916)445-1193.

SENATE HUMAN SERVICES—(7)—Simitian (Chair), Maldonado (Vice-Chair), Aanestad, Alarcon, Alquist, Chesbro, and Florez. Consultants: Jack Hailey and Sue North. Assistant: Joy Traylor. Phone: (916)445-8741. Room 2195.

SENATE LOCAL GOVERNMENT—(7)—Kehoe (Chair), Cox (Vice-Chair), Ackerman, Machado, McClintock, Soto, and Torlakson. Consultants: Peter Detwiler and Jennifer Swenson. Assistant: Elvia Diaz. Phone: (916)445-9748. Room: 410.

**Stay Up-To-Date on Bills That
May Impact Your City**

www.cacities.org/billsearch

Become a regular user of the League's online Legislative Tracking System. The League's website is your gateway to all the information you need: bills sorted by subject areas, showing the bill history, current status, committee analyses, votes, and much more. You can even view League letters of support or opposition, and access the League lobbyist working on the bill.

Priority Focus 4/08/05

Visit the League's Official Web Site -- www.cacities.org

PRIORITY FOCUS/PAGE 7

FOCUS

Analysis, Commentary and Updates on Legislative and Policy Issues that Affect California Cities

April 15, 2005
Issue #15-2005

HOT BILL

AB 260 (BERMUDEZ).
STATE FIRE MARSHAL.
FIRE RESPONSE TIME.
POSITION: OPPOSE.

CALIFORNIA COMMUNITIES HELPS CITIES AND COUNTIES BRIDGE THE VLF FUNDING GAP

In an unprecedented show of California local government cooperation, nearly 150 cities and counties joined together recently to fund over \$450 million of their revenue shortfall resulting when the state borrowed \$1.2 billion from the city and county Vehicle License Fee (VLF) revenue stream. By working together toward a single financing through the California Statewide Communities Development Authority (California Communities), critical volume was achieved and the issuance costs for all participating agencies were dramatically reduced. *For more see page 2.*



INSTITUTE FOR LOCAL GOVERNMENT UPDATE

2005 has been busy for the Institute for Local Government. Celebrating its 50th anniversary, the Institute is the League's nonprofit research affiliate. The Institute's mission is to develop forward-thinking resources to assist local officials in their service to their communities. *For more see page 4.*



HELEN PUTNAM AWARDS CALL FOR ENTRIES

Does your city have a program that resulted in a more effective delivery of services to the community? *For more see page 3.*

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- Page 3 WASTEWATER PERMITS
- Page 5 LEGISLATIVE BILL SUMMARIES

LEGISLATIVE ACTION
DAYS, MAY 11-12,
2005. SHERATON
GRAND HOTEL, SACRA-
MENTO.

WANT MORE DETAILS
ON BILLS?

Visit the League of
California Cities
Website at
[www.cacities.org/
billsearch](http://www.cacities.org/billsearch).

VLF from page 1.....

The state's fiscal crisis in 2003 led the state to borrow from local governments about \$1.2 billion of funds related to VLF revenue that would have otherwise been paid to cities and counties. Legislation was passed last year that called for the state to pay back the \$1.2 billion VLF revenue gap on August 15, 2006. That legislation also provided cities and counties with the authority to sell their VLF receivable to California Communities, a statewide joint powers authority with more than 425 member cities, counties and special districts. Sponsored by the League of California Cities and the California State Association of Counties, California Communities was created to invest in California local government and provide cities and counties access to low-cost financing for a variety of projects and programs that build better communities and improve the quality of life in California.

"The mission of California Communities since its inception in 1988 has been to help California cities and counties prosper," said Dan Harrison of the League of California Cities. "The success of the Vehicle License Fee program is a shining example of what California Communities can provide to cities and counties through the efforts of the League, the California State Association of Counties, and an outstanding financing team."

A second round of financing is planned for July, in order to allow those cities and counties that did not participate in the March funding another opportunity to fund their receivable. More information on the second round of the VLF Gap Loan Financing Program and California Communities can be found at www.cacommunities.org.



**VLF GAP LOAN FINANCING PROGRAM,
ROUND 2 — THE BUDGET BALANCER**

This past March, California Communities issued over \$450 million of notes to finance the VLF receivables of the 142 cities and four counties that participated in the first issue of the VLF Gap Loan Financing Program. More than 90 percent of the VLF receivables due to these cities and counties were funded through this program.

The League of California Cities is pleased to announce that California Statewide Communities Development Authority (California Communities) is now accepting applications for participation in the second round of the VLF Gap Loan Financing Program. The VLF Program, which is sponsored by the League and CSAC, permits cities and counties to sell their VLF Gap Loan Receivable and receive funds today, rather than waiting for State repayment in August, 2006.

The cities and counties that participated in the financing covered a wide range, including some of the largest to some of the smallest in the state and represented all regions of the state. The notes were issued in both taxable and tax-exempt issues.

"Due to shifts of property tax revenues away from cities and counties this fiscal year and next, many of these agencies needed these funds to smooth their cash flow situation," said James Hamill, program manager at California Communities. "Some agencies are using the funds for general fund purposes, while others applied them to capital projects or to repay previously issued debt obligations. Depending on the intended use of the funds, some of the participants were eligible to participate in the tax-exempt portion of the program, which reduced the interest cost and resulted in a higher net payment to the participants."

Plans for this second financing come on the heels of the highly-successful first round in which 146 local agencies sold more than \$450 million in VLF Receivables to California Communities in a transaction which closed March 17, 2005. The second round is designed for cities and counties who indicated that the VLF Program would be more useful to them in FY 2005-06. The schedule developed by the California Communities financing team should permit interested local agencies to evaluate the VLF Program in connection with their upcoming FY '05-06 budget deliberations. For those who decide to participate, funding is expected to occur in mid to late July, 2005.

Continued on Page 3

WASTEWATER PERMITS: STATE LAW PERMITS CONSIDERATION OF ECONOMIC FACTORS

On April 4, 2005, the California Supreme Court issued its opinion in the case of *City of Burbank v. State Water Resources Control Board*. The case involved the issuance of wastewater permits to the cities of Burbank and Los Angeles in 1998. One of the primary issues presented in the case was whether a regional water quality control board, when it requires a wastewater treatment facility to do more than the "maximum extent practicable" to control storm water pollutants under federal law, must take into account the economic costs of complying with such restrictions before including the restrictions in wastewater permits.

In its decision, the California Supreme Court stated that both California law and federal law require regional water quality control boards to comply with federal clean water standards. In the event a regional board imposes pollutant restrictions *more stringent* than those required by federal law, California law permits the regional board to take into account economic factors, including the facility's cost of compliance with those restrictions. The Court ordered that the case be remanded to the trial court to determine whether any of the numeric limitations in the permits are "more stringent" than those required under federal law. If so, such restrictions should be subject to "economic considerations" by the board before inclusion in the permits.

The League would like to thank John Harris of Richards, Watson & Gershon for writing the friend-of-the-court brief on behalf of the League.

FINANCE PROGRAM from page 2

For more information on the VLF Program — including a more detailed description of the program, a schedule for the second round, documents, cost estimates and the online application — please visit the California Communities website at www.cacommunities.com (click on 2nd Round of VLF Gap Loan Financing Program) or call California Communities' Program Managers James Hamill or Lorna Henri at (925) 933-9229 ext. 216 or ext 219, respectively.

HELEN PUTNAM AWARD from page 1 • •

Now is the time to get your deserved recognition by applying for the 2005 California Cities Helen Putnam Award for Excellence. It's an opportunity to thank your employees and collaborators, gain the appreciation of your residents and feel proud of outstanding contributions made to better your city.

The Helen Putnam Award recognizes the excellence of California cities as demonstrated by beneficial innovations, resourceful efficiencies, improved public service and overall enhanced public trust and support.

Categories for the 2005 Helen Putnam Awards

1. Effective Advocacy, Intergovernmental Relations and Regional Cooperation
2. Housing Programs and Innovations
3. Enhancing Public Trust, Ethics and Community Involvement
4. Community Services and Economic Development
5. Planning and Environmental Quality
6. Internal Administration
7. Public Safety
8. Public Works, Infrastructure and Transportation
9. Ruth Vreeland Award for Engaging Youth in City Government
10. League Partners Award for Excellence

To qualify, entries must demonstrate that your city offered a program or service that has proven measurable success within a minimum of one year of actual implementation.

The submission deadline is May 14, 2005. Applications were recently mailed to all cities. The application is also available to download on the League's Website at www.cacities.org/helenputnam.

Winners will be announced in October at the Annual Conference in San Francisco. Award winners will be recognized with a press release sent to your hometown media and featured on the League's

ILG UPDATE from page 1

New Civic Engagement Program Launched

With support from the National League of Cities and the William and Flora Hewlett Foundation, the Institute is launching a new Collaborative Governance Initiative. The goal of this effort is to help local officials navigate the growing number of options available for community engagement. Among the present activities is the recruitment of a local official advisory panel. Watch the Institute's website for more details on the initiative as it takes form.

Enough copies of the bookmark and pamphlet were mailed to each city (care of the clerk) for each city council member. A sample of *A Local Official's Reference on Ethics Laws* was also sent to each city. Note that the bookmark and the reference are organized in parallel fashions so they complement one another.

New Finance Resource Available

The *Municipal Finance Quick Reference* summarizes the "key things to know" about city finance. It answers frequently asked questions about types of revenues - where they come from and what they can be used for - and procedures for raising and spending money. In addition to the hardcopy versions distributed to elected officials in January through finance directors, an annotated version is available from the Institute's website: www.ilsq.org/quickreference.

In addition, the Institute also published a compendium of its Everyday Ethics columns in *Western City* called *Everyday Ethics for Local Officials: Finding Your Way*. In addition to past columns, the guide includes a new framework in its first chapter to assist local officials in sorting through ethics issues. Future columns can be found at www.ilsq.org/everydayethics.

Thank You to Our Partners

The Institute's work is financed with grants, publications sales, private contributions and financial contributions from the League. The Institute is deeply grateful to its private sector partners for making our recent publications possible: 1) MuniFinancial (*Municipal Finance Quick Reference*), 2) The Pacific Life Foundation and Sempra Energy Utilities (*Everyday Ethics*), 3) Meyers-Nave (*Ethics Law Reference*), 4) Richards, Watson and Gershon (*Ethics Law Bookmark*) and 5) Kronick, Moskovitz, Tiedemann and Girard (*ABCs of Open Government Laws*).

Updated and New Ethics Resources Released

Three new Institute publications provide guidance on ethics laws:

- *A Local Official's Reference on Ethics Laws* (a 121-page guide explaining ethics law principles, prohibitions and consequences in non-legalese);
- *Key Ethics Law Principles for Local Officials* (a handy bookmark summarizing 1) key overall ethics law prohibitions and 2) economic interests which may trigger disqualification from participating in a given decision).
- *The ABCs of Open Government Laws* (a pamphlet summarizing Brown Act and Public Records Act principles for elected officials).

To Learn More

The Institute's website www.ilsq.org has more information about its work, including free electronic versions of all of its publications. Hard copies of the Institute's publications may be purchased using our publications order form or online.

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Legislative Bill Action

The following are summaries of just a few of the legislative bills that are currently being acted upon by the League of California Cities. For more information about these and other bills, please visit the League website's to access information about legislation, policy issues and related developments. You can track information on bills (www.cacities.org/billsearch), locate legislators and legislative committees, send letters to legislators or the media through the online Advocacy Center (www.cacities.org/advocacycenter), research League policy positions, access useful related links, and much more.

HOUSING AND LAND USE

AB 1192 (Villines) Prevailing Wages/Affordable Housing: This bill exempts the construction, expansion, or rehabilitation of affordable housing by non-profit organizations from prevailing wage requirements.

Housing for low-income households typically requires significant public subsidies (often above \$100,000 per unit) to ensure that these units are constructed and maintained at affordable rents. **SB 975 (Alarcon)**, of 2001, which the League opposed, required affordable housing builders to pay prevailing wages. **SB 975** significantly increased the cost of building affordable units, thus reducing the total amount of affordable housing units produced.

The League supports this measure because removing the prevailing wage mandate from affordable housing projects will allow more affordable units to be constructed from the limited pool of affordable housing funds. **Staff:** Daniel Carrigg; **Status:** Assembly Labor and Employment, Hrg. 4/20; **Position:** Support.

SB 135 (Kehoe) Community Service Districts: This measure contains comprehensive updates and revisions to laws affecting Community Service Districts, based upon the recommendations of a working group of stakeholders, convened by the Senate Local Government Committee, which met over the interim. The revisions affect the establishment, governing, powers and duties of these districts. Ken Cooley, Mayor of the City of Rancho Cordova, was the League's representative on the working group.

On April 7th, the League's Housing and Community Development Policy Committee reviewed and adopted a **Support** recommendation to the League Board of Directors. The League Board will next meet on May 12th, 13th in Sacramento, where it will finalize our position on this bill.

This measure is intended to be a reorganization and update of the law, without introducing significant policy changes. Still, given the comprehensive nature of this proposal, the League is encouraging cities to also review this measure for potential local impacts. **Staff:** Daniel Carrigg; **Status:** Senate Local Government Committee, Hrg. 4/20; **Position:** Preliminary Support/Review and Comment.

PUBLIC SAFETY

AB 260 (Bermudez). State Fire Marshal. Fire Response Time. Reports. **AB 260** requires that fire data reported to the State Fire Marshal from departments operated by the state, a city, city and county, fire protection district, organized fire company, or other public or private entity, include a comparison of response times and staffing levels to benchmarks found in a nationally recognized standard for fire protection. **AB 260** is substantially similar to AB 2406 from the 2004 Legislative session that was opposed by the League and subsequently vetoed by Governor Schwarzenegger.

As written, and as stated in the author's original background documents, **the intent of this bill is to compare the response times and staffing**

Legislative Bill Action

levels of each reporting fire department with the standard found in NFPA 1710, the *Standard for the Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments*, a voluntary standard produced by the National Fire Protection Association.

While the League agrees it is important for local governments to develop performance objectives, benchmarks and evaluations, **the League is opposed to the comparison of fire department data to the controversial NFPA 1710 standard, which is opposed by most local jurisdictions in California.** Staff: Liisa Lawson Stark; Status: Assembly Appropriations Hrg. 4/20, Position: Oppose.

AB 1295 (Bermudez). Fireworks. Sale. Disposal. AB 1295 seeks to expand the sale of fireworks for one week each year pursuant to a license issued by the State Fire Marshal, if authorized by a city or county. Additionally, AB 1295 establishes the State Fire Marshal Dangerous Fireworks Management Fund for the purpose of covering the disposal costs associated with any fireworks seized.

The League agrees that a reliable revenue source for enforcement and disposal of fireworks is needed. However, extending the sale of fireworks for one week a year is a public safety concern for cities throughout California. Amending the bill to remove the extended sale of fireworks would ensure that the State Fire Marshal Dangerous Fireworks Management Fund is established without resulting in significant impacts to local governments.

Specifically, the League suggests amending this bill to remove Section 1, which adds Section 12599.5 to the Health and Safety Code, to provide for the sale of fireworks from 9 a.m. on December 26, of a year within 2006 to 2011, until midnight of January 1 of the following year.

Many city officials report that the sale of safe and sane fireworks also brings an influx of illegal fireworks into their communities. Additionally, fireworks sold in one city are likely to adversely affect a

neighboring city, as fireworks purchasers are not limited by jurisdictional boundaries. There is no guarantee that fireworks will remain in the jurisdiction in which they were purchased.

In addition to the impact on community safety, this bill will have a costly impact on public safety operations. Fire departments and law enforcement agencies will need to increase staffing during this period in order to prepare for the inevitable increase in calls that result from the use of fireworks. This will result in additional personnel for patrols, inspections, attempts at enforcement and therefore, increased overtime costs, during an already very busy time of year for public safety agencies. Staff: Liisa Lawson Stark; Status: Assembly Governmental Organization, Hrg. 4/20, Position: **Oppose Unless Amended.**

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WANT TO SEND A LETTER IN SUPPORT OF A LEAGUE POSITION? HERE'S WHO TO CALL:

ASSEMBLY APPROPRIATIONS (18)—Chu (Chair), Runner (Vice Chair), Bass, Berg, Calderon, Emmerson, Gordon, Haynes, Karnette, Klehs, Leno, Nakanishi, Nation, Oropeza, Ridley-Thomas, Saldaña, Walters, and Yee. Room 2114. Phone: 319-2081.

ASSEMBLY GOVERNMENTAL ORGANIZATION (15)—J. Horton (Chair), Plescia (Vice Chair), Aghazarian, Bermúdez, Calderon, Chavez, Coto, Garcia, La Suer, Levine, Liu, Mountjoy, Negrete McLeod, Torrico, and Yee. 1020 N Street, Room 156. Phone: 319-2531.

ASSEMBLY LABOR AND EMPLOYMENT (8)—Koretz (Chair), Nakanishi (Vice Chair), Chan, Chu, Houston, Klehs, Laird, and Leno. 1020 N Street, Room 155. Phone: 319-2091.