LEAGUE OF CALIFORNIA CITIES

# A YEAR OF Historic Accomplishments FOR Local Control

The League achieved historic protections for local control in 2010 through the collective efforts of California cities, League staff, our partners and other supporters of local government. As our 112th year concludes, we all share credit for successfully passing Proposition 22.

**2010 LEAGUE OF CALIFORNIA CITIES ANNUAL REPORT**

# 2010 Strategic Goals

- **Protect local control and funding for vital local services.**
- **Support reform of the structure, governance, management and financing of state government.**
- **Promote economic stimulus, infrastructure investment, business development and job creation.**

*Pasadena Mayor Bill Bogaard helps gather signatures to qualify the Local Taxpayer, Public Safety and Transportation Protection Act of 2010.*

Every year, the League's members and leadership work together to set strategic priorities for the next 12 months. These priorities focus our legislative and advocacy activities and serve as a powerful tool for advancing local control. Our legislative track record this year was the result of an effective lobbying strategy combined with the unified voices of local government officials throughout the state.

Legal advocacy complements the policy work of city officials and lobbyists by focusing on court cases of statewide interest to cities. The League's Legal Advocacy Committee reviews cases, provides recommendations and takes action that includes filing friend-of-the-court briefs.

Together these efforts strengthen cities and defeat threats to local control.

# Yes on 22 Brings Home

YES ON 22
PROTECT LOCAL SERVICES. *STOP STATE RAIDS!*

**THE LEAGUE**
## DEFENDS
**LOCAL CONTROL THROUGH:**

- **The Ballot Box**
  **(using only non-public funds);**
- **The Legislature; and**
- **The Courts.**

The League's efforts to protect and strengthen local control in 2010 focused on Prop. 22, the Local Taxpayer, Public Safety and Transportation Protection Act. This constitutional amendment closes loopholes to prevent the state from taking, diverting or borrowing local government, transportation and public safety funds. The hard-won victory on Nov. 2, with 61 percent of the vote, was the result of a substantial volunteer effort by city officials (working on their own time), a coalition and League Partners. This coalition included more than 650 groups from local government, transportation, business, public safety, labor and public transit. Many coalition members made major donations to support Prop. 22. The League's small donor program also raised funds from individuals and smaller companies and organizations, making a significant contribution to the campaign's success.

Media outreach, along with a strong presence on Facebook and Twitter, informed the public about what was at stake in their communities should Prop. 22 fail. Dozens of news conferences were held in every major media market. Earned media efforts produced more than 270 news articles and generated 35 editorials in favor of Prop. 22.

The League found it necessary to file a lawsuit challenging the Legislative Analyst's fiscal summary analysis of Prop. 22. The Sacramento Superior Court issued an unprecedented decision finding the analysis false and misleading and ordered the Secretary of State to make changes to specifically identify the measure's impact on local government finances.

On Election Day, voters sent a clear message to state lawmakers that funding for local services should remain under local control.

*In early 2010, League President Robin Lowe joined San Diego Council President Tony Young, Escondido Mayor Lori Pfeiler and Vista Council Member Bob Campbell to support Prop. 22.*


## Legislative Advocacy: A Banner Year

**The League's lobbying accomplishments in 2010** are reflected by the fact that Gov. Arnold Schwarzenegger's decisions on legislation were 72 percent consistent with League requests. No new raids of local funds made it into the final FY 2010–11 budget, which was a relief after the Prop. 1A loan and $2 billion-plus raid of redevelopment funds in FY 2009–10. The League opposed SB 974, which sought to restrict enterprise zones, and supported efforts to promote economic stimulus and jobs. In Washington, D.C., the League joined the National League of Cities in advocating for block grant funds and the Local Jobs for America Act.

**The battle to stop AB 155,** the municipal bankruptcy bill, continued through 2010. Ultimately dying in the legislative session's final hours, this bill would have imposed unreasonable restrictions on local government finance and authority. The campaign to stop AB 155 employed a concentrated press strategy and a grassroots lobbying effort. Newspapers throughout California ran powerful editorials against AB 155, and more than 200 local agencies publicly opposed the bill.

**A last-minute effort by legislators to jam a transient occupancy tax** exemption for online travel companies into a budget package was rejected, underscoring cities' ability to defeat measures that threaten local control and revenues.

**Disclosure and transparency** issues dominated much of summer 2010 following the salary scandal in the City of Bell. The League moved swiftly to condemn Bell's practices and supported broader disclosure of public compensation through a variety of methods, including the State Controller's online database.

# Victory for Local Control

## Legal Advocacy

Laws affecting cities are made in the courts as well as in the Legislature, and 2010 was an important year in the courts for California's cities. The Legal Advocacy Committee considered 60 cases for friend-of-the-court (amicus) participation and recommended action on 46. The League's amicus efforts produced 15 favorable court decisions, four disappointing decisions and four decisions with mixed results for cities. Court decisions remain pending in 34 of the cases in which the League took action, many of which were initiated in 2009.

*County of Sonoma v. Superior Court* (Sonoma County Law Enforcement Association) offers a sterling example of how the Legal Advocacy Program supports cities and local control. The League partnered with the California State Association of Counties (CSAC) to submit amicus briefs in support of Sonoma County after the Legislature attempted to force binding interest arbitration on cities and counties for public safety unions. The Court of Appeal ruled that the Legislature violated cities' and counties' constitutional authority to set compensation by trying to transfer that authority to an unelected, unaccountable private arbitrator. After many years of opposing the Legislature's efforts to impose binding interest arbitration on all cities and counties, the decision was a significant victory for the League and CSAC.

## MEMBER RESOURCES

- **Strategic Goals**
  www.cacities.org/priorities
- **Legislative Briefing**
  www.cacities.org/2010legislativebriefing
- **League Conferences and Events**
  www.cacities.org/events
- **Institute for Local Government**
  www.ca-ilg.org
- **California Local Government Finance Almanac**
  www.californiacityfinance.com
- **Open Government**
  www.cacities.org/opengovernment
- **City Advocate Weekly**
  www.cacities.org/cityadvocateweekly
- **Western City Magazine**
  www.WesternCity.com

## Return on Investment: Hard Numbers

It's impossible to quantify every aspect of how the League protects the interests of cities because some legislation and issues have a direct quantifiable effect and others do not. Statewide, the League achieved some critical victories protecting local control in 2010, including the passage of Prop. 22. California cities would be permanently deprived of $200–$300 million in general revenues if the transient occupancy tax bill had become law.

Along with this annual report, each city will receive an individual return on investment report specifically identifying the amount of money the League protected or helped secure for the city.

## Conclusion

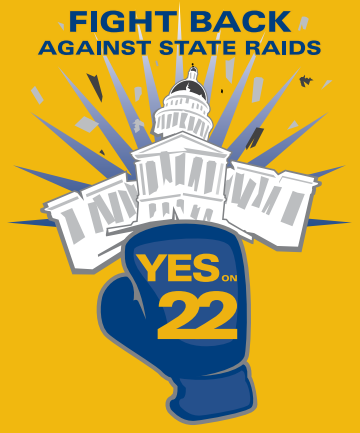
The whole is greater than the sum of its parts, and that is particularly true for the League of California Cities. City officials' hard work and commitment make it possible for the League to realize success at the ballot box, in the Legislature and the courts. The League's historic accomplishments in 2010 are the culmination of a decade of achievement, including the successful passage of three ballot measures defending local control.

Our achievements as an organization over the past 10 years have elevated the League in terms of its recognition as **the leading advocate** for California cities and their residents. Membership in the League gives city officials a forum to shape public policy and benefit from the experience of their colleagues. We come together to share solutions to the common issues that unite us.

As we look forward to 2011, the League is developing new strategies to serve our members. We are streamlining our communications to deliver fast-breaking news and information affecting cities. Look for these e-mail notifications in January. The League is also expanding web-based professional development opportunities. In addition, many meetings will be offered online to reduce the need to travel and maximize city officials' involvement in League policy activities.

Working together, our collective strength and knowledge empower us to better serve our cities and residents and build a brighter future for local control and California.

*Delegates to the General Assembly at the League's 2010 Annual Conference cast their votes on policy resolutions.*




## PROPOSITION 22 Protections

The passage of Prop. 22 ensured strong protection of local revenues by:

- Eliminating the Legislature's authority under Prop. 1A (2004) to borrow 8 percent of local property taxes. The state borrowed $1.9 billion from local government in 2009, including $671.4 million from cities.
- Preventing the state from shifting Vehicle License Fee revenues from local governments to pay for state mandates. Current allocations in FY 2010–11 amount to an estimated $140.4 million.
- Protecting the gas tax, also known as HUTA, from future threats. The Legislature delayed these critical transportation funds to cities in 2010. The State Controller estimates this at $796.6 million in FY 2010–11.
- Preventing the state from taking or borrowing the Redevelopment Tax Increment. The Controller estimates this totals $3.2 million for FY 2010–11.
- Providing further protection for an estimated $12.9 billion in locally levied taxes.

## Benefits of League Membership

- **Unmatched Advocacy** at the ballot box, in the Legislature and in the courts.
- **Timely Communication** delivered on the latest advocacy efforts along with news about legislative developments that affect your city. Vehicles include City Advocate Weekly and e-mail updates. Starting in 2011, members will receive League breaking news alerts on the most recent developments from Sacramento, through multiple communication channels from traditional e-mail to social media. In addition, Western City magazine, the League's monthly publication, provides substantive analysis of broader statewide policy issues for local officials.
- **Member-Driven Priorities** developed by local leaders. Regional divisions, professional departments, caucuses and policy committees meet throughout the year to address policy issues.
- **Best Practices** and practical tools for local officials are provided by the Institute for Local Government on topics including public engagement, sustainability, ethics, Local Government 101 and more. These valuable resources can save your city time and money by offering expert information in a concise format, reducing the need for city staff research.
- **Cutting-Edge Professional Development** offered through the League's educational conferences and events is geared to the unique needs of local government officials and city staff. Meetings and webinars present essential information from experts and provide a forum for exploring solutions to the challenges facing California's cities.

Benefits


## 2011 STRATEGIC GOALS

The League board of directors met on Nov. 17–19, 2010, with its leaders from the divisions, departments, policy committees and caucuses to chart a strategic course for 2011. The state's current economic environment, the need for systemic reform and increased efficiency for service delivery as well as the results of the Nov. 2 statewide election provided the impetus for three goals:

- **Strong Partnerships for a Stronger Golden State.** Collaborate and partner with other public and private groups and leaders to reform and revitalize the structure, governance, fiscal integrity and responsiveness of our state government and intergovernmental system.
- **Sustainable and Secure Public Pension Systems.** Work in partnership with other groups and stakeholders to promote sustainable and secure public pension systems to help ensure responsive and affordable public services for the people of our state and cities.
- **Responsive and Accessible League Services.** Implement distance learning, meeting and other cost-effective strategies to deliver even more responsive and accessible League educational, information and advocacy services to the city officials of California.

Goals


# 2010 Annual Report



LEAGUE OF CALIFORNIA CITIES

## Delivering Value
### FOR 113 YEARS

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