

**Highlights from the League Annual Conference
Report from Councilmember Ray Miller
September 17, 2012**

Update on Unwinding Redevelopment under AB 1484

More than 30 legal challenges have been filed - the League's law firm, Best, Best and Krieger, is still "considering the options."

New guidelines for the Due Diligence Reviews (DDRs) due October 1st are now on-line.

In the repayment of loans from cities to the RDAs, the LAIF interest rate must be used, regardless of loan contract.

Lack of clarity in definition of "transfer" and in guidelines for property valuations

SB 214, Infrastructure Financing, has so many problems that League is opposing.

SB 1156, Sustainable Communities Redevelopment, has many internal conflicts.

In order to improve its communications with cities, the Department of Finance has hired a former top administrator with the Statewide Counties Association, Steve Zaley.

Labor Negotiations - New Rules to a Familiar Game

New law requires fact-finding and mediation before imposition can occur. Process is onerous and destructive of trust, and the imposition can only be for one fiscal year. The agency assigned to facilitate this process is PERB. That includes the establishment of the fact-finding panel and meeting the required time lines.

Every City should have an up-to-date policy (resolution) on Employer/Employee relations, including stipulation of procedures for mediation, etc.

Implementing Solar in Your City

Most cost effective is on open land as best angles can be utilized. Minimum feasible size is about 2 acres.

There are many ways to finance, but at present the Power Purchase Agreement is the best deal for cities. That's because the third party can take advantage of the federal tax credit, and a pre-paying tax-exempt bond approach provides a 30% discount. The City of Lancaster has implemented this approach.

Public Pension Reform in California

AB 340 reduces pension obligations of public agencies, especially for public safety employees who retire early.

For new employees their contributions to their pension plans must be 50% of "normal costs." Current employees are not required to reach this level until 2018. However, the salary percentage for public safety cannot exceed 12.

For all but public safety the retirement formulas are now 2% at 62 and 2.5% at 67.

Starting in 2014-15 city accounting reports must make transparent the amount of pension obligations.

One speaker maintained that the reforms in this bill will reduce CalPERS unfunded pension obligations by only about 13%. The chief Actuary for CalPERS disagreed with the exact number but agreed that it was in the ball park.

City-County-School Partnerships to Create Safe Routes to Schools

The City of Dixon in Solano County provided the case study. They started with a study of how kids got to school, and in that study identified the most dangerous street and railroad crossings. They then designed a mitigation plan for which they sought and received grants, the biggest from MTC.

As a consequence of Dixon's successful project, MTC has established a "safe route to school" grant program for the entire Bay Area.

Top Ten Things you should know about City Finance Today

The speakers, a City attorney, who frequently represents the League, and the League's fiscal adviser, tried to cover ten hours of complicated matters in one hour. They need some lessons from Stuart Schillinger in how to make a public presentation.

Besides covering the machinations of the State to take and "borrow" tax revenue from cities, they noted that the problem began with Proposition 13 that reduced the property tax base 57%.

Some cities are trying to get their voters to approve a 1% local sales tax. Several such measures are on the ballot this November.

Proposition 26 requires 2/3 voter approval for fees but not fines.

Even the water rate structure can come under successful legal and voter attack if the relationship between rates and costs are not well documented.