

## **TRANSPORTATION, COMMUNICATION & PUBLIC WORKS POLICY COMMITTEE HIGHLIGHTS**

Friday, June 17, 2011

Sacramento Convention Center, 1400 J Street, Room 202, Sacramento

### **ATTENDANCE**

Members: Armstrong, Harry (Chair); Glancy, Tom (V.Chair); Adams, Thomas; Anderson, Harold; Anderson, Jamie; Biery, Jim; Breault, Randy; Canavan, Jon; Chew, Ken; Craton, Mary; Fergusson, Kelly; Fox, Marc; Fredericks, Alice; Freeland, Chris; Herrera, Rose; Hudson, Mike; Johnson, Richard; Lautenschleger, Joel; Lee, Richard; McGarvey, Robert; Overcashier, Lynn; Parks, Yvonne; Parra, Daniel; Pierce, Julie; Rad, Javan; Robertson, Deborah; Rock, Michael; Rodriguez, Ralph; Teaford, Bonnie; Ucovich, Miguel; Varney, Jay; Starosciak, Joyce

League Partner: Waldrop, Bradley, Bureau Veritas North America

League Staff: Jennifer Whiting, Sam Caygill

### **i. Special Order of Business – Joint Budget briefing**

The Revenue and Taxation, Transportation, Communication and Public Works, Administrative Services, and Environmental Quality Policy Committees came together for a joint briefing on major issues of the budget. Chris McKenzie, the League's Executive Director, provided a summary of the actions of the Legislature, which had passed a budget package the day prior to the meeting which included a two-bill "redevelopment elimination" package. Upon passage of the package, the League and California Redevelopment Association began developing legal documents to challenge the validity of the package. He also reported that the Governor had vetoed the main budget bill, but could not take action on the remainder of the budget trailer bills as they were not yet on his desk. Dan Carrigg, the League's Legislative Director, followed by providing some details on the remaining budget trailer bills. Michael Coleman, the League's fiscal consultant showed a PowerPoint presentation on what was included in the budget package as passed by the Legislature (<http://www.californiacityfinance.com/PolicyCom110616p.pdf>). Committee members were provided with a list of all budget trailer bills as well as a document outlining some of the legal problems with the redevelopment elimination.

Dorothy Holzem, League staff, updated the committee members on public safety funding and policy issues. This included two trailer bills that both seek to increase state revenues through fee assessment. The first, ABx1 22, would increase vehicle registration fees by \$12 to backfill Department of Motor Vehicle administrative costs with approximately \$300 million going back to the 2011 Local Revenue Fund for cities and counties. While not explicit in the bill, these monies could possibly be used to fund COPS programs and booking fee subventions, along with other soon-to-expire county law enforcement grants. The second fee bill, ABx1 29, establishes an annual \$150 fee for structures for fire protection in state responsibility areas. Notably, the Governor's priority public safety issues were not included in the budget trailer bill package, including either a temporary or longer-term tax extension to fund the state-local corrections realignment plan. The realignment plan is at the center of achieving state prison inmate population reduction goals now required under the recent U.S. Supreme Court's ruling against the state.

Natasha Karl updated the group on the latest on pension reform. She indicated that with the governor's veto of the budget we'll likely see talks between republicans and the governor's office heat up on this issue. There are two League resources that can be found in the League's Pension Information Center that may be helpful to members including a comparison of the Governor's 12-Point Pension Reform Plan the Senate Republican's Demands ([http://www.cacities.org/resource\\_files/29685.PensionsGovs12pointplanvsrepublicanplan4.11.pdf](http://www.cacities.org/resource_files/29685.PensionsGovs12pointplanvsrepublicanplan4.11.pdf)) and a Background on Pension Reform ([http://www.cacities.org/resource\\_files/29843.Pension%20Reform%20Background%20Document.pdf](http://www.cacities.org/resource_files/29843.Pension%20Reform%20Background%20Document.pdf)). The Employee Relations and Revenue and Taxation Committees were also expected to discuss the City Managers' Department Pension Reform Action Plan. Jennifer Whiting, League staff, provided an overview of what is happening on the federal level, noting that federal programs are experiencing significant cuts and encouraging cities to provide specific examples when lobbying their federal representatives.

Following the budget and policy briefing, Dan Harrison, Director of Administrative Services, provided an update on League-sponsored services including California Communities, CalTRUST, and US Communities.

#### **I. Welcome and Introductions**

Chairman Harry Armstrong welcomed the committee members and invited everyone to introduce themselves.

#### **II. Public Comment**

There was no public comment.

#### **III. High Speed Rail**

Eric Thronson from the Office of the Legislative Analyst summarized his recent report, "High-Speed Rail Is at a Critical Juncture" (<http://www.lao.ca.gov/laoapp/PubDetails.aspx?id=2475>). Following a brief summary, the committee participated in a lengthy discussion on the status of the High-Speed Rail Project (HSR).

Several members commented on the suggestion in the report that California should renegotiate with the Federal Railway Administration (FRA) regarding the starting point of the project, as the FRA has already said no. Mr. Thronson stated that if better information were provided to the FRA, the outcome might be different.

The committee membership was split regarding the suggestion that the California Department of Transportation (CalTrans) oversee the project rather than the High-Speed Rail Authority. Members asked if CalTrans had experience with trains. Mr. Thronson indicated that there are at least two trains that CalTrans has experience with, and that Florida has a similar model that could be copied. He also noted that CalTrans is building a transportation system, and stated that HSR should be considered part of that system. A committee member suggested that bringing in outside staff/contract to complete this project might be better considering the staffing challenges at CalTrans and the need to attract the right people. Another committee member said that a Rail Division in CalTrans could work well. In response to a question, Mr. Thronson indicated that Caltrans may not be actively seeking the transfer from the HSR Authority to CalTrans.

Committee members noted that most of the report seems to be negative toward the project, even though it ends by saying there is still room for a successful project. Some questioned the viability of the overall project. Mr. Thronson explained that the report was not meant to condemn or

promote the HSR project, but instead, to make suggestions for improvement should the legislature continue to move the project forward.

Committee members also raised the question of funding for other components beyond the rail. The current project cost estimates are based on the rail and stations only, and do not factor in other necessary components such as new roads, freeway on/offramps, security, parking, etc. With the possible elimination of redevelopment, no one is sure where the funding for these other essential components will come from.

#### **IV. Legislative Update**

1. AB 475 (Butler) – Vehicles: offstreet parking: electric vehicles

The committee was asked to review and consider AB 475, which would allow a plug-in hybrid electric vehicle (PHEV) to park in parking stalls designated for zero emission vehicles (ZEV).

Committee members questioned what would happen in the future if ZEVs become commonplace, and whether the action could be reversed. Staff explained that it would take additional legislation to reverse the action. Committee members also asked if providing these spaces is required, similar to handicapped spaces. Staff clarified that this would remain an option for cities.

In support of the bill, committee members indicated that this would expand uses for existing infrastructure. They also noted that current ZEV parking spaces are generally not impacted.

A couple committee members raised concerns about people being able to return to their car in the required time period. Other members noted that this is already a consideration for parked cars in limited time spaced (example: 30 minute parking).

A motion to support was made and seconded. The motion was passed with a nearly unanimous vote (1 opposed).

2. SB 530 (Wright) – Taxation: direct broadcast satellite television service

The committee was asked to review and consider SB 530, which would enact a 6% tax on direct broadcast satellite television service providers to be used for local public safety programs.

A committee member suggested that PEG fees should be included. Others suggested that the League should support as long as there is a net benefit for cities. Others spoke in opposition, noting that it would increase the price of service. Committee members in opposition also noted the staff notes regarding the poor timing and distribution formula questions, and remarked that those two issues are a big deal. Others questioned the nexus between satellite TV services and local public safety.

A motion was made and seconded to support the staff recommendation. A substitute motion was made and seconded to monitor the bill and bring it back next year. The substitute motion was passed nearly unanimously (2 opposed).

#### **V. CalTrans Business Logo Service Program**

Staff was unable to secure a speaker from CalTrans on this topic. However, staff did report on conversations with CalTrans in which CalTrans staff has indicated that similar legislation has been

developed but not yet introduced. League staff will bring any such legislation to the committee for consideration when available.

**VI. Federal Legislative Update**

1. Transportation Reauthorization – Staff reported that the actual bills have not yet been released, but may be soon. The committee voted unanimously, with no discussion, to postpone action on this item until more definite information is available for analysis.

**VII. Marijuana Regulation Working Group Report**

League staff provided a written and verbal report to the committee regarding a newly formed working group on Marijuana Regulation. The Working Group is developing recommendations and policy on this issue area that will be presented in 2012 to each relevant committee. The most likely issue to come before this committee is related to power and energy consumption. A committee member asked if the working group is considering commercial grow issues, and staff reported that they are.

**VIII. Next Meeting: This committee WILL NOT be meeting at the Annual Conference in San Francisco.**