League of California Cities

VISION

To be recognized and respected as the leading advocate for the common interests of California's Cities

MISSION

To expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians

CORE BELIEFS

We believe…

- Local self-governance is the cornerstone of democracy.
- Our strength lies in the unity of our diverse communities of interest.
- In the involvement of all stakeholders in establishing goals and in solving problems.
- In conducting the business of government with openness, respect, and civility.
- The spirit of public service is what builds communities.
- Open decision-making that is of the highest ethical standards honors the public trust.
- Cities are the economic engines of California.
- The vitality of cities is dependent upon their fiscal stability and local autonomy.
- The active participation of all city officials increases the League’s effectiveness.
- Focused advocacy and lobbying is most effective through partnerships and collaboration.
- Well-informed city officials mean responsive, visionary leadership, and effective and efficient city operation.
## League of California Cities

### Board Manual

#### 2016

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Preface

This League of California Cities Board Manual provides a framework for the organization and operation of the League of California Cities board of directors.

The Introduction to this Manual, comprising Chapter I, addresses the role of the board and its individual members. It identifies the ten basic responsibilities of nonprofit boards described in a publication by BoardSource, an organization dedicated to increasing the effectiveness of nonprofit boards. The balance of the Manual is organized to address these basic responsibilities.

You are encouraged to use and bring your Board Manual to each meeting of the board. The Manual reflects previous actions of the board of directors. The board may modify policies included in the Board Manual at any board meeting except for policies contained in the bylaws. Questions of interpretation of the contents will be resolved by the executive committee should the need arise.
CHAPTER I

INTRODUCTION

Congratulations on your election or appointment to the board of directors for the League of California Cities. We hope this Board Manual will give you a quick introduction to your important new role, that it will answer some of the questions you have about your new responsibilities, and that it will serve as a convenient reference throughout the period of your service on the League board.

The duties of the board of directors include some imposed by law, some specifically outlined by the League bylaws, and others that are the practical but necessary and evolving requirements needed for the League to serve its members effectively. Appendix 1 of this Manual contains a Director Job Description.

ROLE OF THE BOARD OF DIRECTORS

A very helpful publication produced by BoardSource identifies these ten basic responsibilities of nonprofit boards:

1. **Determine the organization’s mission and purpose.**
   A statement of mission and purposes should articulate the organization’s goals, means, and primary constituents served. It is the board’s responsibility to create the mission statement and review it periodically for accuracy and validity. Each individual board member should fully understand and support it.

2. **Select the chief executive**
   Boards must reach consensus on the chief executive’s job description and undertake a careful search process to find the most qualified individual for the position.

3. **Support the executive and review his or her performance**
   The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization. The chief executive, in partnership with the entire board, should decide upon a periodic evaluation of the chief executive’s performance.

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4. **Ensure effective organizational planning**  
   As stewards of an organization, boards must actively participate with the staff in an overall planning process and assist in implementing the plan’s goals.

5. **Ensure adequate revenues**  
   One of the board’s foremost responsibilities is to provide adequate resources for the organization to fulfill its mission.

6. **Manage resources effectively**  
   The board, in order to remain accountable to its members, donors, the public, and to safeguard its tax-exempt status, must assist in developing the annual budget and ensuring that proper financial controls are in place.

7. **Determine, monitor, and strengthen the organization’s programs and services**  
   The board’s role in this area is to determine which programs are the most consistent with the organization’s mission, and to monitor their effectiveness.

8. **Enhance the organization’s public standing**  
   An organization’s primary link to its members, the public, and the media, is the board. Clearly articulating the organization’s mission, accomplishments, and goals, as well as garnering support from important members of the community, are important elements of a comprehensive public relations strategy.

9. **Ensure legal and ethical integrity and maintain accountability**  
   The board is ultimately responsible for ensuring adherence to legal standards and ethical norms. Solid personnel policies, grievance procedures, and a clear delegation to the chief executive of hiring and managing employees will help ensure proper decorum in this area. The board must establish pertinent policies, and adhere to provisions of the organization’s bylaws and articles of incorporation.

10. **Recruit and orient new board members and assess board performance**  
    All boards have a responsibility to articulate and make known their needs in terms of member experience, skills, and many other considerations that define a “balanced” board composition. Boards must also orient new board members to their responsibilities and the organization’s history, needs, and challenges. By evaluating its performance in fulfilling its responsibilities, the board can recognize its achievements and reach consensus on which areas need to be improved.

Collectively, the board of directors retains all these responsibilities. Specifically, the League bylaws charge the League board to exercise overall supervision, control and direction for League activities and affairs.
Similar to its mission statement, the League’s bylaws state that “the League’s purpose is to strengthen and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.” The bylaws detail the following objectives:

a. Advocate legislation that results in benefits to member cities

b. Communicate to member cities and the public on issues related to the general welfare of citizens in California cities

c. Pursue strong intergovernmental relationships to promote the well being of California cities

d. Organize educational opportunities, such as conferences of city officials

e. Stimulate greater public interest and more active civic consciousness as to the importance of cities in California’s system of government

f. Collect and disseminate information of interest to member cities

g. Engage the membership in a continuing analysis of the needs of member cities

(Reference: Bylaws, Article VII, section 1, and Article II, section 2)

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**THE ROLE OF INDIVIDUAL DIRECTORS**

Directors are important liaison officers between the League board and the League membership. Directors elected to represent divisions need to maintain a strong and active two-way communication link between the members of their respective divisions and the board. Similarly, department directors serve this role between the board and the professional groups they represent. All directors—whether serving as a representative of a division, a department, a large city, or an at-large director—should bring the board the best thinking about the problems facing cities and the League and should assume responsibility for interpreting board policy to the membership.

At the same time, each director helps keep the League and all its parts working together smoothly. Each director should be committed to the value of cities working together through the League, and should understand and support the League’s mission, values, core beliefs, strategic goals and implementation strategies. Each director should be alert to any development that might impede the basic purpose and objectives of the League. Once the board has a position on an issue, the board must “speak with one voice.” Directors should not speak or work against the actions of the board.
Additional board member responsibilities include

- Attend all board meetings and appropriate division, department, or general membership meetings
- Be informed about the League’s mission, services, policies, and programs
- Review agenda and supporting materials prior to board meetings
- Serve on committees and offer to take on special assignments
- Inform others about the League
- Suggest possible nominees to the board or policy committees who can make significant contributions to the work of the board and the League
- Keep up-to-date on developments relating to cities
- Follow conflict of interest policies and promote confidence in the League’s decision-making
- Refrain from making special requests of the staff
- Assist the board in carrying out its fiduciary responsibilities, such as reviewing the annual financial statements and the budget
- Make a personal commitment to the League’s success

Appendix 1 of this Manual contains a Director Job Description.

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**LEGAL OBLIGATIONS OF THE LEAGUE’S BOARD MEMBERS**

California law imposes upon the League’s board of directors certain standards of conduct, including an obligation to act in good faith, in a manner the director believes to be in the best interest of the League and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. See Cal. Corp. Code § 7231(a). This standard of care has been incorporated in the League’s bylaws. See League Bylaws, art. VII, § 13.

Both California law and the League’s bylaws indicate that directors may rely on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by:

1. One or more League officers or employees whom the Director believes to be reliable and competent as to the matters presented;

2. Counsel, independent accountants, or other persons as to matters which the Director believes to be within such person’s professional or expert competence; or

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2 Board member responsibilities adapted from *Six Keys to Recruiting, Orienting, and Involving Nonprofit Board Members*. Washington, DC: BoardSource, formerly the National Center for Nonprofit Boards, 1995.
3. A League Board committee upon which the Director does not serve, as to matters within the committee’s designated authority, provided that the Director believes the committee merits confidence.

The Director may rely on such information, opinions, reports, or statements as long as the Director acts in good faith after reasonable inquiry (when the need for such inquiry is indicated by the circumstances) and as long as the Director has no knowledge that would suggest that such reliance is unwarranted. See Cal. Corp. Code § 7231; League Bylaws, art. VII, § 13.

Adherence to these standards generally insulates directors, as volunteers, from financial liability for failing to discharge their duties. See Cal. Corp. Code § 7231.5(a). In addition, both California law and the League’s bylaws generally provide that the League board may indemnify directors that find themselves involved with legal actions as the result of their service on the board. See Cal. Corp. Code § 7237; League Bylaws, art. XV, § 1.

In addition, the League maintains errors and omissions insurance with coverage that includes directors. See Chapter VI of this Board Manual, League Insurance Coverage.

(Reference: Bylaws, Article VII, section 13, and Article XV, section 1)

THE LEAGUE’S NON-PROFIT CORPORATION STATUS

The League has two forms of non-profit corporation status. The first is its status under state nonprofit corporation law. The second is its tax status.

Status under State Nonprofit Corporation Law

Although the League was founded in 1898, it incorporated in 1932. Under current corporation law, the League is a nonprofit mutual benefit corporation. See Cal. Corp. Code §§ 7110 et seq.

Mutual benefit corporations are organized for the benefit of their members and are subject to less extensive state regulation and supervision. See Advising California Nonprofit Corporations, CEB, at 45. However, California Nonprofit Mutual Benefit Corporation Law does require the League to do the following:

- Keep up-to-date versions of the League’s articles of incorporation and bylaws, see Cal. Corp. Code § 7160;

- Keep 1) adequate and correct books and records of account, 2) membership records, including the League’s members’ names, addresses and membership class,
and 3) **minutes** of the proceedings of the League’s members, board and board committees, *see* Cal. Corp. Code § 8320(a);

- Prepare an **annual report** within the close of the corporation’s fiscal year, containing in “appropriate detail” 1) an end-of-year balance sheet, 2) an income statement and changes in financial position for the fiscal year, 3) a statement of where the current members’ names and addresses are located, 4) a statement relating to certain sensitive transactions (self-dealing, loans, indemnification, etc.), *see* Cal. Corp. Code § 8321(a), and 5) the accountant’s report or, if no independent audit occurred, a statement to that effect by a corporate officer, *see* Cal. Corp. Code § 8321(b); the report must be sent to any member who requests a copy in writing and the League must notify each member in writing of the member’s right to receive the report, *see* Cal. Corp. Code § 8321(a); and

- Biennially file a **form SI-100 with the Secretary of State**, including 1) the names and addresses of its chief executive officer, secretary and chief financial officer, 2) the street address of the League’s principal office, and 3) the designation of an agent for service of process. Cal. Corp. Code § 8210(a)-(b).

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**Status under Federal Tax Laws**

For purposes of federal tax law, the League’s income is not subject to taxation under Internal Revenue Code section 115. That section provides that gross income does not include income derived from the exercise of any essential governmental function that accrues to a state or a political subdivision. *See* 26 U.S.C. § 115.

Although the term “essential governmental function” is not clearly defined, if an entity is established to perform a public or governmental function and that entity engages in activity that furthers public or governmental interests, the entity will be deemed to be providing an “essential governmental function.” The Internal Revenue Service has recognized that state leagues of cities engage in such activities.

The League’s instrumentality status is premised on the League’s membership being comprised exclusively of cities. This constrains, for example, the League from creating membership or quasi-membership opportunities in the League for non-governmental entities (for example, corporate partners).
CHAPTER II

SETTING THE LEAGUE’S MISSION, PURPOSE, AND POLICIES

VISION, MISSION, AND CORE BELIEFS

The League approved in 2001 the Vision Statement, Mission Statement, and Statement of Core Beliefs following an extensive and highly participative strategic planning process. In 2003 the board incorporated ethics into its core beliefs.

VISION—To be recognized and respected as the leading advocate for the common interests of California's Cities.

MISSION—To expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

CORE BELIEFS—We believe…

- Local self-governance is the cornerstone of democracy.
- Our strength lies in the unity of our diverse communities of interest.
- In the involvement of all stakeholders in establishing goals and in solving problems.
- In conducting the business of government with openness, respect, and civility.
- The spirit of public service is what builds communities.
- Open decision-making that is of the highest ethical standards honors the public trust.
- Cities are the economic engines of California.
- The vitality of cities is dependent upon their fiscal stability and local autonomy.
- The active participation of all city officials increases the League’s effectiveness.
- Focused advocacy and lobbying is most effective through partnerships and collaboration.
- Well-informed city officials mean responsive, visionary leadership, and effective and efficient city operation.

(Reference: Bylaws, Article II, section 1; Board Minutes, April 2001 and November 2003)
ONGOING STRATEGIC PLANNING PROCESS

The League’s vision and mission statements are implemented through an ongoing strategic planning process designed to achieve the following objectives:

- To commit the League to an ongoing process of planning that results in clear goals and implementation strategies being developed by every part of the organization—board, divisions, departments, policy committees, and caucuses—in order to achieve the vision and mission of the League.
- To inspire, coordinate and focus the efforts of all parts of the organization for the strongest possible impact.
- To build ongoing accountability for achieving the goals that are established.
- To focus the resources of the League to the best possible advantage.
- To have a system of evaluation process.

Roles and key features of the process include:

1. The board will provide overall leadership by annually establishing strategic goals and League-wide implementation strategies.

2. The leadership of each division, department, policy committee and caucus will develop a work plan for the sub-unit to support implementation of the strategic goals.

3. The League’s first vice-president will have responsibility for shepherding the strategic planning process.

4. Directors from regional divisions and departments will report back after each board meeting to their respective divisions and departments. Staff will send written reports of board action to policy committees and caucus officers.

5. The first vice-presidents of divisions and departments, the vice chairs of policy committees, and caucus chairs will have responsibility for implementation of the strategic planning process and for preparation of brief status reports for the board of directors.

(Reference: Board Minutes, April 2001 and July 2001)
CHAPTER III

LEAGUE PROGRAMS AND SERVICES

ADVOCACY

The League has identified its two main activities as advocacy and education. The League’s advocacy roles are shown in the following graphic:

Lobbying the Legislature

The League’s legislative lobbying activities are specifically authorized by state law. See Cal. Gov’t Code § 50024 (providing that cities may join associations to lobby the legislature); see also Lehane v. City and County of San Francisco, 30 Cal. App. 3d 1051 (1972) (upholding city’s membership in the League).
The Board has had a philosophy of doing everything possible to broaden the authority of cities to perform their functions and to oppose any action that would curtail the existing powers of cities. This policy is based on the firm belief that city councils are well qualified to make sound decisions affecting their communities and that they should have available the broadest possible range of alternatives to resolve local issues. The Board has strongly supported the principle of home rule.

Another basic idea generally followed is that the League takes action only on matters that are of broad municipal interest. In other words, it is preferable that the League act only on those matters that are of concern to a large number of cities, rather than to the cities of a given area or to an individual city. Similarly, it is unsound for the League to take an active position on a subject when the cities in the state are about equally divided on each side of the issue. It has been the attitude of the board to attempt to resolve these issues so that a large majority of the cities are on one side or the other.

Overview of Policy Development Process

To clarify the policy-making authorities within the League, the board of directors in 1953 adopted the following statement:

1) **The General Assembly.** The ultimate power of decision on any matter of League policy or program rests with the General Assembly of the League, which is an assembly of authorized delegates of member cities convened in general session at any annual or special conference called as provided in the League bylaws.

2) **The Board of Directors.** Recognizing that a statewide meeting of the cities cannot be called frequently, the League bylaws provides that the board of directors, including, as it does, elected representatives from each of the regional divisions and departments of the League, has the power to determine League policy between the annual conferences of the members of the League.

3) **The Executive Committee.** As in the case of other organizations, there is an Executive Committee of the board of directors composed of the five officers of the League. To the extent that an immediate policy decision may become necessary, the League bylaws authorizes this Executive Committee to determine the precise policy so long as such a decision is consistent and in conformity with the broad policies previously established by actions of the General Assembly or the board of directors.
4) **The Staff.** The staff of the League does not determine policy, but is necessarily empowered, on a day-to-day basis, to make those administrative decisions necessary to effectuate the policies established by the General Assembly, the board of directors, or the Executive Committee.

5) **Special Meetings and Committees.** Special meetings of cities or committees of the League do not determine League policy, but are advisory to the board of directors or the General Assembly.

6) **Issues for League Policy.** The League bylaws provide that the League shall take no action on any matter which is not directly the concern of municipal government except as to resolutions of congratulations or condolence. It is the policy of the board of directors to avoid taking action on any matter which is not of some general concern of the cities as distinguished from matters of interest only to one or to some very small number of cities unless the interests of cities generally are, or are likely to become, involved.

As a general proposition, the board of directors does not wish to have the League take a position on a matter which is controversial among the cities, but the board recognizes that the general municipal interest will require such action from time to time and in such cases the board reserves the right to act for the general municipal interest after appropriate notice and consultation with all the interested cities.

*(Reference: Board Minutes, April 1953)*

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**Resolutions and the Work of the Policy Committees**

This broad policy has been refined further over the years in an effort to clarify the relationship between Annual Conference resolutions and the work of the policy committees and board of directors; and has been conveyed to the membership as follows:

The principal means of addressing policy issues is through the seven standing policy committees and the board of directors. This process allows timely consideration of issues in a changing environment. The committees meet three or four times per year and the board considers committee recommendations at each of its quarterly meetings.

This process also ensures broad access for city officials to both initiate discussion and influence decisions. Each regional League division and each functional department has representation on each policy committee. That means that every city official has representatives on every committee. League presidents exercise their prerogative to appoint additional members to the committees [up to sixteen per policy committee] to provide population and
geographic balance, as well as expertise. In all, over 350 city officials typically serve as policy committee members.

Finally, policy committees have the opportunity to develop real subject-matter expertise, which lends continuity to the process and the policies adopted.

Annual Conference resolutions constitute a supplemental or secondary process for developing League policies. They are used to accomplish the following objectives:

(a) Focus public or media attention on an issue of major importance to cities.

(b) Establish a general direction for the League by setting forth general principles around which more detailed policies may be developed by the policy committees and board of directors.

(c) Consider important issues not adequately addressed by the policy committees and board of directors.

(d) Amend the League bylaws. Resolutions to amend the League bylaws will require a two-thirds majority of voting delegates at the General Assembly for approval.

(Reference: Board Minutes, July 1988)

Policy Committees

Standing policy committees exist to study specific areas of municipal concern and to recommend action on these issues to the board of directors and, through the Annual Conference resolution procedure, to the General Assembly of the League. Currently, the board has established the following policy committees:

- Community Services
- Environmental Quality
- Governance, Transparency & Labor Relations
- Housing, Community and Economic Development
- Public Safety
- Revenue and Taxation
- Transportation, Communications, and Public Works

In 1975 the Board of Directors revised the alignment and operation of policy committees to accomplish the following:
1. Establish a formal procedure for developing policy from the individual cities and city officials through the League divisions and departments and affiliate groups.

2. Provide a more effective communication in both directions between the cities and the board through divisions and departments.

3. Decentralize to the divisions, departments, and affiliate groups appointments to policy committees with additional appointments by the League president to balance the representation.

4. Broaden policy committees to include all issues confronting cities.

A 1993 Annual Conference resolution indicates policy committee appointments should be reevaluated annually on an individual basis by the appointing authority as an attempt to provide a balanced view of member cities on policy committees.

In 2016, the board formed the Governance, Transparency & Labor Relations (GTLR) policy committee by consolidating the Administrative Services and Employee Relations policy committees. Drawing upon the interest and expertise of the consolidated policy committees, the GTLR policy committee reviews legislation and issues related to transparency, technology (open data), healthcare, elections, political reform, pension and workers’ compensation.

**Composition.** The membership of policy committees is now included in the League bylaws. See League bylaws art. VII, sec. 10.

**Appointment of Policy Committee Chair and Vice Chair.** The League President appoints the policy committee chairs and vice chairs, whose service should not exceed two one-year terms. In keeping with the policy to attempt a geographic balance in its leadership, the committee chair and vice chair should, when possible, considering all relevant factors, be from different geographic areas and will alternate as those appointments are changed.

(Reference: Bylaws, Article VII, section 10; Annual Conference Resolutions, 1993 #2; Board Minutes, July 1975, July 2010 and October 2016)

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**Annual Conference Resolutions Process**

Article VI of the League bylaws provides the framework for members to propose and consider annual conference resolutions. No resolution should be considered or adopted unless it has some direct relationship to municipal affairs. Also, no resolution should be adopted until an opportunity has been afforded for a full and free debate thereon. For a complete review of the annual conference resolutions process, see League bylaws Article VI (Appendix 2) and the Resolution Process (Appendix 3)

(Reference: League Bylaws, Article VI; Board Minutes February 2015)
ADOPTING POSITIONS ON LEGISLATION

Focusing on Strategic Priorities. The board of directors has sometimes spent many hours in its meetings reviewing legislation and establishing League positions on legislation based on recommendations from the policy committees. From a desire to focus the board’s legislative discussions on major policy issues and direct more time to the League’s strategic priorities, the board in 2003 adopted a policy for assigning and screening bill assignments and discussion.

At the board level, all legislative positions or policies backed by a two-thirds majority of a policy committee vote are placed on the board consent agenda. To remove legislative items in this category requires a majority vote of the board. All other legislative recommendations of policy committees are placed on the regular board agenda.

(Reference: Board Minutes, July 2003)

MODIFYING POLICIES ADOPTED BY THE GENERAL ASSEMBLY

Occasionally, it has been desirable for the board of directors and general League membership to change a policy adopted by the General Assembly. In 1979 the General Assembly adopted a procedure authorizing the board of directors to propose a change in a policy adopted by the General Assembly. The proposed change becomes League policy if it is ratified by a majority of the League divisions representing a majority of member cities following appropriate notice to all cities and division officers. This provides a mechanism to change policies when extraordinary conditions necessitate and helps to ensure that League policies are responsive to changing circumstances in the legislative arena.

(Reference: Bylaws, Article VII, section 15)

SUMMARY OF EXISTING POLICY AND GUIDING PRINCIPLES

Every two years with support from policy committees the League produces a “Summary of Existing Policy and Guiding Principles.” This publication contains policy guidelines and positions adopted by the board of directors on legislative issues.

(Reference: Board Minutes, 1998 and April 1999)

LEGISLATOR OF THE YEAR AWARD

Periodically, the Executive Committee, based upon recommendations from the League staff, selects one or more legislators for special recognition for his or her contribution to California
cities. The legislator is recognized at the League Annual Conference with a plaque suitable for display in the legislator’s office.

*(Reference: Board Minutes, November 1988)*

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**CONGRESSIONAL LEADER OF THE YEAR AWARD**

The League board may, from time to time, select one or more members of the California Congressional delegation for special recognition to thank the member(s) for outstanding contributions to the cities of California. The award should be something suitable for display in the member’s office and will normally be presented to the member during a League of California Cities event conducted during the NLC Congressional City Conference.

*(Reference: Board Minutes, July 2000)*

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**Grassroots Organizing and Lobbying**

The Grassroots Network was created by a bylaws amendment in 2001. It consists of a series of regional public affairs managers throughout California who promote statewide League policy priorities and coordinate grassroots city advocacy efforts. The bylaws require the board to set long-term goals and annual objectives for the Grassroots Network. During the 2007 League annual conference, League members voted to continue the Grassroots Network indefinitely.

*(Reference: Bylaws, Article XVII; Board minutes, July 2001)*

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**Ballot Measure Advocacy**

The League’s mission is “to expand and protect local control for cities.” Since many of the most important public policy decisions affecting the future of cities are being decided today in statewide ballot measure elections, the League needs the capacity to advocate for cities when ballot measures are being considered. Accordingly, the League maintains two political action committees, CITIPAC and SOS (the Save Our Services). Both are dedicated to effective ballot measure advocacy. The board directs both committees.

In 1996, the League sought a legal opinion on what constitutes allowable expenditure of League revenues from various sources, including membership dues. This opinion concluded that the League, as a non-profit mutual benefit corporation, is not subject to the same
restrictions on expenditures as public agencies. Therefore, any League revenue could be used to support the League’s ballot measure activities. But the League, in order to avoid even the appearance of impropriety, has carefully segregated its “public” revenues (for example, those funds received from membership dues) from its “non-public” revenues (for example, advertising and conference expo revenues). Thus the League only uses “non-public” revenues to support its ballot measure activities.

CITIPAC

Achieving its mission requires the League to develop the financial capacity to sponsor, support, or defeat statewide ballot measures. CITIPAC is the League’s fundraising arm for ballot measure and public advocacy. Funds are raised from special events, solicitation of corporate and individual donors, and by professional fundraisers.

The CITIPAC Steering Committee works to maximize CITIPAC fundraising efforts within divisions and statewide. The steering committee includes a representative of each regional division and a CITIPAC chair position is appointed by each division.

The board has adopted the following guidelines to provide added protection in the expenditure of CITIPAC funds:

1. A two-thirds vote of the board of directors is required for any CITIPAC expenditure exceeding $10,000 towards any ballot measure.
2. Any expenditure of CITIPAC funds is restricted to measures that have been endorsed or opposed by two-thirds vote of the League board of directors, or a majority of the general assembly.
3. A report detailing expenditures and contributions made to CITIPAC must be provided to the board annually.
4. CITIPAC committee of the board of directors or the board as a whole is charged with overseeing CITIPAC expenditures and recruiting board members and other city officials to contribute to CITIPAC, with assistance from the CITIPAC Steering Committee.

(Reference: Board Minutes, April 2003, October 2005 and May 2007)
SOS

SOS, or Save Our Services, is a political action committee that was created by Action for Better Cities (ABC). By action of the League and ABC boards, ABC is inactive, and its ongoing responsibilities have been transferred to the League. SOS was created to receive contributions by city officials and employees through payroll deduction to support the League’s local revenue protection agenda. SOS is an ongoing and active program.

(Reference: Board Minutes, February 2003, April 2003, and July 2003)

Legal Advocacy

INTRODUCTION AND OVERVIEW

The League’s legal advocacy program recognizes that the courts can play a significant role in either expanding or contracting city authority and prerogatives. As a result, the League monitors developments in the courts for their impact on cities.

The focus of these efforts is activities in the appellate courts at both the state and federal levels. Appellate court decisions have the force of precedent on both cities and other courts.

The mechanism cities have for shaping appellate law is what is known as a “friend of the court” brief or amicus curiae brief, although in very limited circumstances the League may get more directly involved in litigation as an actual party to the litigation. Amicus briefs aid the court in understanding the implications of the legal issues presented by a particular case. Such briefs may only be filed with the courts’ permission and such permission is forthcoming only when they play their role of providing meaningful assistance to the courts.

LEGAL ADVOCACY POLICY

The League Board has adopted a Legal Advocacy Policy establishing a Legal Advocacy Program and establishing Guiding Principles. The Legal Advocacy Program is advised by the Legal Advocacy Committee, which is composed of city attorneys from around the state. This advice includes but is not limited to:

- Whether the League should initiate litigation or participate in litigation as an amicus curiae;
- Whether the League should coordinate litigation activities among interested cities or encourage cities to participate as amici curiae in litigation; and
- Whether the League or interested cities should weigh in on a request for input on an Attorney General opinion request.
AUTHORIZATION AND REPORTS

The following actions require League Board approval:

1. Recommendations that the League initiate litigation or coordinate litigation among interested cities;

2. Recommendations that the League encourage cities join in amicus briefs when one or more cities have an interest adverse to the position recommended.

Recommendations for all other forms of legal advocacy activities are made to the League’s Executive Director for approval. The Executive Director in his or her discretion may consult with the League’s executive committee or the full League Board if there is a question whether amicus involvement with a case is consistent with League policies and/or present strategic or other political issues.

The League Board receives regular reports on all legal advocacy activities.

(Reference: Board Minutes, November 2002 and July 2003)

EDUCATION

Along with advocacy, education is the other principal element of the League’s mission. Educational programs are a part of the work of League divisions, departments and caucuses. Conferences and institutes are conducted throughout the year for various audiences of city officials. Award programs and work of the Institute for Local Government all help the League advance its education objectives.

Conferences, Institutes, and Expo

The Annual Conference is the League’s biggest event, giving city representatives the opportunity to guide the organization’s governance and set policies and priorities. Conferees also benefit from a broad range of educational and networking opportunities, and from the extensive array of exhibitors’ displays at the Expo. In addition, professional conferences present opportunities for city officials to network and learn with peers from around the state.

Annual educational events include:

- Annual Conference
- City Attorneys’ Continuing Education Webinars
- City Attorneys’ Department Spring Conference
- City Clerks New Law and Election Seminar
• City Managers Department Meeting
• Municipal Finance Institute
• Legislative Action Days
• Legislative Briefings
• Mayors and Council Members Executive Forum & Advanced Leadership Workshop
• New Mayors and Council Members Academy
• Planning Commissioners Academy
• Public Works Officers Institute and Mini Expo

For a complete listing of dates, locations and costs, and to register online, go to www.cacities.org/events.

League Educational Program Policies

ANNUAL CONFERENCE SITE SELECTION

When multiple cities have sufficient space and dates available to hold the annual conference, the Board may direct that the following site selection committee process be used. Alternatively, the Board may simply take under consideration a report and recommendation from staff.

To provide a fair and equitable process for the selection of future Annual Conference sites, there will be a five member ad hoc committee appointed as needed by the League president and comprised of:

• An elected official from a small city (under 10,000 population)
• Two other elected officials, one from the north and one from the south
• A representative of the City Managers Department
• A representative of one department other than the Mayors and Council Members and City Managers

Appointments will be made with geographic balance in mind. None of these officials will serve concurrently as a League officer or director, or be from a city bidding on the conference, nor should they have any direct interest in where the meeting is located.

When appointed, the committee will be given a deadline and charged with selecting the sites for specific years, and base its recommendations on the following criteria:

• Capacity, configuration and costs of function space
• Availability, costs and levels of all needed services
• Lodging capabilities, costs and service levels
The Annual Conference serves the League in a number of critical ways. It is the means by which many city officials develop their impression of and support for the League. It is a major source of revenue. It draws attention to important municipal issues, and it conveys an impression of professionalism to both members and the public. The committee must also consider these rather intangible factors. Sites must serve to advance these interests of the League and cities.

Staff will prepare a standard request for proposal and bid forms so that interested cities can respond and receive fair and equal consideration. Staff will analyze and rank these proposals, and then present them to the committee to consider the proposals and staff recommendations. The committee may also choose to hear directly from representatives of the bidding cities. The committee will make its recommendation to the board for final action. Board action could be direction to staff to proceed with negotiations with one or more bidding cities, or to finalize arrangements with one bidder. Staff would then negotiate or execute the needed contracts.

Throughout the process, care must be taken to not so limit options that we diminish the League’s negotiating leverage, and to keep choices open until we have a proposal that is acceptable.

(Reference: Board Minutes, January 1995 and February 2002)

ATTENDANCE AND HOSPITALITY FUNCTIONS AT LEAGUE TRAINING PROGRAMS

The purpose of League meetings and training programs is to provide educational and professional development opportunities to city officials so that they may be better able to serve their residents and to advance the League’s advocacy mission. This is best accomplished in an atmosphere of professionalism, concentration and collegiality.

Attendance – The Annual Conference and Expo is the principal meeting at which attendance by other than public officials and employees is encouraged. The Expo itself is offered as a unique educational opportunity for city officials to learn about new products and services of value to cities. Accordingly, the League will encourage attendance at the Annual Conference
by persons other than public officials and employees, whose purpose in attendance is to learn about city issues or to professionally inform city officials regarding products, services, or issues of interest to cities statewide.

Within the League’s policy of complying with the spirit of the Brown Act, League departments may adopt a more restrictive policy than above that would apply to education programs under the auspices of the department if the department deems it necessary for specific events. If no policy is adopted, the policy applicable to the Annual Conference will apply. Departments are encouraged to welcome attendance at their educational programs by non-city officials whose position or business can be informed by the program in ways that can lead to enhanced understanding of and support for city interests.

With regard to attendance of key retired city officials, each department is encouraged to adopt a policy regarding attendance of retirees so long as they are not attending the training program for commercial purposes and no direct expenses accrue to the League.

**Hospitality** – At the Annual Conference and those department educational programs where more restrictive policies have not been established, those sponsoring any sort of a hospitality function, exhibit, or other contact with attendees must comply with the following rules:

1. All representatives hosting a hospitality event must be registered participants in the conference.

2. No hospitality events are to operate during the program hours of the conference. Contacts should be made in a manner that does not distract from the primary program of the conference.

3. On-site publicity of such hospitality functions must comply with the rules of the facility and be limited to notices posted on the bulletin board in the League’s registration area, or the event board of the facility. Notices are not to be posted or distributed in the rooms in which League meetings are being held.

4. Unless specifically authorized in writing by the League, the League’s name is not used in conjunction with announcements of such functions in any manner that indicates League sponsorship or endorsement of the functions.

Any non-compliance with these rules may result in dismissal from that conference and future conferences.

The League reserves the right to refuse registration to anyone not an official or employee of a member city, whose attendance is not in accord with the above policy. All persons attending, or in any way participating in League conferences, must be properly registered.

In the interest of informing the public and advancing the professional quality of the public service, members of the working press and students (after prior arrangements in writing
through their professors) will be registered at League meetings and training programs with the registration fee waived.

With regard to department training sessions, each League department may establish more restrictive policies relative to hospitality functions consistent with the purposes of the program as determined by each department.

(Reference: Board Minutes, November 1988)

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POLICY ON PARTISAN ACTIVITY AT LEAGUE FUNCTIONS

Much of the League’s long-term stability and success is because it is non-partisan, and city officials of all political persuasions can join in the League to work in unison on municipal problems. At the same time, however, it is appropriate for the League to keep city officials informed about the partisan policies and positions taken by state and federal officials and candidates that affect municipal interests.

To preserve its non-partisan position and help inform city officials, the League may invite key partisan officials or candidates to address League meetings or to write position statements, which the League may publish. If such invitations are issued in the context of an election, the candidates of each major party will be extended equal invitations and the League will accommodate them as equally as possible. In no case will the League allow or condone partisan activities (pamphleteering, rallies, etc.) in the program or the official function space of its meetings. However, requests for function space under the control of the League during its meetings may be granted to partisan organizations on the same basis and conditions and with the same disclaimers as it would be to other organizations.

The League will not endorse candidates. It may take positions on issues on the ballot. Limited space may be made available at League meetings for official literature on either side of ballot measures that are of interest to cities.

In the interest of maintaining both the non-partisan nature of the League and its functions, and an atmosphere conducive to the business of the meeting itself, attendees are expected to refrain from partisan political activities and campaigning in the framework of League functions. When partisan speakers address the League, no inappropriate action should be taken that might suggest League support or opposition for the speaker. Press conferences may be scheduled if in keeping with the above statement.

(Reference: Board Minutes, April 1989)
MEETING SPACE AT LEAGUE CONFERENCES

The League may make space available at League conferences to private firms, political organizations and others on a space-available basis, so long as these organizations agree to abide by the League’s policies relating to nondiscrimination and the timing of these organizations’ meetings do not conflict with League program sessions.

(Reference: Board of Directors Minutes, October 1998)

LEAGUE SPONSORSHIP OF OTHER PROGRAMS

The League of California Cities judiciously lends its name as co-sponsor of programs offered by other organizations that sufficiently meet the League’s stated conditions and criteria (listed below); the sponsoring organization is reputable and one with which the League has a satisfactory working relationship and whose general purposes the League supports; and the program itself is one which will advance the debate, the level of knowledge and the general public awareness of issues that are of particular concern to cities. League interests must clearly be advanced by such co-sponsorship.

Co-sponsorship normally involves lending the League’s name to the publicity and credit for the design and conduct of the program. It does not necessarily mean that the League participates in the conduct or operation of the program, or concurs with the opinions expressed in the program.

Criteria:

1. The purpose and effect of the program is consistent with and advances the policies and programs of California cities and officials (or at least does not conflict with those policies and programs).

2. The program content is relevant and timely for city officials, and is adequate in scope and balance to cover all salient facets of the topic.

3. The program is not in conflict with any League program in terms of time and/or audience.

4. City officials and/or their representatives can be effectively involved in planning and reviewing the program content and structure.

5. The sponsoring agency may rent mailing labels for appropriate city officials at cost.
6. The faculty of the program is credible and reputable as demonstrated by having conducted similar successful programs or by recognized competence in the subject area.

7. The program is financially reasonable with charges in line with the program quality and expense.

8. The League has the option of sharing in any revenues from the program at a level that the sponsoring agencies deem appropriate.

9. The League has the opportunity to review the brochure and other publicity materials prior to reproduction and distribution.

10. Program announcements for sessions of more than one day are to be distributed to city officials two months in advance; and one-day meeting announcements are to be distributed at least one month in advance, unless there are extenuating circumstances where the program content is of an urgent nature.

11. The League will be given complimentary registrations to the meeting should it be in the League’s interest to attend.

(Reference: Board Minutes, January 1975 and November 1988)

Award Programs

HELEN PUTNAM CALIFORNIA CITIES AWARD FOR EXCELLENCE

Each year the League recognizes achievement in managing resources to carry out public policy in a high quality, innovative and efficient manner. This award program not only gives public recognition to cities, but it also serves an important information exchange purpose in assisting other cities in addressing community concerns. Funding for the Award for Excellence program is provided by the League and by League Partners.

(Reference: Board Minutes, November 1988 and July 2007)

RUTH VREELAND AWARD

In 2005, a new category was added to the Helen Putnam Award for Excellence to recognize cities’ work in “Engaging Youth in City Government.” The new award was named the Ruth Vreeland Award. Its goal is to promote the understanding by youth of local government, their
roles and responsibilities as citizens and their engagement in the community in ways that advance this understanding and benefit the community.

*(Reference: Board Minutes, April 2004)*

### Institute for Local Government

The Institute for Local Government (ILG) is the nonprofit research and education arm of the League of California Cities, California State Association of Counties (CSAC) and (more recently) of the California Special Districts Association (CSDA). ILG serves as a source of trusted research, training and programs for local officials and staff in California who wish to solve problems, improve local services and make decisions and policies in the public interest.

**Mission.** The Institute for Local Government promotes good government at the local level with practical, impartial, and easy to use resources for California communities.

**Work.** The Institute specializes in addressing issues of topical and practical concern to local officials. An important aspect of this involves developing practical “nuts and bolts” materials that are easy-to-read. These materials are made available in electronic form without charge on the Institute’s website (www.ca-ilg.org), or to be purchased in hard copy form as well.

**Leadership.** The Institute has a distinguished board of directors comprised of current and former local officials, as well as representatives from the private sector. In addition, the League Board designates “liaison” members of the Institute board to ensure an ongoing flow of information between the League and Institute boards. A similar liaison operates between the Institute board and the League’s city managers department.

**Advisors.** The Institute board receives advice on each of its project areas from advisory panels comprised of local officials, academicians and representatives of the private and nonprofit sectors.

**Funding.** The Institute’s activities are funded with grants, corporate sponsorships, publications sales and individual charitable contributions, including bequests and surplus campaign funds.

**City County School Partnership.** The City County School Partnership (CCS Partnership) brings together the state’s locally elected officials through their respective organizations, the League of California Cities, the California State Association of Counties, and the California School Boards Association. The goal of the CCS Partnership is to encourage, promote and share successful programs, remove barriers to success, and provide opportunities for
governmental and community-based problem solving by building trust and effective joint action among counties, cities and schools. Officers from each of the sponsoring associations serve on the CCS Partnership Advisory Council. The CCS Partnership was dissolved as a spate 501(c)(3) and is now a program of ILG. The work of the CCS Partnership, like the work of ILG as a whole, is supported by grants and contributions from the sponsoring organizations.

(Reference: Board Minutes [CCS Partnership], April 1997 and July 1997)

Institute for Local Government Program Areas include:

- Public Service Ethics
- Sustainability
- Public Engagement
- Local Government Basics
- Partnerships and Collaboration
FINANCING AND PURCHASING PROGRAMS

California Statewide Communities Development Authority

The California Statewide Communities Development Authority is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties (CSAC). The JPA was organized in 1988 and now has more than 500 members, including over 350 cities, 57 counties, and a number of special districts. CSCDA was created to provide local governments and private entities access to low-cost, tax-exempt financing for projects that create jobs, help communities prosper and improve the quality of life in California.

CSCDA programs for government financing include:

- Tax and Revenue Anticipation Notes (TRANs)
- Pension Obligation Bonds
- Statewide Community Infrastructure Program (SCIP)
- CaLease (tax-exempt lease-purchase financing)
- Water and Wastewater Pooled Financing
- Gas Tax and Proposition 42 Securitization

CSCDA programs for private sector and non-profit financing include:

- Industrial Development Bonds
- Multi-family and Senior Housing Bonds
- Non-profit Revenue Bonds

CSCDA programs for energy financing include:

- Sustainable Energy Bonds
- California First – Property Assessed Clean Energy Program
- Open PACE Clean Energy Projects

For more information visit www.cscda.com or call 800-531-7476 or email info@cscda.org.
U.S. Communities

U.S. Communities is a nonprofit corporation that assists public agencies in reducing the cost of purchased goods through pooling the purchasing power of public agencies nationwide. This is accomplished through competitively solicited contracts for quality products by lead public agencies. In addition to the direct cost savings, program participants avoid the time and cost of repeating the public solicitation process by piggybacking on the lead agency’s competitive process.

The League is one of the founding sponsors of U.S. Communities and participates on the U.S. Communities board of directors. The sole purpose of U.S. Communities is to reduce costs for participating local agencies. Collectively, California cities save millions of dollars annually by using contracts offered through U.S. Communities.

The U.S. Communities Going Green program has helped local agencies access a broad line of environmentally certified products and services to help them meet their responsible procurement needs.

U.S. Communities offers a wide and expanding variety of products from leading national manufacturers and suppliers, including:

- Electrical and communications supplies
- Office furniture
- Technology products
- Janitorial supplies
- Maintenance and hardware supplies
- Carpet and flooring
- Office machines
- Homeland security and public safety
- Park and playground equipment
- Roofing supplies and services
- Auto parts and accessories
- Housing compliance services

For more information visit www.uscommunities.org/lcc or call 925/588-5054 (southern California) or 415/328-8109 (northern California).
CalTRUST

Organized as a joint powers authority (JPA), the Investment Trust of California (CalTRUST) is a program established by public agencies in California for the purpose of pooling and investing local agencies’ funds, such as operating reserves and bond proceeds. Any California local agency may participate in CalTRUST and invest its funds, which are then pooled in each of the program’s accounts.

CalTRUST offers three investment options: money market, short-term, and medium-term. A long-term option will be added when market conditions are conducive. Each account seeks to attain as high a return on investment as is consistent with the preservation of principal. A board of trustees, comprised of experienced public agency investment officers and policy makers, supervises and administers the investment program of the Trust.

CalTRUST invests only in fixed income securities eligible for investment by public agencies pursuant to California Government Code Sections 53601 *et seq.* and 53635 *et seq.*

For more information visit [www.caltrust.org](http://www.caltrust.org) or call 888-422-8778.
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CHAPTER IV
INTERNAL AND EXTERNAL
RELATIONS AND COMMUNICATIONS

SUB-UNITS OF THE LEAGUE

The League is organized into various sub-units, namely divisions, departments, policy committee and caucuses. A very brief summary of each is provided below.

Regional Divisions

The League divides the state into 16 regional divisions:

- Central Valley
- Channel Counties
- Desert Mountain
- East Bay
- Imperial County
- Inland Empire
- Los Angeles County
- Monterey Bay
- North Bay
- Orange County
- Peninsula
- Redwood Empire
- Riverside County
- Sacramento Valley
- San Diego County
- South San Joaquin Valley

The purposes and functions of the divisions are:

(a) To promote interest in the problems of city government and administration among city officials in the division;

(b) To assist League in formulating policies by expressing the recommendations of the regional divisions;

(c) To take action consistent with general League policy. Regional divisions may take no action in conflict with such policies; and

(d) To meet not less than once every three months, provided that the League Annual Conference may be considered one such meeting of a regional division.

Each division elects its own officers consistent with each division’s bylaws. Among the officers elected by each division is one director who serves on the League board. Division
presidents appoint division members to represent the division on policy committees, the general resolutions committee, and on other League committees.

Member Cities of the League are entitled to the benefits offered by the League, including the option to become a member of the appropriate League regional division. If a city does not pay its dues to the League, that city may not become a member of a League division or participate in any division activities. This includes not being eligible to be appointed to any regional boards for which the division may have an appointment or receipt of any state League or division services or information.

*(Reference: Bylaws, Article IX; Executive Director Memorandum, February 22, 2010)*

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**Functional Departments**

The League divides its membership into 11 functional departments that represent the major areas of service within city government, including:

- City Attorneys
- City Clerks
- City Managers
- Community Services
- Fire Chiefs
- Fiscal Officers
- Mayors and Council Members
- Personnel and Employee Relations
- Planning and Community Development
- Police Chiefs
- Public Works Officers

Each department elects its own officers consistent with department bylaws. (Some departments do not have department bylaws, in which case Article X of the League bylaws provides guidance.) Among the officers elected by each department is one director who serves on the League board. Department presidents appoint department members to represent the department on policy committees, the general resolutions committee, and on other League committees.

*(Reference: Bylaws, Article X and Board Minutes, September 2007)*

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**Policy Committees**

Seven standing policy committees exist to study specific areas of municipal concern and to recommend action on these issues to the board of directors. Policy committees are organized by subject matter and include:

- Community Services
- Environmental Quality
Policy committees are made up of division representatives, department representatives, appointments of the League president, representatives of League caucuses, some affiliate representatives, and representatives of the League Partner Program.

In 2016, the board formed the Governance, Transparency & Labor Relations policy committee by consolidating the Administrative Services and Employee Relations policy committees. Drawing upon the interest and expertise of the consolidated policy committees, the Governance, Transparency & Labor Relations policy committee reviews legislation and issues related to transparency, technology (open data), healthcare, elections, political reform, pension and workers’ compensation.

More information is contained in Chapter III, pages 14-15.

(Reference: Bylaws, Article VII, section 10, and (c); Board Minutes: July 2010 and October 2016)

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**Caucuses**

The League is committed to promoting involvement within the League of a wide spectrum of city officials reflecting the diversity of California’s cities. In addition, having groups within the League whose purpose is to connect city officials sharing similar characteristics promotes the League’s goal of facilitating the sharing of information and ideas among city officials and promoting responsive city government. Finally, the League is stronger if all city officials understand the League’s organization, policies, and strategic goals.

The board’s group recognition policy authorizes diversity groups, which are usually called caucuses. The League has recognized five caucuses: the Latino Caucus, the African-American Caucus, the Asian Pacific Islander Caucus, Women’s Caucus and the Gay, Lesbian, Bi-sexual and Transgender Local Officials Caucus.

The group recognition policy below includes additional information about caucuses or diversity groups.

(Reference: Board Minutes, October 1998, July 2006 and February 2011)
GROUP RECOGNITION POLICY

From time to time, city officials and associations involving city officials will find it beneficial to associate either with or within the League on an ongoing basis. Generally, these groups fall into three categories:

- **Diversity Groups**: Groups that operate within the League, whose members share or support diversity-related characteristics such as nationality, race, ethnicity, gender, sexual orientation, age and religion.
- **Issue Groups**: Groups that operate within the League, whose members have shared a city characteristic or shared policy interests.
- **Affiliates**: Groups that are separate from the League, but have shared interests and membership.

General Policy Regarding Group Activities

**Findings**

One of the most important activities of the League is taking policy positions and advocating those positions on behalf of League members. It is important for the League speak with one voice for the organization to be effective in this regard. Therefore, groups may not take positions or lobby outside the League using the League’s name unless the policies being advocated are consistent with clearly articulated and adopted League policy and priorities.

**Securing League Support**

If a group wishes the League to take positions on issues of interest to the group relating to city governance, the group must propose such positions in full consultation with the group’s membership. The group must then work through the League’s policy processes to explore issues and propose positions for action by the full board.

**Expedited Consideration for Late-Breaking Issues**

When a need for immediate action exists on a policy issue that arose since the last board meeting, the League board’s executive committee may take action. Executive committee actions must be reported at the next full board meeting. This is consistent with general League practice.

*(Reference: Board Minutes, October 1998)*

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**Diversity Groups**

**Purpose/Goals**

The League is committed to promoting involvement within the League of a wide spectrum of city officials reflecting the diversity of California’s cities. In addition, having groups within
the League whose purpose is to connect city officials sharing similar characteristics with one another promotes the League’s mission of facilitating the sharing of information and ideas among city officials and promoting responsive city government. As a subunit of the League, diversity groups play an active role in accomplishing the League’s strategic goals, and are regularly accountable to the League board for their annual work program and performance.

**Examples**

For purposes of this policy, diversity groups are those groups who are protected by state or federal law from discrimination. Examples include ethnicity, gender, and disability. The League has recognized five diversity groups, the Latino Caucus, the African-American Caucus, the Asian Pacific Islander Caucus, Women’s Caucus and the Gay, Lesbian, Bi-sexual and Transgender Local Officials Caucus.

**Policy Committee Participation**

At the time a diversity group is recognized by the board, each group is entitled to one voting member on each policy committee. The representative designated by a diversity group for a policy committee must be an elected city official from a Member City. A group is entitled to a representative on each policy committee until such time as the board may rescind its recognition of the group, or the group otherwise voluntarily dissolves. Groups recognized under this policy are affiliate organizations for purposes of the League Bylaws Article VII, section 10(c)(ii) only, and for no other purpose.

**Form of Support**

A recognized group can ask the League to provide support for the following administrative activities:

- Organizing meetings of the group at relevant League conferences, including securing meeting space, printing and mailing announcements for the meetings, and staff attendance at those meetings.

- Assistance in organizing conferences, including sessions of interest to the group at relevant League conferences (such assistance includes liaison work between the group and the overall conference program planning effort, avoiding conflicts with general session programs, assistance with identifying, recruiting and confirming speakers, securing space and audio-visual equipment for the session at no charge, and conference/session publicity).

- Consulting with the group concerning the League’s requirements relating to diversity groups, including assistance with preparing reports on group activities to the League board.

- Allowing a “check-off” to pay additional amounts for group dues and event charges in the League’s conference registration materials for the Mayors and Council Members Executive Forum and the Annual Conference.
- Bookkeeping services associated with processing payment for any expenses incurred by the group as well as tracking any dues, fees or any other monetary contributions made to the group.

In light of resource constraints, the League can only offer this support on a one-year, start-up basis. The overall limit on this start-up support from the League is $5,000 for staff time and other in-kind support described above. Staff will provide quarterly reports to groups on where they are with respect to using up their $5,000 allocation.

**Staffing**

After the first year, the kinds of administrative staffing described in the preceding section is funded by dues paid by group members and fees for group conferences or other programs. To ensure adherence to League personnel and other operational policies, only the League may provide these kinds of administrative staffing.

**Non-Administrative Support**

Groups may, through written service agreements, contract for fundraising or other non-administrative services. Such contracts will be between the service provider and the League; the contracts must contain appropriate clauses protecting the League’s legal interests with respect to such relationships.

**Fundraising**

Fundraising must be approved in advance by the League’s Board during the annual work program review. In soliciting funds, any fund-raiser must make it clear that the funds are being sought for a League diversity group, as opposed to the League in general.

**Requesting Recognition/Criteria for Support**

To request support in initially forming a diversity group, a spokesperson for the group contacts the League’s executive director and provides the following information:

- **A list of city officials** who are committed to participating in a diversity group. The list must reflect a geographically diverse group of city officials, elected or appointed, from at least 10 percent of cities statewide. Only city officials may participate in League diversity groups.

- **The proposed mission statement and bylaws** for the group. The proposed mission must be compatible with and complimentary to the League’s mission and goals. The groups must generally follow the League’s model bylaws and the bylaws must include statements that (1) membership and participation in the group is open to any California city official on a non-discriminatory basis, and (2) the group’s activities will be conducted in a non-partisan fashion.
• A draft first-year work program and proposed budget for the group, along with anticipated funding sources/fundraising efforts for expenses not covered as part of the League’s initial support.

Decision Process
The group’s request for recognition as a diversity group will be placed on the League board’s agenda for decision. In reviewing the request, the board will consider the consistency of the group’s mission with the League’s and the resource demands associated with League recognition/support of an additional group.

Periodic Reporting to League Board
The group provides an annual report to the League board on its activities and accomplishments for the past year, and proposed activities, budget and funding sources/fundraising plans for the coming year.

Use of League Name
Compliance with the above policies entitles a diversity group to use the League’s name and logo in conjunction with its activities.

(Reference: Board Minutes, October 1998 and July 2010)

Issue Groups

Purpose/Goals
From time to time, the League may find it beneficial to foster the exchange of information among city officials by recognizing groups of city officials within the League whose members have a shared city characteristic or city issue.

Examples
Examples of shared characteristics and policy interests include large cities, small cities, coastal cities, tourist cities, university cities, and cities facing military base closures.

Form of Support
Incidental staff support for such groups is subject to the executive director’s discretion. For purposes of this policy, incidental support includes:

• Meetings of the group, including securing meeting space, printing and mailing announcements for the meetings, and staff attendance at those meetings; and

• Conference sessions of interest to the group at relevant League conferences, including liaison work between the group and the overall conference program
planning effort, assistance with identifying, recruiting and confirming speakers, securing space and audio-visual equipment for the session, and placing notices of the session in the conference materials produced by the League.

**Additional Staffing**
Staffing which extends beyond the kinds of activities described above must be approved by the League board. To ensure adherence to League personnel and other operational policies, only the League may provide staffing for such groups.

**Fundraising**
Fundraising must be approved in advance by the League Board.

**Requesting Recognition/Criteria for Support**
To request support in initially forming an interest group, a spokesperson for the group contacts the League’s executive director and provides the following information:

- **A list of local officials** who are committed to participating in the group. The list must reflect a geographically diverse group of city officials from a significant portion of cities involved in the kind of issue to be addressed by the group.

- **The goals of and work program for** the group. The goals must be compatible with and complimentary to the League’s mission and goals. Participation in the group must be open to any California city official on a non-discriminatory basis, and the group’s activities must be conducted in a non-partisan fashion.

**Decision Process**
The group’s request for recognition as an issue group will be placed on the League board’s agenda for decision. In reviewing the request, the board will consider the consistency of the group’s mission with the League’s and the resource demands associated with League recognition/support for an additional group.

**Periodic Reporting to League Board**
The group provides an annual report to the League board on its activities and accomplishments for the past year, and proposed activities, budget and any funding sources/fundraising plans for the coming year. Its budget will be part of the League budget and subject to the same controls, reviews and approvals.

**Use of League Name**
Compliance with the above policies entitles an issue group to use the League’s name and logo in conjunction with its activities.

*(Reference: Board Minutes, October 1998)*
Affiliates

Purpose/Goals
The purpose of the League’s affiliate program is to promote the exchange of information among city officials and develop broad support on issues affecting city government. Accordingly, the League finds it beneficial to recognize and assist other organizations serving city officials.

Examples
The following groups have been recognized as League affiliates: California Association of Councils of Government, California Building Officials, California Municipal Treasurers Association, California Public Employer Labor Relations Association, California Public Parking Association, California Society of Municipal Finance Officers Association, California Streetlight Association, Management Information Systems Association of California, City Clerks Association of California, California Association of Public Information Officials, and the California Transit Authority.

Form of Support
To support the activities of these groups, the League may enter into service agreements to perform association management services on a full cost-recovery basis. Such service agreements are in writing and generally follow the form used as the League’s standard contract services agreement and conform to League policies. In addition, the League will arrange for meeting space at League conferences, including the annual conference and executive forum, for these groups at no charge and allow a “check-off” to pay additional amounts for group dues and event charges in the League’s conference registration materials for the executive forum and annual conference.

Requesting/Criteria for Support
To request this support, an officer for the group contacts the League’s executive director and provides the following information:

- **A list of local officials** who are members of the group. The list must reflect a geographically diverse group of city officials from at least 10 percent of the cities statewide.

- **The articles of incorporation and bylaws** for the group. The proposed mission must be compatible with and complimentary to the League’s mission and goals. The bylaws and/or transmittal letter to these materials must indicate that membership in the group is open to any California city official on a non-discriminatory basis, and the group’s activities are conducted in a non-partisan fashion.

- **Funding for the group** must include membership dues and fees.
- **Relevant non-profit corporation records**, including federal and state non-profit certifications and recent filings, accounting records, board meeting minutes and membership meetings, and membership records, if the group wishes to enter into an agreement for League services.

**Decision Process**
The group’s request for affiliate status will be placed on the League board’s agenda for decision. In reviewing the request, the board will consider the consistency of the group’s mission with the League’s and the resource demands associated with League recognition/support of an additional affiliate.

**Policy Committee Participation**
At the time a group is recognized as a League affiliate, the League board designates which, if any, policy committees may have an *ex officio* (non-voting) member from the affiliate. Such membership is reserved for those instances in which the group offers substantive expertise and information that the board believes will assist the League in its policy-making processes. The representative designated by the affiliate must be a city official. Policy committee chairs are notified which committee members are voting and which are non-voting/affiliate members.

The following affiliates, approved prior to 1992, have voting representatives on policy committees:

With a representative on each policy committee:
- California Association of Public Information Officers
- California Society of Municipal Finance Officers
- Municipal Information Systems Association of California
- Municipal Management Association of Northern California
- Municipal Management Association of Southern California

With a representative on approved policy committees:
- California Municipal Treasurers Association (Administrative Services and Revenue and Taxation)
- California Building Officials Association (Housing, Community and Economic Development and Public Safety)

**Periodic Reporting to the League Board**
The status of League service agreements is reported annually to the League board.

**Use of League Name**
The group may not use the League’s name or logo in correspondence, publications, announcements or other written materials without the League’s prior written approval.

LEAGUE PARTNERSHIPS

Affiliates and Contracts

The League provides administrative services for several organizations through affiliate relationships and contracts. Board approval was required in each case when the relationship was initiated. The board has established criteria that an organization must meet to contract with the League for services, such as being comprised primarily of city officials, having purposes that are consistent with the League’s, and having a budget that is supported by membership dues and fees. The board has directed that these contracts should fully cover the League’s costs in providing the services.

Below is a list of organizations to which the League provides services:

- California City Management Foundation (CCMF)
- City-County-School Partnership (CCS Partnership)
- Institute for Local Government (ILG)
- Monterey County Mayor’s Association

Additional information concerning recognizing affiliates is contained earlier in this chapter.

The National League of Cities

The California League’s close working relationship with the National League of Cities (NLC) was enhanced in 1985 when the Board of Directors agreed to include California members of the NLC board of directors as ex-officio liaison members of the League of California Cities board of directors. A bylaws amendment in 1991 gave these representatives full voting membership on the board.

REPRESENTATION ON NLC COMMITTEES

The NLC policy development structure features seven Federal Advocacy Committees (FACs). The FACs generally meet three times each year, during the annual Congress of Cities meeting in the spring, during the NLC Annual Conference usually held in November, and once during the summer at a Summer Policy Forum. Appointments to the FACs are made by the NLC President. The League has the opportunity to endorse applicants from California.

One designated representative from each of the League’s seven policy committees who serves on an NLC Federal Advocacy Committee may, if his or her city is unable to fund part or all of the expenses, receive reimbursement from the League of California Cities up to $1,000 per
year and a maximum of $500 per meeting for those meetings not held in conjunction with the NLC Annual Conference or Congressional Cities Conference in Washington D.C.

**BOARD LIAISON**

As noted above, NLC board of directors members who are city officials from California member cities serve on the League of California Cities board of directors to act as liaisons between the two boards.

A member of the National League of Cities board of directors who is serving actively on the League of California Cities board, if his or her city is unable to fund part or all of the expenses associated with service on the NLC board, may receive reimbursement for actual expenses not to exceed $1,500 per year and a maximum of $750 per meeting for meetings other than the NLC Congress of Cities annual conference and the NLC Congressional City Conference. In addition for good cause shown, the executive committee may approve a request for reimbursement up to $750 from any such NLC board member for part of the costs associated with attending NLC board meetings in connection with the two regular NLC conferences, provided the board is subsequently informed of the action.

**NLC BOARD CANDIDATES**

City officials from California who wish to secure support from the League of California Cities for their candidacy to the National League of Cities board of directors should request consideration by the California League nominating committee. The League does not take a position on candidates for NLC second vice-president, unless the candidate is from California.


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**League Partner Program**

In 2003, the board of directors established the League Partner Program. This program succeeds previous Corporate Relations, Corporate Giving, Corporate Partners, and Corporate Citizens programs. A long-standing League policy establishes the basis upon which the League Partner Program is followed:

To the extent feasible, the League will support all its activities from its own normal revenue sources.

When deemed in the interests of the League and when consistent with this policy and the League bylaws, support may be sought and received from outside sources for specific projects that are in the interests of cities in general.
Such projects are to be duly authorized by the League board, and the benefits of such support or involvement must accrue to cities or to the League in general, and not to individual city officials, League officials or staff.

Full acknowledgment of and accounting for such support must be made.

The purposes of the League Partner Program are:

- To provide greater support and involvement by the business, non-profit and labor communities as the League formulates and advances its policy, advocacy and education programs.

- To create a positive, collaborative culture and a close and mutually beneficial working relationship between the League, cities, and the Partner community.

- To develop a close, respectful, and effective relationship, so the League and it Partners can be an influential force in guiding policies and programs at the state level and enhance the understanding by the private sector of local government issues, and enhance the understanding by city officials of private sector issues to their mutual benefit.

- To identify common ground where the League and its Partners can collaborate and to develop a clearer understanding of areas where common ground is not possible so that practical accommodations may be explored and pursued. The goal is that this collaborative relationship and culture at the statewide level, provides a model that may be replicated between individual cities and their local partner community.

Characteristics the League Partner Program:

1. Entities in addition to businesses may participate in the League Partner Program.

2. Policy committees include an item on their agendas for “League Partner comments” and “public comments” to formally invite external input to the committees.

3. The League provides an orientation program for League Partners so they know about the League, its priority issues, resources, how to be involved effectively as a partner, and key League leaders and personnel.

4. A steering committee of League partners holds regular meetings to recommend liaisons to policy committees, become more familiar with League issues, and have an opportunity to better network among themselves in support of the League.

5. The orientation for League partners includes discussion of how the perspectives of League partners can be helpful to the sub-units and how League partners can contribute to the success of some of their activities.
6. Representatives of the League Partner Program are invited to meetings and social events with the League board to informally share their views.

7. The League conducts educational programs for city officials on how to create beneficial partnerships with the private and not-for-profit sectors.

8. The League Partner Steering Committee will advise the League on activities of the Partner Program, with its recommendations submitted to the League board for consideration before implementation. The Partner Program will submit an annual budget and regular activity reports to the board so it can exercise appropriate oversight.

(Reference: Board Minutes, November 1988, November 2003 and July 2004.)
PAST PRESIDENTS COUNCIL

The board of directors has established the Past Presidents Council as a mechanism for past presidents of the League to continue to make valuable contributions to the League. The League offers the following organization and structure for the Past Presidents Council:

Membership — All Past Presidents and former Executive Directors of the League of California Cities.

Chair — The Immediate Past President, i.e., the Past President sitting on the League board of directors, will serve as chair and report recommendations to the board of directors.

Activities — The Past Presidents Council traditionally holds a conference call during May to select the Council’s Lifetime Achievement Award honoree. Past Presidents are invited to attend the League’s Annual Conference and present the Lifetime Achievement Award at a general session of the conference.

The executive committee and/or board of directors may assign the Past Presidents Council areas for study with the Immediate Past President serving as liaison to the board of directors.

Lifetime Achievement Award — The Past Presidents’ Council annually selects an individual who has made a significant and unique contribution to the state or to his or her community over an extended period of years to be recognized with a Lifetime Achievement Award. The award may be presented during the annual conference. Preference will be given to nominees who have been closely associated with cities; however, nominees may be considered from the following categories:

- Local government leaders
- Academicians/teachers
- Authors
- Media producers
- Community leaders
- State or national leaders.

(Reference: Board Minutes, April 1989, January 1994, and July 1995)

PRINCIPAL COMMUNICATION VEHICLES

The League employs a range of communication tools to provide city officials with the information they need to serve their cities effectively.
Web site — Our Web site remains a growing resource for our members and the general public. It features tools visitors can easily use to search and track state legislation, access sample support/oppose letters, monitor legal advocacy, research city ordinances, register for League conference and training programs, purchase League and other publications and follow League activities. Visit the League’s Web site at www.cacities.org.

League App — Launched in 2014, in addition to instantaneous notification of the League’s legislative call-to-action advocacy alerts, the app is a convenient and important tool designed to provide city officials with quick and easy access to conference, legal and legislative information and materials. Download the app by searching your smartphone's app store for keywords - League of California Cities, CACities.

City Advocate Weekly — The League’s weekly online newsletter updates readers on legislation, policy developments, and other significant information of critical importance to California cities. City Advocate Weekly is released weekly throughout the legislative session and most weeks after the session ends. Subscription to the online service is available online at www.cacities.org/cityadvocateweekly.

Western City — Available in print and online, Western City Magazine is the state’s premier publication on issues, trends, programs and practical ideas of interest to cities. Check out the magazine at www.westerncity.com.

League Publications — The League and the Institute for Local Government publish guides and handbooks that cover a wide range of substantive municipal issues.

Listerves — Listerves are a great resource for sharing information, asking questions or getting help. They facilitate communication and information sharing among city officials. Sign up is easy on the League's Web site at www.cacities.org/signup.

RSS Feeds — Really Simple Syndication (RSS) provides a convenient mechanism to receive the latest news from the League. It allows you to subscribe to specific content areas. When a new story in that area goes on our Web site, you’ll receive its headline and introductory paragraph in your RSS reader. To get more information on RSS and sign up for our feeds visit www.cacities.org/Top/RSS/News.aspx.
CHAPTER V
INTEGRITY AND ACCOUNTABILITY

OPEN DECISION-MAKING

One of the League’s adopted core beliefs is that “open decision-making that is of the highest ethical standards honors the public trust.” This belief informs not only the League’s collective vision for cities but how the League conducts its own business.

It does not appear that the Brown Act applies to the League. As a policy matter, however, the League has chosen to comply with the spirit of the Act by conducting its decision-making processes in open and noticed meetings.

Open Meetings

The board believes its own meetings, to the extent possible, should be conducted in the same spirit of openness that led to enactment of the Brown Act and has, therefore, adopted the following process:

NOTICE OF MEETINGS

Notice of regularly scheduled board meetings is provided to each director at least 14 days before the meeting. Notice of each board meeting is also transmitted to any city official, member of the press, or other member of the public who requests such notice in writing. Any person wishing to receive such notice must send the request in writing annually to the League’s Sacramento office.

A notice of upcoming board meetings is to be published periodically in Western City Magazine and on the League’s website.

AGENDA

Prior to each board meeting an agenda is posted on the League’s website. The agenda includes a brief description of all items of business to be acted upon which are known by a director or staff at the time the agenda is prepared.

CONSIDERATION OF OFF-AGENDA ITEMS

Generally, off-agenda items may be taken up only if (1) two-thirds of those present find a need for immediate action exists and the need to take action came to the attention of the board
after the agenda was prepared (if fewer than two-thirds of the board members are present, taking up an off-agenda item requires a unanimous vote) or (2) a majority of the board finds an emergency exists (for example, work stoppage or disaster).

OPEN MEETINGS

All board meetings are open to the public. However, the board may discuss items in closed session if the board believes that discussion during open session will be prejudicial to the legal position or effective operation of the League. The League president may call for a closed session but may be overruled by a majority vote of the board.

(Reference: Board Minutes, July 1988)

CONFLICTS OF INTEREST

Making Decisions on the League Board

General Principle. League board members are expected to make decisions in the best overall interests of cities statewide, as opposed to narrow parochial or personal interests. This is analogous to city officials being expected to make decisions in the best overall interests of the community as opposed to narrow private or self-interests. (The same expectation applies to League policy committee members and members of any standing or ad hoc committee or task force.)

Legal Restrictions. This principle finds specific expression in the nonprofit corporation laws for California, which have been incorporated into the League’s bylaws. See generally Cal. Corp. Code § 7233; League Bylaws, art. XIV. Generally speaking, these restrictions limit the extent to which a director may participate in a League Board decision in which the director has a personal financial interest. The interest must be disclosed to the Board and then the director is disqualified from participating in the decision. See Cal. Corp. Code § 7233(a). Otherwise, if there is a challenge to the transaction’s validity, there is a burden of demonstrating the transaction is just and reasonable to the League at the time it was approved. See Cal. Corp. Code § 7233(a)(3).

Similarly, directors may not participate in transactions involving their particular city or other organizations when the League Board member also serves on the other organization’s board. See Cal. Corp. Code § 7233(b). Directors must also disclose the common directorship. See Cal. Corp. Code § 7233(b)(1). If these steps are not observed, the fairness of the transaction to the League must be demonstrated. See Cal. Corp. Code § 7233(b)(2).

Ethical Considerations. These restrictions, of course, represent the floor not the ceiling for ethical conduct as a League board member. If a board member believes that there are circumstances under which the League’s members might reasonably question the board
member’s ability to act solely in the best interests in the League and its member cities, the prudent course is to abstain.

As an example, typically, League board members have abstained from participating in decisions on legislation that would affect organizations for which they work. Another example is legislation that would uniquely benefit a board member’s city.

(Reference: Bylaws Article XIV, section 2)

Making Decisions back at City Hall

The Political Reform Act prohibits public officials from participating in government decisions in which they have a financial interest. Under the Act, a public official’s “income” includes reimbursement for expenses. Accordingly, when the League reimburses or pays a city official’s travel and meal expenses incurred while representing the League on official business, the League may become a “source of income” for the official within the meaning of the Act. Because the League may be a source of income, a city official may be disqualified from participating in a city council decision that concerns the League.

One recurring decision a board member will face is a city’s decision to pay League dues. A board member should consult with his or her city attorney before participating in any decision regarding League dues.

For the relevant advice letter from the Fair Political Practices Commission, please see Appendix.

3 Cal. Gov’t Code § 87100.

4 Id. at § 82030(a).

5 Id. at § 87103(c); Benninghoven, F.P.P.C. Advice Letter No. I-93-298 (October 15, 1993). Specifically, the Benninghoven Advice Letter states,

[If a city official can demonstrate that he or she provided value in return for paid travel expenses, the official received income and not a gift. If the city officials are representing the League on official League business, it appears that they are providing consideration and the travel reimbursement would not be a gift.]
CHAPTER VI

ENSURE ADEQUATE REVENUES AND MANAGE RESOURCES EFFECTIVELY

BOARD FINANCE COMMITTEE

The board finance committee works with staff on preparation of the League budget and assists with other financial matters, such as reviewing the mid-year financial report and other internal financial issues as they arise. Committee membership traditionally includes a League vice-president as chair, the president and other vice-president, directors from the City Managers and Fiscal Officers Departments, and a few additional directors who desire to serve.

LEAGUE AUDIT COMMITTEE

The League Audit Committee is charged with the responsibility to:

- Select the League’s independent auditor.
- Oversee the audit contract and interact directly with the audit team.
- Identify any audit issues and, along with the independent auditor, report these to the full board.
- Work with staff to ensure adequacy of accounting and internal control systems.

The committee is chaired by one of the League vice-presidents. Its members include two additional board members and one city manager and one finance director.

(Reference: Board Minutes, February 2009 and April 2010)

LEAGUE FINANCIAL POLICIES

General Information

Some general rules establish the framework for League finances.

- The League’s fiscal year is the calendar year (January 1 through December 31).
• The executive director distributes to the board a detailed budget fifteen days prior to the board of directors meeting set for the purpose of adopting the budget.

• A copy of the approved budget is sent to division and department presidents.

• The board of directors may not increase indebtedness in excess of estimated or actual revenues for the ensuing year without approval of the General Assembly.

• The League’s accounts are audited by a certified public accountant after the close of each fiscal year.

(Reference: Bylaws, Article XIII)

League Dues

The board of directors establishes the annual dues schedule for member cities subject to the following limitations:

• Any dues increase must be approved by a two-thirds vote of the board of directors.

• Any dues increase that exceeds either the “consumer price index” for the preceding twelve months or five percent, whichever is greater, requires ratification by member cities.

• In no event may the board approve a dues increase in excess of ten percent without member city ratification.

• For purposes of budget planning, the board of directors has authorized that the League dues and training fees may be adjusted annually to keep pace with the California consumer price index. This CPI adjustment will be reflected in the proposed budget submitted to the board of directors, which may be further adjusted based on the board’s assessment of the cost of services, desired service levels and economic conditions that may justify a change in dues and training fees different than that suggested by the consumer price index.

• No city’s dues may increase more than $5,000 per year.

Dues Schedule. The League dues follow a sliding scale based upon city population. With the intent of being as accurate and fair as possible, the League bylaws provide that, for membership dues purposes, the population of each city is the most current population as determined by the California Department of Finance, Demographic Research Unit. This ensures dues are consistent with at least one measure of ability to pay. (Population
information provided by the Department of Finance is found at http://www.dof.ca.gov/research/demographic/reports/view.php

Dues Payment a Condition of Membership. Membership in the League is considered terminated if a city has not paid its dues by the annual conference or effective earlier if the city notifies the League of its inability or unwillingness to pay dues.

(Reference: Bylaws, Article III, section 2; Article IV; Board Minutes, November 1988, April 2004, and April 2009)

Reserve Policy

Maintaining a reserve fund is an essential part of the League’s financial management. Reserves are a practical way of saving for major capital purchases, ensuring that funding will be available for special projects, and having funds available in the event of a lawsuit, a period of economic uncertainty, or other contingency that could curtail League revenues. It is the League’s policy to maintain a cash budgetary stabilization reserve equal to forty percent of the annual expenses for general purpose activities. (The addition of the grassroots network and increase of dues for that purpose led the board to reduce the reserve target from 50 percent to 40 percent.) In addition to budgetary stabilization, other cash reserves are maintained for building improvements and renovation; ballot measure advocacy; and capital replacement and acquisition.

(Reference: Board Minutes, November 2000 and May 2011; Annual League Budgets since 1993)

Investment Policy

The Investment Policy for the League of California Cities is a guideline for the investment of funds not required for the immediate day-to-day operation of the League. The investment policy serves to identify procedures and practices for the management of a systematic investment program.

Objective
The primary objective of the investment policy is the safety of principal funds in our custody. In addition, an adequate percentage of the portfolio should be maintained in liquid short-term securities, which can be converted to cash if necessary to meet disbursement requirements.

Yield is a consideration in the investment process after the safety and liquidity elements have been-satisfied.
Prudent Investor Rule
The League of California Cities administers its investment strategy under the philosophy of the “prudent investor rule.” This rule states that “an investment shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived.”

The complete investment policy and investment procedures are included with the annual budget and approved by the board annually.

(Reference: Board Minutes, April 1990 and May 2007)

Spending Prioritization Policy
The League categorizes its revenue in accordance with any applicable limitations of its use, including restrictions, commitments or assignments attached to the source of the revenue. Whenever possible, the League expends restricted, committed or assigned revenue, including accumulated restricted, committed or assigned revenue, before expending unassigned revenue. The objective is to maximize flexibility by expending unassigned revenue last.

This long-standing policy is included with the annual League budget.

(Reference: Board Minutes November 2009; Annual League Budget 2011)

LEAGUE PERSONNEL POLICIES

Overview
The executive director is appointed by and serves at the pleasure of the Board of Directors. The executive director plans, organizes, directs, controls and evaluates all services, operations, financial and personnel activities of the League. In addition to appointing the executive director, the League’s overall classification system, salary plan and benefits package are established through board action.

In 1986, the board finalized the League’s current classification system and salary plan. To help manage costs, the board approved the League’s current benefits package in 1991. In conjunction with the League’s budget process, the board annually reviews and authorizes the League’s salary ranges and considers a salary adjustment pool to fund performance based merit adjustments. To ensure the League attracts qualified employees and retains key staff,
the board periodically reviews and acts upon salary and benefits information derived from the League’s Sacramento and regional labor markets.

**Classification and Pay System**

The overall design of the League’s classification system ensures flexibility and career development through the use of broad rather than narrow classes. The design allows for the development of staff through systematic career ladders and provides a bridge that permits support staff to be promoted to professional staff positions.

The League's classification system includes the following classes:

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<td>Program Associate</td>
<td>Grant Manager</td>
</tr>
<tr>
<td>Program Services III</td>
<td>Magazine Advertising Manager</td>
</tr>
<tr>
<td>Program Services II</td>
<td></td>
</tr>
<tr>
<td>Program Services I</td>
<td></td>
</tr>
</tbody>
</table>

**SALARY PLAN**

As authorized by the board, the League's salary plan is benchmarked to its local and regional labor markets, which includes Sacramento and surrounding cities, Sacramento County, state agencies with which the League's legislative staff works on a regular basis and comparable Sacramento based non-profit associations. The League’s labor markets are:

<table>
<thead>
<tr>
<th>Cities</th>
<th>Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Davis</td>
<td>Association of California Water Agencies</td>
</tr>
<tr>
<td>Folsom</td>
<td>Association of California School Administers</td>
</tr>
<tr>
<td>Roseville</td>
<td>California Medical Association</td>
</tr>
<tr>
<td>Sacramento</td>
<td>California School Boards Association</td>
</tr>
<tr>
<td>Santa Rosa</td>
<td>California State Associations of Counties</td>
</tr>
<tr>
<td>West Sacramento</td>
<td></td>
</tr>
</tbody>
</table>
SALARY RANGE STRUCTURE

Each board-authorized classification is assigned to an expanded salary range. The top of the range is set at the average top salary step of the League’s labor market, and the 40 percent width within the range is broad enough to provide long-term career growth and flexibility. Salary adjustments within the range are performance based.

BENEFIT PACKAGE

Since 1990, League employees have participated in an optional benefit plan. The optional benefit program provides a uniform level of insurance coverage including employee medical, dental, life and disability insurance. Under the plan, the League pays the premium costs for a $50,000 term life policy and for short-term and/or long-term disability insurance. As a cost containment strategy, the League contributes $380 per month towards “core benefits” (i.e., medical and dental insurance). Premium costs above $380 are allocated 70 percent to the League and 30 percent to the employee. Unlike a true cafeteria plan used by many cities, the employee does not retain the savings derived from “core benefit” expenditures that are less than $380; rather, the plan is designed so that unexpended "core benefit" dollars remain with the League.

The optional benefit plan also provides employees with an additional $100 per month to be applied towards uncovered League-sponsored medical and dental insurance premiums; medical expenses, including deductibles and/or co-payments not covered by insurance; premiums for League-sponsored supplemental term life insurance; and/or cash.

The last major change in the League’s benefits package occurred in 1997 when the board, as a cost saving measure and a recruitment tool, authorized the transfer of the League’s defined benefit plan from Transamerica to the California Public Employees’ Retirement System (CalPERS). As contracted, the CalPERS plan provides employees with a 2% @ 60 retirement formula. In addition to paying its actuarially calculated employer rate, the League picks up the employee’s contributions for classic CalPERS participants. Under pension reform, the League does not pay the employee’s contribution for new CalPERS participants.

(Reference: Board Minutes, January 1987, January 1990, and July 1997)
BOARD LIABILITY INSURANCE COVERAGE

The League carries directors and officers professional liability insurance coverage for the League and all directors, officers, employees, and volunteers while acting in their capacity as League representatives. Allegations of a wrongful act, even if the allegations are groundless, false or fraudulent, are covered. Claims against any person protected by this insurance must be provided immediately to the League director of administrative services, who administers the League’s insurance coverage. The League director of administrative services will immediately provide the information to the insurance carrier. As with any insurance policy, the following typical rules apply:

- Insured agrees to cooperate with the insurer, and provide all assistance and information reasonably requested.

- Insured shall not admit liability, consent to any judgment, agree to any settlement or incur any defense costs without the insurer’s consent.

- The insurer has the right to negotiate settlement of any claim as it deems expedient, but only with the insured’s consent.
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CHAPTER VII

COMPOSITION AND ORGANIZATION
OF THE BOARD

BOARD COMPOSITION

The League board of directors consists of the following:

- President, First Vice-President, Second Vice-President and Immediate Past President;
- One director elected by each of the sixteen regional divisions;
- One director elected by each of the eleven functional departments;
- Twelve directors at-large;
- One director designated by mayors of each of the ten largest cities in California; and
- Any California city officials serving on the National League of Cities board of directors.

Only city officials from member cities of the League are eligible for membership on the board of directors.

The goal of the League is to ensure that the board reflects the diverse ethnic and social fabric of California. Accordingly, each division, department, caucus and policy committee should encourage and support members of every race, ethnicity, gender, age, sexual orientation and heritage to seek leadership positions within the League, with the ultimate goal of achieving membership on the board of directors.

League officers serve in positions specifically designated for these offices. When a division or department director is elected to a League office, the division or department may designate a new director. If an at-large member is elected to a League office, an additional at-large member may be elected to the board. If a large city representative is elected to a League office, that large city may designate a new representative.

(Reference: Bylaws, Article VII, sections 1, 2 and 6)
TERMS OF OFFICE

Division directors, department directors, at-large directors, and directors representing large cities serve for two-year terms. League officers serve for one year in each office. Directors serving by virtue of their membership on the NLC board of directors will serve as long as they are members of the NLC board. The League bylaws provide for the election of approximately one-half of the directors in odd-numbered years, with the other half being elected in even-numbered years.

Divisions and Departments electing in even-numbered years:

<table>
<thead>
<tr>
<th>Divisions</th>
<th>Departments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Valley</td>
<td>City Clerks</td>
</tr>
<tr>
<td>Desert-Mountain</td>
<td>Fire Chiefs</td>
</tr>
<tr>
<td>Imperial Valley</td>
<td>Fiscal Officers</td>
</tr>
<tr>
<td>Monterey Bay</td>
<td>Mayors &amp; Council Members</td>
</tr>
<tr>
<td>North Bay</td>
<td>Planning &amp; Community Development</td>
</tr>
<tr>
<td>Orange County</td>
<td>Public Works Officers</td>
</tr>
<tr>
<td>Redwood Empire</td>
<td></td>
</tr>
<tr>
<td>Sacramento Valley</td>
<td></td>
</tr>
<tr>
<td>San Diego County</td>
<td></td>
</tr>
</tbody>
</table>

Divisions and Departments electing in odd-numbered years:

<table>
<thead>
<tr>
<th>Divisions</th>
<th>Departments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Channel Counties</td>
<td>City Attorneys</td>
</tr>
<tr>
<td>East Bay</td>
<td>City Managers</td>
</tr>
<tr>
<td>Inland Empire</td>
<td>Community Services</td>
</tr>
<tr>
<td>Los Angeles County</td>
<td>Police Chiefs</td>
</tr>
<tr>
<td>Peninsula</td>
<td>Personnel &amp; Employee Relations</td>
</tr>
<tr>
<td>Riverside County</td>
<td></td>
</tr>
<tr>
<td>South San Joaquin</td>
<td></td>
</tr>
</tbody>
</table>

Six at-large directors are elected in even-numbered years and six are elected in odd-numbered years.

(Reference: Bylaws, Article VII, sections 2 and 3)
NOMINATION PROCEDURE

Composition of the Nominating Committee

The President, with the concurrence of the Board of Directors, establishes a nominating committee at the first board meeting of the year in which the election is to occur. The nominating committee is comprised of eleven board members. Two committee members are appointed from among at-large board members and one from a functional department. Regional divisions are represented on the nominating committee on the following rotating basis:

<table>
<thead>
<tr>
<th>Even-numbered years</th>
<th>Odd-numbered years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Valley</td>
<td>Channel Counties</td>
</tr>
<tr>
<td>Imperial County</td>
<td>Inland Empire</td>
</tr>
<tr>
<td>Monterey Bay</td>
<td>Desert-Mountain</td>
</tr>
<tr>
<td>North Bay</td>
<td>East Bay</td>
</tr>
<tr>
<td>Orange County</td>
<td>Los Angeles County</td>
</tr>
<tr>
<td>Redwood Empire</td>
<td>Peninsula</td>
</tr>
<tr>
<td>Sacramento Valley</td>
<td>Riverside County</td>
</tr>
<tr>
<td>San Diego County</td>
<td>South San Joaquin</td>
</tr>
</tbody>
</table>

The League president appoints the nominating committee chair. Candidates for officer or at-large positions on the League board are not eligible to serve on the nominating committee. In the event a regional division representative on the nominating committee wishes to be a candidate for an officer or at-large position, the League president will appoint a substitute nominating committee member from the same regional division, if available, or from a nearby regional division.

(Reference: Bylaws, Article VII, section 5)

Duties of the Nominating Committee

The nominating committee is responsible for member outreach regarding the nomination of both League officers and at-large directors. The committee shall make available to all candidates an application on which the candidates can detail their qualifications for the office they are seeking. A written position description for the position shall be provided to all candidates along with the application.

The committee shall notify all applicants that it will thoroughly review each application in detail, and, depending on the total number of applicants, the committee may select a smaller number to interview in person. Immediately after the application deadline and any subsequent screening of applicants for interviews, the board members shall be notified of the
names and titles of all applicants and invited to submit comments to the committee through the executive director concerning the applicants’ qualifications. The executive director shall share any such comments with the entire committee.

Prior to commencing its meeting(s) the committee shall meet initially with the League president and executive director to review the charge to the committee by the bylaws and League board policy. Recommendations from the committee shall be communicated to the board at the board’s summer meeting, along with the full application and supporting materials for each applicant interviewed by the committee. At that same meeting the board shall vote either to accept the report in full or in part, or to reject the report. If the report is accepted, the board shall consider final action on the recommended candidates at the Annual Conference. If the report is accepted in part or rejected, the Nominating Committee shall make additional recommendations which the board shall consider either at the same meeting or in a subsequent special meeting called by the President for no less than 30 days before the Annual Conference. The final accepted report will be announced at the opening general session of the Annual Conference.

(Reference: Bylaws, Article VII, section 5; Board Minutes, July 2010)

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**Guidelines to Nominating Committee**

1. Officers must be current or former members of the Board of Directors.

2. All candidates for League offices (president, first vice-president and second vice-president) or for at-large seats on the board must submit a written statement of candidacy with any supporting material (not to exceed five pages in length) to the members of the nominating committee and the executive director at least sixty days prior to the election at the annual conference. The deadline for the statement may not be waived, except when no candidates file for an office or if the number of candidates for at-large seats is less than 150 percent of the number of at-large seats. If this shortage of candidates occurs, another notice about the opportunity to serve in the specific office in which there are no candidates, or in an at-large seat on the board if that is where the shortage of candidates exists, must be widely disseminated and a new deadline established.

3. New officers will assume office immediately upon adjournment of the annual conference, provided that the board meets prior to the adjournment for purposes of organization.

4. The directors-at-large and officers of the League are chosen to ensure that the League board of directors reflects and represents the full membership of the League. When making its recommendations to the board, the nominating committee should determine if cities of various sizes, cities from various geographical regions, individual members
of both sexes, individual members from various ethnic groups, and individual members from different age groups are adequately represented.

If the committee decides that certain cities or individuals are not adequately represented, the committee should consider this inadequacy when selecting nominees. This enumeration of groups is not exhaustive, but should serve the committee as a guide in its principal purpose, which is to aid in the composition of a fully representative board of directors.

5. All individuals recommended by the nominating committee should possess thorough knowledge of city government, demonstrated leadership ability, and have actively participated in the affairs of the League.

The Nominating Committee has discretion to nominate the best-qualified officials, taking into consideration active participation in the affairs of the League and, where appropriate, experience on the board of directors.


NLC Board Candidates

City officials from California who wish to secure support from the League of California Cities for their candidacy to the National League of Cities board of directors should request consideration by the California League nominating committee. The League does not take a position on candidates for NLC second vice-president, unless the candidate is from California.

(Reference: Board Minutes, October 1999)

ELECTION OF DIRECTORS AND OFFICERS

Department Directors are elected by their respective departments at the department session held at the annual conference, unless the department’s bylaws provide otherwise.

Division Directors are elected at their respective division meeting immediately preceding the annual conference, unless the division bylaws provide otherwise.

At-large Directors are elected at the board of directors organization meeting held during the annual conference.

Large City Representatives are selected by their cities and serve for two-year terms.
**Officers** are elected at the annual board of directors organization meeting during the annual conference and must be current or former members of the board of directors.

Although the bylaws of the League do not require it, tradition provides that officers alternate between Northern and Southern California. For example, if the president is from the south, the first vice-president is from the north and the second vice-president is from the south. For purposes of providing for geographic distribution among the officers, the board has determined the divisions should be clustered as follows:

<table>
<thead>
<tr>
<th>North</th>
<th>South</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Valley</td>
<td>Channel Counties</td>
</tr>
<tr>
<td>East Bay</td>
<td>Desert-Mountain</td>
</tr>
<tr>
<td>Monterey Bay</td>
<td>Imperial County</td>
</tr>
<tr>
<td>North Bay</td>
<td>Inland Empire</td>
</tr>
<tr>
<td>Peninsula</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>Redwood Empire</td>
<td>Orange County</td>
</tr>
<tr>
<td>Sacramento Valley</td>
<td>Riverside County</td>
</tr>
<tr>
<td>South San Joaquin Valley</td>
<td>San Diego County</td>
</tr>
</tbody>
</table>

It is the policy of the board of directors that the retiring board of directors elects the new officers and directors-at-large. This policy was established because the retiring board of directors is more familiar with the participation and activities of the candidates and it provided for a more orderly elections process.

It has been the policy of the board to conduct a secret ballot where there is a contested election.

Terms of all newly elected directors commence immediately upon the adjournment of the annual conference. Typically, the incoming directors are introduced at an annual conference board meeting.

Only city officials from member cities of the League of California Cities are eligible for membership on the Board of Directors.

*(Reference: Bylaws, Article VII, section 4 and Article VIII, section 3; Board Minutes, May 1993 and October 1999)*

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**VACANCIES**

A vacancy occurs when an officer or director resigns, misses three consecutive meetings, or leaves city service. The effective date of a vacancy caused by a departure from city service is
three months (92 days) after an individual ceases to occupy the same or comparable city office as the individual had when elected or appointed to the League office.

League Officers — A vacancy in the office of president is filled at the next meeting of the board by the succession of the first vice-president to that office. A vacancy in the office of first vice-president or second vice-president/treasurer is filled for the unexpired term by appointment of a member of the board. A vacancy in the immediate past president is filled for the unexpired term by the last past president continuing to hold city office.

In the event of a vacancy in the office of first vice-president or second vice-president, the nominating committee holds a special meeting and nominates a member of the board to fill the unexpired term of the vacant office. The nominating committee selects the candidate it believes to be best qualified for the position without regard to geographic location.

Regional Division Directors — In the event of a vacancy in the regional division directorship, the regional division in question may elect a new director at the next regular meeting of the regional division. The person elected to fill the vacancy in a regional division directorship holds office for the remainder of the term for which his or her predecessor was elected.

Department Directors — In the event of a vacancy in a functional departmental directorship, the president of the department may become a member of the League board, or may appoint a member of the department to fill the vacancy. The person filling the vacancy holds office for the remainder of the term for which his or her predecessor was elected.

At-large Directors — In the event of a vacancy in an at-large directorship, the League board may elect a new director to fill the vacancy at the next regular board meeting. The League president may nominate individuals for consideration by the board. The new at-large director will serve the remainder of the term for which his or her predecessor was elected.

Large City Directors — In the event of a vacancy in a large-city seat, that large city may designate a new representative.

Grounds for Vacancy — A vacancy is a directorship shall occur due to resignation, a vacancy in elective or appointed office held by the director, or if the League board determines the department or division that elected the director, or an appointed director, is not complying with the League’s bylaws or the policies of the League board.

(Reference: Bylaws, Article VII, section 6, Article VIII, section 4, and Article XII, section 2)

BOARD MEETINGS

The board of directors normally meets about quarterly, and is required by the bylaws to meet no fewer than four times per year. An agenda packet with background materials for each
meeting is usually provided about a week prior to each meeting. A calendar of regularly scheduled meetings is provided near the beginning of each year and is posted on the website.

(Reference: Bylaws, Article VII, section 8)

Alternate Board Members

When the mayor of one of the ten largest cities serves as the city’s large city director, the mayor may designate another elected official or the mayor’s chief of staff to serve as the city’s representative to the board of directors. The person so designated will be considered the board member.

When the mayor of one of the ten largest cities serves as the director, he or she may designate an alternate to represent the city on the board when the mayor is not able to attend the board meeting. The board policy provides that:

1. Mayors serving on the board from the ten largest cities in population may designate another elected official or the mayor’s chief of staff to serve as alternate when the mayor cannot attend a board meeting.

2. The alternate, when serving in the mayor’s place, is deemed a regular board member with voting rights and similar reimbursement for costs.

3. The designated alternate is to be approved by the board and must be the same person for the entire year.

4. The mayor’s name will be included on the League’s stationery and other League documents unless the mayor requests the name of the alternate be used.

5. Attendance by an alternate for the mayor from one of the ten largest cities qualifies as attendance by the board member.

(Reference: Board Minutes, July 1982, July 1985, and July 1997)

Attendance Standards

The board encourages regular attendance by all board members. A League office (including directorship) becomes vacant if a board member misses three consecutive meetings. Attendance by an alternate for the mayor from one of the ten largest cities qualifies as attendance by the board member.

(Reference: Bylaws, Article XII, section 2; Board Minutes, July 1982)
Emergency Meetings

A good faith effort is made to provide notice of any emergency board meetings (for example, by first-class mail, personal or telephone notification, including voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means).

(Reference: Bylaws, Article VII, section 8)

Telephonic or Electronic Participation

Board members may participate in any meeting through the use of conference telephone or similar communications equipment, so long as all members participating can hear one another.

(Reference: Bylaws, Article VII, section 8)

EXECUTIVE COMMITTEE

The League bylaws provide that the president, first vice-president, second vice-president/treasurer, the immediate past president and the executive director constitute the executive committee. The officers typically take on special committee assignments as determined by the president.

The executive committee has authority to act for the board of directors at intervals between meetings of the board, provided that no action is binding on the board unless authorized or approved by the board.

Meetings of the executive committee must be noticed 14 days in advance unless there is need for an emergency meeting or teleconference. Actions of the executive committee are recorded and distributed to executive committee members and to the board of directors for concurrence.

(Reference: Bylaws, Article VII, section 10; Board Minutes, November 1988)
REIMBURSEMENT OF BOARD EXPENSES

General Information.

The League pays actual and necessary expenses incurred by directors in attending the regular quarterly two-day meetings. The League does not pay the expenses or the registrations of directors attending League conferences or institutes, nor the expenses of directors attending board meetings held in connection with the Annual Conference on the theory that as a city official each director would already be attending the Conference at the expense of the director’s city. When the board meets the day preceding the Annual Conference, each director receives $20 to assist in meeting expenses incurred by reason of coming to the Conference in advance. Whenever a special meeting for the full board or committee of the board is held, directors may be reimbursed for their necessary expenses in traveling to the meeting.

Each director is required to complete the “Director’s Travel Expense Voucher” following meetings for which he or she is requesting reimbursement of expenses. Board policy authorizes a flat $20 per day to cover all expenses other than transportation, parking and hotel room. The board has agreed upon this arrangement since meals at board meetings are on an organized basis and paid by the League. At the conclusion of each board meeting, except the meeting held at the Annual Conference, directors may complete an expense voucher and give it to a member of the staff or mail it to the executive director immediately following the meeting. Please include receipts whenever possible, such as for airline travel, parking, etc.

Hotel — The League pays for the hotel room and tax for the first night of a two-day board meeting. In addition, the League pays for a night necessitated by a board committee meeting such as the nominating or executive committee, or if your city is located a substantial distance away and transportation availability is limited, necessitating arrival the night before the board meeting. Those arriving early or staying over for personal reasons are direct billed by the hotel for those nights. The League does not pay for board members’ hotel rooms during the annual conference or other League conferences or institutes where the board members would normally be in attendance. The League does not reimburse costs to cover lodging for a hotel other than the one contracted by the League for the current board meeting.

Travel — Directors are authorized to travel by air, railroad, or by private automobile, with certain limitations as set forth in the expense voucher. When automobile travel is more expensive to the League and public transportation is available and equally convenient, it is hoped it will be used in lieu of a private automobile. Travel mileage reimbursement is equal to the Internal Revenue Service approved rate.
Spouses

Spouses of Directors are cordially invited to accompany directors to board meetings. There is normally a luncheon and an evening affair for board members and their spouses during the board meeting. Although the League is not in a position to assume transportation expenses of spouses, the League will assume the hotel room costs for the director and spouse.

President’s Travel Expenses

The actual expenses for the League President in carrying out his or her responsibilities within California and attendance at the NLC Congressional Cities Conference and NLC Annual Conference are reimbursed. The actual expenses of a designated officer incurred when officially representing the League President at a conference or a meeting are also reimbursed.

Officers’ NLC Travel Expenses

The Board recognizes the importance of active participation in NLC by all League officers including during the years immediately prior to serving as League President. The second vice-president, first vice-president and immediate past president may, if their cities are unable to fund part or all of the expenses associated with their NLC activities, receive reimbursement from the League of California Cities, not to exceed $1,500 for the Congressional Cities Conference, and $1,500 for the NLC Annual Conference.

NLC Board Liaison Expenses

A member of the National League of Cities board of directors who is serving actively on the League of California Cities board, if his or her city is unable to fund part or all of the expenses associated with service on the NLC board, may receive reimbursement for actual expenses not to exceed $1,500 per year and a maximum of $750 per meeting for meetings other than the NLC Annual Conference and the NLC Congressional City Conference. In addition for good cause shown, the executive committee may approve a request for reimbursement up to $750 from any such NLC board member for part of the costs associated with attending NLC board meetings in connection with the two regular NLC conferences, provided the board is subsequently informed of the action.

President’s Spouse Expenses

The board has authorized reimbursement for the president’s spouse for travel and expenses related to official business of the League performed by the president both within California and outside California. When the president’s spouse travels with the president on official League business, reimbursement for such travel and expenses may not exceed $2,000 for the annual term of office.
DISCLOSURE OF LEAGUE EXPENSES
AND REIMBURSEMENTS

Expenses and reimbursements from the League must be reported to the Fair Political Practices Commission according to Advice Letter, No. I-98-177, 1998. The League recommends that directors disclose expenses and reimbursements from the League as income on Schedule E of FPPC Form 700. These expenses and reimbursements are not income for tax purposes. Early each year the League will provide information to you about expenses and reimbursements for the preceding year. See Appendix for the FPPC Advice Letter.

Please note that the Political Reform Act prohibits public officials from participating in government decisions in which they have a financial interest. When the League reimburses or pays a public official’s travel and meal expenses incurred while representing the League on official business, the League may become a “source of income” for the official within the meaning of the Act. Because the League may be a source of income, a city official may be disqualified from participating in a city council decision that concerns the League. For more information, please see “Conflicts of Interest, Making Decisions Back at City Hall” and the Appendix for copies of relevant advice letters from the Fair Political Practices Commission.

[If a city official can demonstrate that he or she provided value in return for paid travel expenses, the official received income and not a gift. If the city officials are representing the League on official League business, it appears that they are providing consideration and the travel reimbursement would not be a gift.

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6 Id. at § 87103(c); Benninghoven, F.P.P.C. Advice Letter No. I-93-298 (October 15, 1993). Specifically, the Benninghoven Advice Letter states,}
CHAPTER VIII
SELECT AND SUPPORT THE EXECUTIVE DIRECTOR

Responsibilities of the Executive Director

The League board selects the executive director. The executive director employs or oversees the employment of all other persons who work for the League of California Cities, either as employees or contractors. The executive director also performs or causes to be performed functions such as the corporate secretary and the chief financial officer.

The executive director serves as a member of the League executive committee along with the League president, first and second vice-presidents, and the immediate past president.

Executive Director Resume

Carolyn Coleman was appointed in 2016 as only the seventh executive director of the over 115-year old League of California Cities. She served previously as director of Federal Advocacy for the National League of Cities (NLC), deputy mayor for the city of Indianapolis, Indiana and practiced law in the private sector. Ms. Coleman holds a law degree from Indiana University and a bachelor’s degree in business from the University of Kansas.

Annual Review by Executive Committee

Annually the Executive Committee meets with the Executive Director to discuss the executive director’s goals, performance, and needs. A report is given to the full board at the board meeting coinciding with the annual review.

Board Policy on Recruitment of Executive Director

To guide the recruitment when a vacancy in the executive director position occurs, the board has adopted the following policy:

1. **Retention of Professional Executive Recruiter.** Unless it otherwise determines, when a vacancy occurs in the position of executive director the League board shall retain the services of a professional executive recruiter to assist in recruiting and hiring a successor. Upon approval of the League Executive Committee, the League Human Resources Director shall issue a request for proposals (RFP) from eligible recruiters, review the proposals, and recommend three finalists to the Executive Committee for
2. **Appointment of Executive Director’s Search Committee.** The Executive Committee shall appoint an Executive Director’s Search Committee after inviting members of the Board to express interest in serving on the Committee. The Search Committee members shall include the Executive Committee and consist of a diverse group of no less than 11 and no more than 15 Board members. The League President or First Vice President shall chair the Search Committee. The Executive Committee is encouraged to include representatives of the City Managers Department, City Attorneys Department, and the Human Resources Department; provided that if another Committee member is from the same city a former director from one of those departments may be appointed. The Executive Director of the National League of Cities may be invited to serve as an ex officio member of the Search Committee. The League shall pay the travel expenses, if necessary, of any Committee members.

3. **Role of Search Committee.** The Search Committee may meet by conference call or in person and shall be responsible for overseeing the successful completion of the recruitment. The Committee shall consider and approve all recruitment materials, schedules, etc., and the Committee shall review and consider approval of the recommendations of the HR Director and Executive Committee for interview of several candidates in person by the Search Committee. After conducting personal interviews, the Search Committee shall select the candidate to be presented to the full Board for employment as Executive Director and the Executive Committee shall negotiate an employment contract with the candidate.

4. **Role of the League HR Director.** The League HR Director, acting under the direction of the Search Committee and Executive Committee, shall support the Search Committee in carrying out its duties, administer the contract with the executive recruiter, help the Executive Committee negotiate a final employment agreement with the successful candidate, and assist in all other material respects with the recruitment and appointment of the successful candidate.

5. **Final Approval by the Board of Directors.** Upon the selection of the successful candidate by the Search Committee and negotiation of a proposed agreement of employment by the Executive Committee, the candidate and contract shall be presented to the Board for ratification. The Board will not interview the finalists but will confine its decision to whether to ratify the decision of the Search Committee and the contract negotiated by the Executive Committee.

6. **Appointment of Interim Executive Director.** The Executive Committee is authorized to appoint a member of the senior staff (or a former senior staff member if needed) to serve as Interim Executive Director until the new Executive Director begins.
Appendix 1

Director Job Description
League of California Cities
DIRECTOR JOB DESCRIPTION

This is a responsible position involving serving on the board of directors of the non-profit League of California Cities. In accordance with the bylaws of the League and the policies of the board, directors have the following collective and individual responsibilities:

**General Governance Responsibilities:**
- Determine and support the organization’s vision, mission and core beliefs
- Select the chief executive. Support the executive and review his or her performance
- Ensure adequate revenues and approve a budget for effective management of the revenues
- Assist the board in carrying out its fiduciary responsibilities, such as reviewing the annual financial statements and the budget
- Participate in grassroots activities in support of the League’s strategic priorities
- Support League ballot measure fundraising activities for CITIPAC and individual campaigns and contribute personally and through invitations to others.
- Determine, monitor, and strengthen the organization’s programs and services
- Review agenda and supporting materials prior to board meetings
- Attend all board and general membership meetings, including periodic meetings by conference call, and notify the Executive Director of any planned or emergency absence and the reason for it. (Board members are only allowed three consecutive absences).
- Serve on the nominating or other committees and offer to take on special assignments

**Ethical Responsibilities**
- Ensure legal and ethical integrity and maintain accountability
- Use your League position responsibly, e.g. do not imply League support of private or city positions or seek favors by virtue of your role as a board member.
- Perform Board duties in good faith and with such care as necessary to promote the best interests of the League
- Become familiar with and follow conflict of interest legal requirements and policies to promote confidence in the League’s decision-making
- Disclose potential conflicts of interest prior to voting on any matter before the Board

**Communication Responsibilities**
- Facilitate two-way communication between the League and city officials within your sphere of influence (your own city, neighboring cities, division, department, caucus, policy committee, etc.).
- Assume responsibility for interpreting board policy to the membership. Ensure the League speaks with “one voice” once the board has made a decision. Division and department representatives should report back directly on a regular basis.
- Ensure that board members are aware of the views of city officials throughout the state
- Attend all appropriate division, department, or general membership meetings
- Seek out city officials who have the potential to strengthen the League and encourage their participation in their division, on the League board, etc.

**Expense Reimbursement**
Board members receive no compensation, however, normal travel expenses (e.g., room, travel and meals), except for the Annual Conference, are either paid by the League or reimbursed. Any payments or reimbursements must be reported as required by the FPPC. The League will supply the information necessary to do so.

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1 Approved by the board of directors July 2010
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2015 Bylaws for the League of California Cities

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Bylaws for the
League of California Cities¹
(effective December 1, 2015)

Article I: General

Section 1: Corporation Name.

This corporation is the League of California Cities (the League).

Section 2: Offices.

The principal office of this corporation shall be located in Sacramento, California. The League Board of Directors (League Board) may establish such other League offices as it deems necessary to the effective conduct of League programs.

Section 3: Compliance with Governing Laws.

In all matters not specified in these bylaws, or in the event these bylaws to not comply with applicable law, the California Nonprofit Corporation Law applies.

Article II: Purpose and Objectives

Section 1: General.

The League’s purpose is to strengthen and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

Section 2: Objectives.

The League’s objectives are the following:

(a) Advocate legislation that results in benefits to Member Cities,

(b) Communicate to Member Cities and the public on issues related to the general welfare of citizens in California cities,

(c) Pursue strong intergovernmental relationships to promote the well being of California cities,

¹ Note: All footnotes are for reference and explanation only and are not part of the bylaws text.
(d) Organize educational opportunities, such as conferences of city officials,

(e) Stimulate greater public interest and more active civic consciousness as to the importance of cities in California’s system of government,

(f) Collect and disseminate information of interest to Member Cities, and

(g) Engage the membership in a continuing analysis of the needs of member cities.

Article III: Membership

Section 1: Qualification.

(a) Cities. Any city, or city and county, in California may, by the payment of annual dues prescribed in Article IV, become a Member City and as such is entitled to League services and privileges.

(b) Elected and Appointed Officials. All elected and appointed officials in Member Cities are members of the League.

Section 2: Termination.

(a) Grounds for Termination. Membership is suspended or terminated whenever any of the following occurs:

(i) The Member City resigns by giving written notice to the League;

(ii) The Member City does not pay dues, fees or assessments in the amounts and terms set by the League Board; or

(iii) An event occurs that makes the Member City ineligible for membership.

(b) Procedures for Termination. The League shall give 15 days notice of any suspension or termination of membership and the reasons for such action, along with the opportunity to respond orally or in writing not less than five days before the effective date of the action.²

² See Cal. Corp. Code § 7341(c) (requiring termination procedures be included in bylaws and specifying what constitutes a fair and reasonable procedure).
Section 3: Honorary Members.

Any person who has given conspicuous service for the improvement of city government may, by the vote of the League Board, be granted an honorary membership in the League. All ex-presidents of the League are Honorary Members. Honorary Members as such do not have a voice or vote in any of the meetings of the League and do not have membership status in the League for purposes of state and federal laws.

Section 4: Non-Liability.

No Member City is liable for the debts or obligations of the League.

Article IV: Dues

Section 1: Establishment.

The League Board establishes the League’s dues annually according to city population. The population of each city is the most current population as determined by the California Department of Finance, Demographic Research Unit, or its successor agency or unit. If no successor agency or unit is named, the most current population used to determine dues shall be used to determine future dues until such time as these bylaws are amended to designate a new source for determining city population.

Section 2: Increase in Dues.

(a) Board Vote Requirement. Any increase in dues must be approved by the League Board by a two-thirds vote. The League Board’s approval shall be accompanied by an explanation of the need for the increase, including but not limited to:

(i) Increases in the League’s costs related to general increases in the consumer price index or other factors; and/or

(ii) The expansion of existing programs or initiation of new programs.

(b) Member City Ratification Requirement. Any dues increase that exceeds either the “consumer price index” for the preceding twelve months or five percent (whichever is greater) requires Member City ratification. In no event, however, shall the League Board approve a dues increase in excess of ten percent without Member City ratification.

(i) “Consumer Price Index” Defined. For purposes of this section, the consumer price index is the California consumer price index for all urban consumers calculated by the California Department of Industrial Relations or its state or federal successor.
(ii) **Approval Threshold.** Member City ratification requires a majority of Member Cities casting votes.

(iii) **Mechanism for Seeking Approval.** The ratification may occur at the League’s General Assembly (see Article V) or by using the mail balloting procedure (see Article XI, section 5).

(c) **Dues Cap.** In no event will a Member City’s dues increase by more than $5,000 per year.

**Section 3: Delinquency.**

Any Member City of the League who is delinquent in dues, fees or assessments may be suspended or have that member’s membership terminated as provided in Article III, section 2.

**Article V: Membership Meetings**

**Section 1: Annual Conference.**

(a) **Time and Place.** The League’s regular Annual Conference is held at the time and place as the League Board determines. In case of any unusual conditions or extraordinary emergency, the League Board may, at its discretion, change the time or place of the meeting.

(b) **Conference Program Planning.** The League Board shall establish an Annual Conference program planning process that provides for input from representative segments of the League’s membership.

**Section 2: Special Meetings.**

Special meetings of the League may be called by the League Board and shall be called by the League Board upon the written request of five percent or more of the Member Cities. Any written request by Member Cities shall describe the general nature of the business to be transacted and the text of any proposed resolution(s).

**Section 3: City Delegates as General Assembly.**

(a) **Designation.** Each Member City may, with the approval of the city council, designate a city official as the city’s designated voting delegate and, in the event that the designated voting delegate is unable to serve in that capacity, up to two alternate voting delegates.

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3 See Cal. Corp. Code § 7510 (“special meetings of members for any lawful purpose may be called by 5 percent or more of the members”).
(b) **Membership Decision-making Body.** Designating voting delegates (or their alternates) constitute the League’s General Assembly.

(c) **Registration for Annual Conference.** For General Assemblies held in conjunction with the Annual Conference, designated voting delegates must register to attend the Annual Conference.

**Section 4: Notice of Meetings.**

(a) **General.** Notice shall be given to all Member Cities of the time and place of all regular and special meetings by faxing or mailing a written notice at least fifteen days prior to each meeting, or by publishing a notice of the meeting at least two weeks prior to the meeting in an official publication of the League; provided, however, that failure to receive such notice does not invalidate any proceedings at such meeting.

(b) **Special Notice Requirements for Special Meetings.** Any notice of the calling of a special meeting shall specify the purpose of the special meeting in such detail to enable Member Cities to determine whether they should attend. In the event a special meeting is requested by five percent or more of the Member Cities, the notice shall also set for the text of any proposed resolution(s).

**Section 5: Parliamentarian.**

The League President shall appoint a Parliamentarian to resolve procedural issues at the League’s General Assembly and in Resolutions Committee meetings.

**Section 6: Credentials.**

Designated voting delegates must register with the Credentials Committee. The League President shall appoint a three-person Credentials Committee no later than the first day of the General Assembly. In case of dispute, this committee determines the right of a member to participate.

**Article VI: Resolutions**

**Section 1: Role and Scope of Resolutions.**

Resolutions adopted by the League’s General Assembly and such League Board policies as are not inconsistent with such resolutions constitute League policy. All resolutions shall be germane to city issues.
Section 2: Origination.

Resolutions may originate from city officials, city councils, regional divisions, functional departments, policy committees, or the League Board or by being included in a petition signed by designated voting delegates of ten percent of the number of Member Cities. Except for petitioned resolutions, all other resolutions must be submitted to the League with documentation that at least five or more cities, or city officials from at least five or more cities, have concurred in the resolution.

Section 3: Resolutions Committee for Annual Conference Resolutions.

(a) Resolutions Committee Composition. The League President establishes a Resolutions Committee sixty days prior to each Annual Conference, which committee shall consist of:

(i) One elected official from each regional division, appointed by the regional division;

(ii) One elected official from each policy committee, appointed by the policy committee;

(iii) One member from each functional department, appointed by the department; and

(iv) Up to ten additional members (at least five of whom are elected officials) as the League President deems necessary to achieve geographic and population balance, as well as recognize the multiplicity of city functions not represented by the other appointments, including, but not limited to, the perspectives of board and commission members as well as professional staff.

(b) Presidential Appointments. In the event a regional division, policy committee or functional department does not make its appointment to the Resolutions Committee, the League President may make the appointment on the regional division’s, policy committee’s or functional department’s behalf.

(c) Chair. The League President shall also appoint to the Resolutions Committee a committee chair and vice chair.

(d) Minimum Committee Size and Composition. In the event the full committee is not in attendance at the Annual Conference, the League President shall appoint a sufficient number of city officials in attendance to achieve a total of thirty. No less than two-thirds of the members of the Resolutions Committee shall be elected officials.
(e) Committee Consideration of Proposed Resolutions. Except for resolutions of courtesy, commendation, appreciation or condolence, no resolution expressing the opinion or policy of the League on any question may be considered or discussed by the League’s General Assembly, unless it has been first submitted to, and reported on, by the Resolutions Committee.

Section 4: Procedure for Resolution Review for the Annual Conference.

(a) Timing. Except for petitioned resolutions, all resolutions shall be submitted to the Resolutions Committee, at the League’s headquarters, not later than sixty days prior to the opening session of the League’s Annual Conference.

(b) Referral to Policy Committees.

(i) Review and Recommendations. Except for resolutions of courtesy, commendation, appreciation or condolence, all resolutions submitted to the Resolutions Committee shall be referred by the League President to an appropriate policy committee for review and recommendation prior to the opening general session of the Annual Conference.

(ii) Report to Resolutions Committee. Policy committees shall report their recommendations on such resolutions to the Resolutions Committee. The inability of a policy committee to make a recommendation on any resolution does not preclude the Resolutions Committee from acting upon it.

Section 5: Resolutions Proposed by Petition for the Annual Conference.

(a) Presentation by Voting Delegate. A designated voting delegate of a city may present by petition a resolution to the League President for consideration by the Resolutions Committee and the General Assembly at the Annual Conference. These resolutions are known as “petitioned resolutions.”

(b) Contents. The petition shall contain the specific language of the resolution and a statement requesting consideration by the League’s General Assembly.

(c) Signature Requirements. The petition shall be signed by designated voting delegates registered with the Credentials Committee who represent ten percent of the number of Member Cities.

(d) Time Limit for Presentation. The signed petition shall be presented to the League President no later than twenty-four hours prior to the time set for convening the League’s General Assembly.
(e) **Parliamentarian Review.** If the League President finds that the petition has been signed by designated voting delegates of ten percent of the number of Member Cities, the petition shall be reviewed by the Parliamentarian for form and substance. The Parliamentarian’s report shall then be presented to the chair of the Resolutions Committee. Among the issues that may be addressed by the Parliamentarian’s report is whether the resolution should be disqualified as being either:

(i) Non-germane to city issues; or

(ii) Identical or substantially similar in substance to a resolution already under consideration.

(f) **Disqualification.** The Resolutions Committee may disqualify a petitioned resolution as either being:

(i) Non-germane to city issues; or

(ii) Identical or substantially similar in substance to a resolution already under consideration.

(g) **Consideration by General Assembly.** The petitioned resolution and the action of the Resolutions Committee will be considered by the League’s General Assembly following consideration of other resolutions.

(h) **Availability of List of Voting Delegates.** A list of voting delegates shall be made available during the Annual Conference to any designated voting delegate upon request.

**Section 6: Special Meeting Resolution Procedures.**

(a) **Germane-ness.** All resolutions must be germane to the meeting purpose specified in the special meeting notice.

(b) **Opportunity for Member Review.** All resolutions to be proposed during the General Assembly shall be available for membership review by electronic (for example, by posting on the League’s website) or other means at least 24 hours prior to the beginning of the special meeting.

(c) **Parliamentarian Review.** The Parliamentarian shall review all proposed resolutions for form and substance. The Parliamentarian’s report shall be presented to the General Assembly.
Section 7: Full Debate.

The opportunity for full and free debate on each resolution brought before the General Assembly shall occur prior to consideration of a resolution.

Article VII: Board of Directors

Section 1: Role and Powers; Board Diversity Policy.

(a) Subject to the provisions and limitations of California Nonprofit Corporation Law, any other applicable laws, and the provisions of these bylaws, the League’s activities and affairs are exercised by or under the direction of the League’s Board of Directors. The League Board is responsible for the overall supervision, control and direction of the League. The League Board may delegate the management of the League’s affairs to any person or group, including a committee, provided the League Board retains ultimate responsibility for the actions of such person or group.

(b) The goal of the League is to ensure that the Board of Directors reflects the diverse ethnic and social fabric of California. As such, each Division, Department, Caucus, and Policy Committee should encourage and support members of every race, ethnicity, gender, age, sexual orientation and heritage to seek leadership positions within the League, with the ultimate goal of achieving membership on the Board of Directors.

Section 2: Composition.

The League’s Board is composed of the following:

(a) A President, First Vice-President and Second Vice-President/Treasurer, who each serve a term of one year;

(b) The Immediate Past President who serves for a term of one year, immediately succeeding his or her term as President;

(c) Twelve Directors-at-Large,

   (i) Who serve staggered two-year terms, and

   (ii) At least one of whom is a representative of a small city with a population of 10,000 or less;

(d) One Director to be elected from each of the regional divisions and functional departments of the League, each of whom serves for a term of two years;
(e) Members of the National League of Cities Board of Directors who hold an office in a Member City; and

(f) Ten Directors that may be designated by the mayors of each of the ten largest cities in California to serve two-year terms.

(g) For purposes of this section, the population of each city is the most current population as determined by the California Department of Finance, Demographic Research Unit, or its successor agency or unit. If no successor agency or unit is named, the most current population used to determine these dues shall be used to determine future dues until such time as these bylaws are amended to designate a new source for determining city population.

(h) Directors hold office until their successors are elected and qualified or, if they sit on the League Board by virtue of their membership on the National League of Cities Board of Directors, until their terms on the National League of Cities Board of Directors conclude.

Section 3: Staggered Terms.

The terms of the Directors are staggered, so that the terms of approximately one-half of the members of the League Board expire each year.

(a) Even-Numbered Year Terms. The following directorship terms expire in even-numbered years:

(i) Departments. Directors from the Fiscal Officers, Public Works Officers, Mayors and Council Members, Planning and Community Development, Fire Chiefs, and City Clerks departments;

(ii) Divisions. Directors from the Central Valley, Desert-Mountain, Imperial County, Monterey Bay, North Bay, Orange County, Redwood Empire, Sacramento Valley and San Diego County divisions; and

(iii) At Large. Directors from five of the ten at-large directorships.

(b) Odd-Numbered Year Terms. The following directorships expire in odd-numbered years:

(i) Departments. Directors from the City Attorneys, City Managers, Police Chiefs, Recreation, Parks and Community Services, and Personnel and Employee Relations departments;
(ii) **Divisions.** Directors from the Channel Counties, Inland Empire, East Bay, Los Angeles County, Peninsula, Riverside County and South San Joaquin Valley divisions; and

(iii) **At Large.** Directors from five of the ten at-large directorships.

**Section 4: Election of Directors.**

(a) **Functional Department Directors.** Unless their respective functional department bylaws provide otherwise, Departmental Directors are elected by their respective departments at the Annual Conference.

(b) **Regional Division Directors.** Unless their respective regional division bylaws provide otherwise, Regional Directors are elected at the regional division meeting immediately preceding the Annual Conference.

(c) **At-Large Directors.** Directors-at-Large are elected by the League Board at its organization meeting.

(d) **Commencement of Terms.** The term of office of all newly elected Directors commences immediately on the adjournment of the Annual Conference; however, the newly constituted League Board may meet prior to the adjournment of the Annual Conference for the purpose of organization.

(e) **Additional Directors.** In the event of the creation of additional regional divisions or functional departments of the League, each regional division or functional department may elect a representative to the League Board. When a new functional department or regional division is created at any Annual Conference, the League Board may select a Director to represent such functional department or regional division until the entity organizes and elects a Director in the regular manner. The League Board may fix the initial term of any such Director from a new regional division or functional department at either one or two years, so as to keep the number of terms expiring on alternate years as nearly equal as possible.

**Section 5: Nomination Process.**

(a) **Timing.** The League President, with the concurrence of the League Board, shall establish a nominating committee at the first Board meeting of the calendar year in which the election is to occur.

(b) **Composition.** The nominating committee shall be comprised of eleven Board members. Two nominating committee members shall be At-Large Directors and one shall represent a functional department. Regional divisions
shall be represented on the nominating committee on the following rotating basis:

(i) **Even-Numbered Years**: In even-numbered years, the Central Valley, Imperial County, Monterey Bay, North Bay, Orange County, Redwood Empire, Sacramento Valley and San Diego County Regional Divisions shall be represented on the nominating committee.

(ii) **Odd-Numbered Years**: In odd-numbered years, the Channel Counties, Inland Empire, Desert-Mountain, East Bay, Los Angeles County, Peninsula, Riverside County, and South San Joaquin Regional Divisions shall be represented on the nominating committee.

(c) **Nominating Committee Chair**. The League President shall appoint the chair of the nominating committee.

(d) **Candidates for Positions Ineligible**. Candidates for officer and at-large positions on the League Board are not eligible to serve on the nominating committee. In the event a regional division representative on the nominating committee wishes to be a candidate for an officer or at-large position, the League President will appoint a substitute nominating committee member from the same regional division, if available. If one is not available, the President shall appoint a substitute from a nearby regional division.

(e) **Duties**. The duties of the nominating committee are to:

(i) **Member Outreach**. Publicize the qualifications for the offices of Second Vice President/Treasurer and the at-large members of the League Board to the League’s Member Cities;

(ii) **At-Large and Second Vice President Recommendations**. Make recommendations to the League Board on the following year’s League officers and at-large board members; and

(iii) **President and First Vice President Recommendation**. Recommend whether the previous year’s First Vice President becomes President and the previous year’s Second Vice President/Treasurer becomes First Vice President.

(f) **Notice to Members**. An explanation of the nomination process and relevant deadlines for submitting nominations to the nominating committee shall be publicized in League publications and communications throughout the year, along with the identity of nominating committee members once such members are appointed. In addition, nominating committee shall inform the membership of the opening of the nominations for the following year when it
makes its report to the general membership as provided in Article VI, Section 5(g) below.

(g) **Decision and Report.** The nominating committee’s recommendations shall be communicated to the League Board not later than 30 days prior to the date of the League’s Annual Conference and again at the Annual Conference. In addition, the nominating committee shall make its report to the membership at the opening general session of the Annual Conference.

(h) **Election.** The election of League Board officers and Directors-at-Large shall occur at a League Board meeting at the Annual Conference as provided in Article VII, Section 4(c) and Article VII, section 3.

**Section 6: Vacancies.**

(a) **Functional Departmental Directorships.** In the event of a vacancy in a functional departmental directorship, the president of the department may become a member of the League Board or may appoint a member of his or her department to fill the vacancy.

(b) **Regional Division Directorships.** If a vacancy occurs in the regional division directorship, the regional division in question may elect a new Director at the next regular meeting of the regional division.

(c) **At-Large Directorships.** If a vacancy occurs in an at-large directorship, the League Board may elect a new Director to fill the vacancy at the next regular board meeting. The League president may nominate individuals for consideration by the League Board.

(d) **Large City Directorships.** In the event of a vacancy in a large-city seat, that large city may designate a new representative.

(e) **Terms.** The person elected or appointed to fill a vacancy holds office for the remainder of the term of the office in question (see Article VII, section 3).

(f) **Grounds for Vacancy.** A vacancy in a directorship shall occur due to resignation, a vacancy in elective or appointed office held by the director, or if the League Board determines the department or division that elected the director, or an appointed director, is not complying with these bylaws or the policies of the League Board.

**Section 7: Resignation.**

Any Director resignation is effective upon receipt in writing by the League’s President or Executive Director, unless a later date is specified in the letter.
Section 8. Meetings and Meeting Notice.

(a) Regularly Scheduled Board Meetings. The League Board shall meet no fewer than four times a year. Notice of regularly scheduled Board meetings shall be mailed to each Director at least 14 days before any such meeting.

(b) Emergency Board Meetings. A good faith effort shall be made to provide notice of any emergency board meetings (for example, by first-class mail, personal or telephone notification, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means).

(c) Telephonic or Electronic Participation. Members of the League Board may participate in any meeting through the use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting by this means constitutes presence in person at such meeting.

(d) Notice Content. All meeting notices shall include the meeting date, place, time, and, as applicable, the means by which a League Board member may participate electronically.


The League Board may adopt such policies for its government as it deems necessary and which are not inconsistent with these bylaws. In the event of an inconsistency, these bylaws shall prevail.

Section 10. Committees.

(a) General. The League Board may establish committees to study city problems, advise on League educational efforts, make recommendations with respect to League advocacy efforts, or to engage in other appropriate League service.

(b) Executive Committee.

(i) Composition. The Executive Committee of the League Board consists of the following: the League’s President, First Vice-President, Second Vice-President/Treasurer, Immediate Past President and Executive Director.

(ii) Authority. The Executive Committee has authority to act for the League Board between Board meetings, provided that no action of the
Executive Committee is binding on the League Board unless authorized or approved by the Board.

(c) Standing Policy Committees.

(i) **Charge.** The League shall have a series of standing policy committees, whose charge shall be to make recommendations to the League Board on matters within the committees’ jurisdiction, as well as fulfill other duties specified in these bylaws (see, for example, Article VI, section 4(b)).

(ii) **Membership.** Each League Policy Committee shall be comprised of the following:

- Two members appointed by each regional division president;
- One member appointed by each functional department president;
- No more than 16 members appointed by the League president, to provide population and geographic balance, as well as expertise; and
- Such representatives of affiliate organizations in the capacity authorized by the League Board.

(iii) **Feedback.** Policy committees shall receive information on actions taken on committee recommendations and the reasons for those actions.

(d) **Committee Chairs and Vice Chairs.** The League President appoints the chair of all League-wide committees. The term of such appointments coincides with the League President’s term. The League President may appoint vice chairs for such committees, as the League President deems necessary.

**Section 11: Compensation.**

The Directors do not receive any compensation for their services, but, with League Board approval, may be entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties.
Section 12: Reports of Directors.

The League Board’s duties include providing an annual report to League members at the regular Annual Conference showing the League’s work, the League’s financial condition, and a statement with respect to the League’s plans for further work and proposed policies.

Section 13: Standard of Care.⁴

(a) General. A Director shall perform the Director’s duties, including duties on any committee on which the Director serves, in good faith, in a manner the Director believes to be in the best interests of the League and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

(b) Reliance on Information. In performing the Director’s duties, the Director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by:

(i) One or more League officers or employees whom the Director believes to be reliable and competent as to the matters presented;

(ii) Counsel, independent accountants, or other persons as to matters which the Director believes to be within such person’s professional or expert competence; or

(iii) A League Board committee upon which the Director does not serve, as to matters within the committee’s designated authority, provided that the Director believes the committee merits confidence.

The Director may rely on such information, opinions, reports, or statements as long as the Director acts in good faith after reasonable inquiry (when the need for such inquiry is indicated by the circumstances) and as long as the Director has no knowledge that would suggest that such reliance is unwarranted.

(c) Non-Liability. An individual who performs the duties of a Director in accordance with this section will not be liable for any failure or alleged failure to discharge that person’s obligations as a Director, including, without limiting the generality of the preceding, any actions or omissions which are inconsistent with the League’s nonprofit purposes.

⁴ See Cal. Corp. Code § 7231 (providing that a director who performs the director’s duties according to these standards is not liable for any alleged failure to properly discharge the individual’s obligations as a director).
Section 14: Right to Inspect Records.

Every Director has a right at any reasonable time to inspect and copy all League books, records and documents of every kind and to inspect the League’s physical property.5

Section 15: Policy Changes.

Any policy established by the League’s General Assembly may be changed by the League’s Board upon ratification of such proposed change by a majority of the regional divisions representing a majority of Member Cities within the time period specified by the League Board.

Section 16: Positions on Statewide Ballot Measures.

Notwithstanding any other provision of these bylaws, the League Board may take a position on a statewide ballot measure by a 2/3rd vote of those Directors present.

Article VIII: Officers

Section 1: Identity.

The officers of the League are a President, a First Vice-President, a Second Vice-President/Treasurer, an Immediate Past President, and an Executive Director.

Section 2: Duties of League Officers.

(a) President. The President presides at all League Board meetings and all General Assemblies. The President has such other powers and duties as may be prescribed by these bylaws or the League Board.

(b) First Vice-President. The First Vice-President carries on the duties of the President in the President’s temporary absence or incapacity. The First Vice-President has such other powers and duties as may be prescribed by these bylaws or the League Board.

(c) Second Vice-President/Treasurer. The Second Vice-President/Treasurer carries on the duties of the President in the President’s and First Vice-President’s temporary absence or incapacity. The Second Vice-President/Treasurer has such other powers and duties as may be prescribed by these bylaws or the League Board.

5 See Cal. Corp. Code § 8333 (characterizing this right as absolute).
Section 3: Election.

The League Board elects the League’s President, First Vice-President and Second Vice-President for terms of one year. The election occurs at the League Board’s meeting at the Annual Conference.

Section 4: Vacancies.

A vacancy in the office of President is filled by the Immediate Past President who shall serve for the unexpired term of office and, upon election of a new President at the next Annual Conference, shall subsequently serve a full term as Immediate Past President. In the event the Immediate Past President is not available to fill the vacancy in the office of the President, or declines in writing, it shall be filled by the succession of the First Vice-President to that office. A vacancy in the office of First Vice-President, or Second Vice-President/Treasurer, is filled for the un-expired term by appointment by the League Board of a member of the League Board. A vacancy in the office of the Immediate Past President is filled for the un-expired term by the last Past President continuing to hold a city office.

Section 5: Executive Director and League Employees.

(a) Employment. The League Board selects an Executive Director who employs, or causes to be employed, such other persons as may be necessary who need not be League members. The Executive Director and employees perform such duties and receive such compensation as the League Board may from time to time prescribe.

(b) Specific Duties. The Executive Director performs or causes to be performed the following functions:

(1) Corporate Secretary. These duties include:

(i) Keeping a full and complete record of the proceedings of the League Board;

(ii) Giving such notices as may be proper and necessary;

(iii) Keeping minute books for the League;

(iv) Communicating the League Board’s actions to Member Cities;

(v) Executing such instruments necessary to carry out Board directives and policies; and

(vi) Complying with other record-keeping and reporting requirements of California Nonprofit Corporation Law.

(2) Chief Financial Officer. These duties include:

(i) Having charge of and custody of and receiving, safeguarding, disbursing and accounting for all League funds;

(ii) Depositing and investing such funds in such institutions and investments as approved by the League Board;

(iii) Maintaining the League’s financial books and records; and

(iv) Preparing and submitting such accounting and tax forms as may be required by local, state and federal law.

(c) Insurance. All employees handling the finances of the League shall be insured in such amount as the League Board deems desirable or necessary, such insurance to be approved by the League Board or a committee designated by the League Board and the premiums paid by the League.

Article IX: Regional Divisions

Section 1: Listing.

(a) Existing Regional Divisions. The League is comprised of the following regional divisions:

Central Valley  North Bay
Channel Counties  Orange County
Desert-Mountain  Peninsula
East Bay  Redwood Empire
Imperial County  Riverside County
Inland Empire  Sacramento Valley
Los Angeles County  San Diego County
Monterey Bay  South San Joaquin Valley

(b) New Divisions. Additional divisions may be formed through an amendment to these bylaws (Article XVI).
Section 2: Purposes and Functions.

The purposes and functions of regional divisions of the League are as follows:

(a) To promote interest in the problems of city government and administration among city officials within such divisions.

(b) To assist League officials in formulating policies by expressing, through resolutions duly adopted, the recommendations of the regional divisions. Resolutions adopted by regional divisions to be considered at the Annual Conference shall be submitted in the manner provided by Article VI.

(c) To take action consistent with general League policy as duly adopted by the League’s General Assembly or by the League’s Board. Regional divisions may take no action in conflict with such policies. Nothing in the foregoing limits or restricts regional division activities in matters of purely local interest and concern.

(d) To meet not less than once every three months, provided that the League Annual Conference may be considered one such meeting of a regional division.

Section 3: Names of Divisions.

Each regional division will identify itself as a division of the League of California Cities.

Section 4: Boundaries.

The territorial boundaries of each regional division may be fixed by each division subject to the approval of the League’s General Assembly.

Section 5. Membership.

All cities within the boundaries of a regional division may become members of and participate in the activities of that division. A city may join a different regional division with the approval of both the existing and proposed division, and the League’s Board of Directors.

Section 6: Voting.

Unless otherwise provided in a regional division’s bylaws, the representatives of each Member City may cast collectively one vote on division matters, and a majority of the votes cast is necessary for a decision.
Section 7: Officers.

(a) Identity. Each regional division elects a President, a Vice-President, and a representative on the League Board of Directors, and such other officers as any regional division bylaws may establish.

(b) Election Timing. Each regional division elects its officers at the regional division meeting immediately preceding the League’s Annual Conference, unless another date is provided by any regional division’s bylaws.

(c) Terms.

(i) Officers’ Terms and Commencement Dates. Except as provided below, the term of office of all newly elected officers is one year, commencing immediately upon election unless another date is provided by the regional division’s bylaws.\(^7\) A majority of the members may amend any regional division bylaws to provide for two-year terms for regional division officers.

(ii) Directors’ Terms and Commencement Dates. The term of office and commencement date for regional division representatives on the League Board are established in Article VII, section 2(d) (term length) and 4(d) (term commencement).

(d) Vacancies. In the event of a vacancy in any regional division office, such vacancy is filled by election at the next regular meeting of such division for the unexpired term of that office. The fact that such a vacancy will be so filled shall be included in the notice of such meeting. This requirement also applies to a vacancy in the office of regional division director, as provided in Article VII, section 6(b).

(e) Duties.

(i) President. The President presides at all regional division meetings and has such other powers and duties as may be prescribed by any division bylaws.

(ii) Vice-President. The Vice-President carries on the duties of the President in the President’s temporary absence or incapacity and has such other powers and duties as may be prescribed by any division bylaws.

\(^7\) Note that this term commencement is different than that for the League board (whose terms commence upon adjournment of the Annual Conference) and than that for department officers (also upon adjournment of the Annual Conference).
(iii) **Secretary.** The Secretary a) immediately notifies the League of any change in the regional division officers, b) records the minutes of all division meetings and sends one copy to League headquarters, and c) prepares and mails all notices of the meetings of the division and sends a copy to the League headquarters.

(iv) **Director.** The regional division Director shall represent the regional division on the League Board and shall keep the division membership apprised of League Board activities. The Director serves as a liaison between the regional division and the League Board.

**Section 8: Resignation.**

Except as provided in Article VII, section 7 for members of the League Board, a regional division officer’s resignation is effective upon receipt in writing by the division’s President or Secretary, unless a later date is specified in the letter.

**Section 9: Regional Division Bylaws.**

Regional divisions may adopt their own bylaws. Division bylaws may not conflict with the League’s bylaws. In the event of a conflict between a division’s bylaws and League bylaws, the League’s bylaws will prevail; the League’s bylaws also prevail when the division does not have bylaws or the division’s bylaws are silent.

**Article X: Functional Departments**

**Section 1:Listing.**

(a) **Existing Departments.** The League includes the following functional departments:

<table>
<thead>
<tr>
<th>Mayors and Council Members</th>
<th>Police Chiefs</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Attorneys</td>
<td>Fire Chiefs</td>
</tr>
<tr>
<td>Fiscal Officers</td>
<td>Community Services</td>
</tr>
<tr>
<td>Public Works Officers</td>
<td>City Clerks</td>
</tr>
<tr>
<td>City Managers</td>
<td>Personnel and Employee Relations</td>
</tr>
<tr>
<td>Planning and Community Development</td>
<td></td>
</tr>
</tbody>
</table>

(b) **New Departments.** Additional functional departments may be formed through an amendment to these bylaws (Article XVI).
Section 2: Officers.

(a) Identity. Each functional department elects a President, a Vice-President, a representative on the Board, and such other officers as the department’s bylaws may establish.

(b) Election Timing. Each functional department elects its officers at the department’s business session at the League’s Annual Conference, unless the department’s bylaws provide otherwise.

(c) Terms. The term of office for functional department officers is one year, commencing immediately upon the adjournment of the Annual Conference. The exception is the functional department representatives of the League Board, whose term is two years established in Article VII, section 2(d).

(d) Vacancies. A vacancy in the office of President is filled for the unexpired term by the succession of the Vice-President. A vacancy in the office of the Vice-President or any other office of the functional department is filled by appointment by the department President for the unexpired term. The person so appointed shall be a member of such department. A vacancy in the office of department director is filled as provided in Article VII, section 6(a) for the unexpired term.

(e) Duties.

(i) President. The President presides at functional department meetings and has such other powers and duties as may be prescribed by any department bylaws.

(ii) Vice-President. The Vice-President carries on the duties of the President in the President’s temporary absence or incapacity and has such other powers and duties as may be prescribed by any department bylaws.

(iii) Director. The department Director shall represent the functional department on the League Board and shall keep the department membership apprised of League Board activities. The Director serves as a liaison between the department and the League Board.

(f) Resignation. Except as provided in Article VII, section 7 for members of the League Board, a functional department officer’s resignation is effective upon receipt in writing by the department’s President or Vice-President, unless a later date is specified in the letter.
Section 3: Voting.

Except as otherwise provided in a functional department’s bylaws, the representatives of each Member City may cast collectively one vote on functional department matters. A majority of the votes cast is necessary for a decision.

Section 4. Department Meetings.

Functional departments meet at the Annual Conference and at other times and places as they find necessary.

Section 5: Department Bylaws.

Functional departments may adopt their own bylaws. Such bylaws may not conflict with the League’s bylaws. In the event of a conflict between a department’s bylaws and League bylaws, the League’s bylaws will prevail; the League’s bylaws also prevail when the department does not have bylaws or the department’s bylaws are silent.

Article XI: Voting

Section 1: Quorum.

(a) In General. A majority of the members of the League’s Board, functional department, regional division, committee or other kind of subsidiary body constitutes a quorum for the purpose of making decisions.8

(b) General Assembly. The presence, at the General Assembly, of credentialed voting delegates (or alternates) representing a majority of Member Cities, constitutes a quorum.9

(c) Failure to Achieve Quorum. In the event that a body other than the League Board of directors lacks a quorum, all votes taken by that body will be advisory to the League Board, which shall be advised that a quorum was not present. In the event that the League’s Board is unable to achieve a quorum, the League Board will adjourn until such time as a quorum can be achieved.

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8 See Cal. Corp. Code § 7211(a)(8) (noting that a board meeting may continue to transact business after a quorum is lost as long as items approved receive a majority of the quorum, unless a higher approval threshold exists for approval of a certain type of action).

9 See Cal. Corp. Code § 7512(c) (noting that a membership meeting may continue to transact business after a quorum is lost as long as items approved receive a majority of the quorum, unless a higher approval threshold exists for approval of a certain type of action—for example, bylaws approval).
Section 2. Voting Methods.

(a) General Assembly. All voting in meetings of the General Assembly of the League, its regional divisions, functional departments, committees and other kinds of subsidiary bodies is by voice vote.

(b) Alternative Methods. If the presiding official cannot determine the outcome of the voice vote or three or Member Cities request, an alternative method of voting may be used. An alternative voting method may be by any means (show of hands, written ballot, display of voting cards, etc.) which allows the presiding official to accurately determine the outcome of the vote.

(c) Roll Call Vote. A roll call may be demanded by representatives of ten percent or more of the voting body.

(d) Voting Cards. A voting card will be issued to each Member City’s designated voting delegate upon presentation of evidence of the delegate’s designation by the Member City.

(e) Proxy Voting. Proxy voting is not allowed.

Section 3: Vote Threshold.

Except as otherwise provided in these bylaws (see, for example, Article XVI, section 2), a majority vote of approval of those voting is necessary for decision.

Section 4: One City One Vote.

Except as otherwise provided in a functional department’s or a regional division’s bylaws, the representatives of each Member City present and in good standing collectively cast one vote. A majority of the votes cast is necessary for a decision.

Section 5: Mail Balloting.

In addition to voting at League meetings, the League may solicit member input by mail ballot.

(a) Mailing. The question(s) to be voted upon, along with explanatory materials and a ballot, shall be mailed by first class mail to each Member City for consideration and action.

10 The Administrative Services Committee recommends the League also include notice of the upcoming ballot in a variety of League communications to alert Member Cities to make inquiry in the event a city’s ballot is lost in the mail.
(b) **Time Frame for Action.** Member Cities shall have at least 45 days to cast their vote. Ballots shall be cast by returning the Member City’s ballot to the League’s principal office in Sacramento.

(c) **Ballot Tabulation and Results Announcement.** The League President will appoint a counting committee of three board members to count the votes cast by mail ballot. The counting committee will submit its count to the League Board, which shall canvass the vote and announce the results.

(d) **Functional Departments and Regional Divisions.** Departments and divisions may also use mail balloting under procedures specified in their respective department and division bylaws.

### Article XII: Qualifications to Hold Office and Vacancies

#### Section 1: Eligibility to Hold Office.

(a) **In General.** Excepting the office of the Executive Director, no person shall be eligible to hold office in the League or any League division or department unless the individual is officially in city service in a Member City at the time of the person’s election or appointment. Regional divisions and functional department bylaws may specify additional eligibility requirements for their respective officeholders.

(b) **Length of Service.** An individual who has occupied an elected League Board office (as defined in Article VIII, section 1) for nine months (275 days) or more is ineligible to stand for election for that same office again.

#### Section 2: Vacancies.

(a) **Vacancy Defined.** A League office becomes vacant when an individual resigns, misses three consecutive convened meetings or leaves city service.\(^{11}\)

(b) **Effective Date of Vacancy Caused by Leaving City Service.** The effective date of a vacancy caused by a departure from city service is the date an individual ceases to occupy the same or comparable city office as the individual had when the individual was elected or appointed to League office. Upon written request of the individual, the League Board may allow the individual to continue in the League office for a period not to exceed 3 months from the effective date of the vacancy, which time period may be extended by the Board upon finding of good cause.

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\(^{11}\) See also Cal. Corp. Code § 7221 (board may declare a director’s seat vacant if a court declares the director of unsound mind or the director has been convicted of a felony).
(c) **Effective Date of Resignations.** For the effective dates of resignations, see Article VII, section 7 (effective date of League Board resignations), Article IX, section 8 (effective date of regional division officer resignations), and Article X, section 2(f) (effective date of department officer resignations).

(d) **Filling Vacancies.** Vacancies will be filled as provided in these bylaws; see Article VII, section 6 (filling League Board vacancies), Article IX, section 7(d) (filling regional division officer vacancies), and Article X, section 2(d) (filling functional department officer vacancies).

(e) **Successor Terms.** An individual filling a vacancy serves the unexpired term of his or her predecessor.

**Article XIII: Finances**

**Section 1: Fiscal Year.**

The fiscal year of the League is the calendar year.

**Section 2: Budget.**

(a) **Preparation and Approval.** Not less than fifteen days prior to the budget meeting of the League Board, the Executive Director shall distribute to the Board a detailed budget describing the estimated revenues and expenditures for the ensuing budgetary period for the League Board’s consideration and approval.

(b) **Dissemination.** Upon approval, a copy of the League’s budget shall be sent to each regional division and functional department president, who shall make it available to division and department members.

**Section 3: Limitation of Expenditures.**

The League Board may not incur indebtedness in excess of the estimated or actual revenues for the ensuing fiscal year, without the approval of the League’s General Assembly.

**Section 4: Annual Audit.**

The League’s accounts shall be audited by a certified public accountant after the close of each fiscal year.
Section 5: Special Assessment for League Building.

By resolution approved by a majority of those cities present and voting thereon at an Annual Conference, a special assessment may be levied for a permanent headquarters office building in Sacramento as specified in the resolution.

Article XIV: Prohibited Transactions

Section 1: Conflicts of Interest.

General Principle. Members of the League Board as well as members of League policy committees, and members of any standing or ad hoc committees and task forces consisting of members of the League Board or League policy committees, are expected to make decisions in the best overall interests of cities statewide, as opposed to narrow parochial, personal, or financial interests. This is analogous to city officials being expected to make decisions in the best overall interests of the community as opposed to narrow private or self-interests.

Section 2: Loans.

Except as permitted by California Nonprofit Corporation Law, the League may not make any loan of money or property to, or guarantee the obligation of, any director or officer. This prohibition does not prohibit the League from advancing funds to a League director or officer for expenses reasonably anticipated to be incurred in performance of their duties as an officer or director, so long as such individual would be entitled to be reimbursed for such expenses under League Board policies absent that advance.

Section 3: Self-Dealing and Common Directorship Transactions. 

(a) Self-Dealing Transactions. A self-dealing transaction is a transaction to which the League is a party and in which one or more of its directors has a material financial interest.

(b) Common Directorships. “Common directorships” occur when the League enters into a transaction with an organization in which one of the League directors also serves on the organization’s board.

(c) Pre-Transaction Approval. To approve a transaction involving either self-dealing or a common directorship, the League Board shall determine, before the transaction, that

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12 See Cal. Corp. § 7235.
13 See generally Cal. Corp. Code § 7233. Note that interested or common directors may be counted in determining the existence of a quorum in a board or committee meeting that approves such transactions. See Cal. Corp. Code § 7234.
(i) The League is entering into the transaction for its own benefit;

(ii) The transaction is fair and reasonable to the League at the time; and

(iii) After reasonable investigation, the League Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

Such determinations shall be made by the League Board in good faith, with knowledge of the material facts concerning the transaction and the director’s interest in the transaction, without counting the vote of the interested director or directors.

(d) Post-Transaction Approval. When it is not reasonably practicable to obtain Board approval before entering into such transactions, a Board committee may approve such transaction in a manner consistent with the requirements in the preceding paragraph, provided that, at its next meeting, the full Board determines in good faith that the League Board committee’s approval of the transaction was consistent with such requirements and that it was not reasonably practical to obtain advance approval by the full Board, and ratifies the transaction by a majority of the directors then in office without the vote of any interested director.\(^\text{14}\)

Section 4: Ethical Considerations.

These restrictions, of course, represent the floor, not the ceiling, for ethical conduct as a League board member or policy committee member. If a board member or policy committee member believes that there are circumstances under which the League’s members might reasonably question the board member’s or policy committee member’s ability to act solely in the best interests of the League and its member cities, the prudent course is to abstain. As an example, typically League board members have abstained from participating in decisions on legislation that would affect organizations for which they work. Another example is legislation that would uniquely benefit a board member’s city. Policy committee members should also consider abstaining in similar circumstances.

Article XV: Miscellaneous

\(^\text{14}\) See Cal. Corp. Code § 7233 (specifying under what circumstances a self-dealing transaction is void or voidable).
Section 1: Indemnification.

(a) Indemnity Authorized. To the extent allowed by California Nonprofit Corporation Law, the League may indemnify and advance expenses to its agents in connection with any proceeding, and in accordance with that law. For purposes of this section, “agent” includes directors, officers, employees, other League agents, and persons formerly occupying these positions.

(b) Approval of Indemnity. An individual seeking indemnification shall make a written request to the League Board in each case.

(i) Success on the Merits. To the extent that the individual has been successful on the merits, the League Board will promptly authorize indemnification in accordance with California Nonprofit Corporation Law.

(ii) Other Instances. Otherwise, the League Board shall promptly determine, by a vote of a majority of a quorum consisting of directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct under California law, and, if so, will authorize indemnification to the extent permitted.

(c) Advancing Expenses. To the extent allowed under California Nonprofit Corporation Law, the League Board may authorize an advance of expenses incurred by or on behalf of an agent of this corporation in defending any proceeding prior to final disposition. The League Board shall find that:

(i) the requested advances are reasonable; and

(ii) before any advance is made, the agent will submit a written undertaking satisfactory to the League Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this section.

Section 2: Insurance.

The League Board may authorize the purchase of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising


17 See Cal. Corp. Code § 7237(b) and (c) (with exceptions).


19 See also Cal. Corp. Code § 7237(i) (authorizing insurance).
out of the agent’s status as such, and such insurance may provide for coverage against liabilities beyond the League’s corporation’s authority to indemnify an agent under law.

Section 3: Contracts and Execution of Instruments.

All contracts entered into on behalf of the League shall be authorized by the League Board, or by the person or persons upon whom the League Board confers such power from time to time. Except as otherwise provided by law, every check, draft, promissory note, money order, or other evidence of indebtedness of the League shall be signed by the persons authorized to do so by the League Board.

Section 4: Disposition of Assets Upon Dissolution.

The League’s properties and assets are irrevocably dedicated to the fulfillment of the League’s purposes as described in Article II. No part of the League’s net earnings, properties and assets, on dissolution or otherwise, may inure to the benefit of any private person. On liquidation or dissolution, the League’s net assets shall be distributed to the League’s Member Cities consistent with the provisions of the California Nonprofit Corporation Law relating to mutual benefit corporations then in effect.

Section 5: Parliamentary Authority.

Subject to the provisions of these bylaws, Robert’s Rules of Order or other such parliamentary rules as may be adopted by the League Board shall prevail at all meetings of the League, the League Board, and in all functional departments and regional divisions.

Section 6: Seal.

The League Board has provided a suitable seal for the League which is circular and which contains the following inscription:

“LEAGUE OF CALIFORNIA CITIES
INCORPORATED NOVEMBER 4, 1932, CALIFORNIA”

The seal may be affixed to corporate instruments, but any failure to affix it does not affect the instrument’s validity.

Section 7: Governing Law.

In all matters not specified in these bylaws, or in the event these bylaws are inconsistent with applicable law, the provisions of California Nonprofit Corporation Law then in effect apply.
Section 8: Litigation Authority.

Member Cities authorize the League to initiate or respond to litigation on their collective behalf when the League Board determines such litigation is necessary to protect Member Cities’ shared vital interests.

Article XVI: Amendments

Section 1: Consideration.

These bylaws may be amended by the League’s General Assembly (see Article XVI, section 5 for procedures) or by a mail ballot to Member Cities (see Article XI, section 5 for procedures).

Section 2: Vote Threshold.

A two-thirds vote of approval of those voting is necessary to amend these bylaws.

Section 3: Who May Propose.

Amendments may be proposed by the League Board or by petition of ten percent of Member Cities. The proponent may specify whether the amendment is to be considered at the General Assembly or by mail ballot.

Section 4: Board Review.

Any amendment proposed by petition shall be submitted to the League Board in writing for its review. The League Board’s recommendation and reasons following its review shall accompany all materials relating to the proposed amendment.

Section 5: Procedure for Consideration by General Assembly.

(a) Notice. The meeting notice required by Article V, section 4 for League meetings shall include notice of any proposal to amend the League’s bylaws, along with the subject of the proposed amendment(s).

(b) Consideration by General Assembly. The proposed amendment, along with any action by the League Board pursuant to section 4 of this Article, shall be considered by the General Assembly along with any resolutions presented pursuant to Article VI.

Section 6: Effective Date.

After approval, amendments go into effect after the expiration of the protest period (see Article XVI, section 7) unless otherwise specified in the amendment.
Section 7: Protest and Suspension until Next Conference.

If, within sixty days after the adoption of any amendment, one-third or more of the Member Cities submit a written protest against such amendment, the amendment is automatically suspended until the next Annual Conference, when it may be taken up again for reconsideration and vote.

Article XVII: Establishment and Financing of Grassroots Network

Section 1: Enhancement of Advocacy Efforts.

To enhance the League’s advocacy efforts on behalf of cities, the League hereby establishes a Grassroots Network. The Grassroots Network consists of a series of field offices throughout California, responsible for coordinating city advocacy efforts and promoting statewide League policy priorities.

Section 2: Dues Increase.

(a) Initial Financing. The dues increase approved concurrently with the addition of this article shall finance the League’s Grassroots Network for the second half of 2001 and 2002. The increase shall be used exclusively to finance the Grassroots Network.

(b) Continued Financing. Any subsequent dues increases shall occur in accordance with Article IV.

Section 3: Accountability.

(a) Annual Goal-Setting and Performance Assessment. The League Board shall set long-term goals and annual objectives for the League’s Grassroots Network. The League Board shall periodically report to the League’s Member Cities on the Grassroots Network’s performance in meeting those goals and objectives.

(b) Board Discontinuance. If at any time the League Board finds the Grassroots Network is not meeting its objectives on behalf of cities, the League Board may discontinue the Grassroots Network.

(c) Membership Vote on Program Continuation. On or before December 31, 2007, Member Cities shall vote (see Article XI, section 5 for procedures) on whether to continue the Grassroots Network beyond December 31, 2008.  

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20 At its meeting of September 8, 2007, the General Assembly of the League of California Cities adopted Resolution #1 that the Grassroots Network Program be continued and operated in accordance with these bylaws.
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Appendix 3

Resolution Process
League of California Cities Resolution Process

### REGULAR RESOLUTIONS

<table>
<thead>
<tr>
<th>Policy Committee Action</th>
<th>General Resolutions Committee Action</th>
<th>Calendar</th>
</tr>
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<tr>
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<td>Regular Calendar²</td>
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<tr>
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<td>Disapprove or Refer</td>
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### PETITION RESOLUTIONS

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<tr>
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<td>Disqualified per Bylaws Art. VI</td>
<td>Does not proceed to General Assembly</td>
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**Resolutions**

- Submitted 60 days prior to conference *Bylaws Article VI, Sec. 4(a)*
- Signatures of at least 5 supporting cities or city officials submitted with the proposed resolution *Bylaws Article VI, Sec. 2*
- Assigned to policy committee(s) by League president *Bylaws Article VI, Sec. 4(b)(i)*
- Heard in policy committee(s) and report recommendation, if any, to GRC *Bylaws Article VI, Sec. 4(b)(ii)*
- Heard in GRC
  - Approved by policy committee(s) and GRC, goes on to General Assembly on consent calendar *2006 General Assembly Resolution Sec. 2(C)*
  - If amended/approved by all policy committee(s) to which it has been referred and disapproved by GRC, then goes on to General Assembly on the regular calendar. If not all policy committees to which it has been referred recommend amendment or approval, and the GRC disapproves or refers the resolution, the resolution does not move to the General Assembly *2006 General Assembly Resolution Sec. 2(A),(C); 1998 General Assembly Resolution, 1st Resolved Clause*
  - If disapproved by all policy committees to which it has been referred and disapproved by the GRC, resolution does not move to the General Assembly *2006 General Assembly Resolution Sec. 2(C)*
- Heard in General Assembly

¹ The consent calendar should only be used for resolutions where there is unanimity between the policy committees and the GRC that a resolution should be approved by the General Assembly, and therefore, it can be concluded that there will be less desire to debate the resolution on the floor.

² The regular calendar is for resolutions for which there is a difference in recommendations between the policy committees and the GRC.
Petitioned Resolutions

- Submitted by voting delegate Bylaws Article VI, Sec. 5 (a)
- Must be signed by voting delegates representing 10% of the member cities Bylaws Article VI, Sec. 5 (c)
- Signatures confirmed by League staff
- Submitted to the League president for confirmation 24 hours before the beginning of the General Assembly. Bylaws Article VI, Sec. 5 (d)
- Petition to be reviewed by Parliamentarian for required signatures of voting delegates and for form and substance Bylaws Article VI, Sec. 5(e)
- Parliamentarian’s report is presented to chair of GRC
- Will be heard at GRC for action (GRC cannot amend but may recommend by a majority vote to the GA technical or clarifying amendments) 2006 General Assembly Resolution sec. 6(A), (B)
- GRC may disqualify if:
  - Non-germane to city issues
  - Identical or substantially similar in substance to a resolution already under consideration Bylaws Article VI, Sec. 5(e), (f)
- Heard in General Assembly
  - General Assembly will consider the resolution following the other resolutions 3 Bylaws Article VI, Sec. 5(g)
  - Substantive amendments that change the intent of the petitioned resolution may only be adopted by the GA 2006 General Assembly Resolution sec. 6(C)

Voting Procedure in the General Assembly

Consent Calendar: Resolution approved by Policy Committee(s) and GRC. Petitioned resolution approved by GRC)

- GRC Chair will be asked to give the report from the GRC and will ask for adoption of the GRC’s recommendations
- Ask delegates if there is a desire to call out a resolution for discussion
- A voting delegate may make a motion to remove a resolution from the consent calendar for discussion
- If a motion is made to pull a resolution, the General Assembly votes on whether to pull the resolution from the consent calendar.
- If a majority of the General Assembly votes to pull the resolution, set “called out” reso(s) aside. If the motion fails, the resolution remains on the consent calendar.
- If reso(s) not called out, or after ‘called out” reso is set aside, then ask for vote on remaining resos left on consent
- Move on to debate on reso(s) called out
- After debate, a vote is taken
- Voting delegates vote on resolutions by raising their voting cards.4

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3 Petitioned Resolutions on the Consent Calendar will be placed after all General Resolutions on the Consent Calendar. Petitioned Resolutions on the Regular Calendar will be placed after all General Resolutions on the Regular Calendar.

4 Amendments to League bylaws require 2/3 vote
**Regular Calendar:** Regular resolutions approved by Policy Committee(s)\(^5\), and GRC recommends disapproval or referral; Regular resolutions disapproved or referred by Policy Committee(s)\(^6\) and GRC approves; Petitioned resolutions disapproved or referred by the GRC.

- Open the floor to determine if a voting delegate wishes to debate a resolution on the regular calendar.
- If no voting delegate requests a debate on the resolution, a vote to ratify the recommendation of the GRC on the resolution is taken.
- Upon a motion by a voting delegate to debate a resolution, a debate shall be held if approved by a majority vote of the General Assembly. If a majority of the General Assembly to debate the resolution is not achieved, then a vote shall be taken on whether to ratify the GRC’s recommendation. If a majority of the General Assembly approves of the motion to debate the resolution, debate will occur. After debate on the resolution, a vote is taken based upon the substitute motion that was made, if any, or on the question of ratifying the GRC’s recommendation.
- Voting delegates vote by raising their voting cards.

*(Reference: League Bylaws, Article VI; Board Minutes February 2015)*

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\(^5\) Applies in the instance where the GRC recommendation of disapproval or refer is counter to the recommendations of the policy committees.

\(^6\) Applies in the instance where the GRC recommendation to approve is counter to the recommendations of the policy committees.
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Appendix 4

FPPC Advice Letters
November 12, 1998

Mr. Don Benninghoven
Executive Director
League of California Cities
1400 K Street
Sacramento, California 95814

Re: Your Request for Advice
Our File No. I-98-177

Dear Mr. Benninghoven:

This letter is in response to your request for advice on behalf of the League of California Cities regarding the provisions of the Political Reform Act (the “Act”).

QUESTION

The League of California Cities offers to reimburse each member of its board of directors for travel and lodging expenses associated with his or her service as a board member. The League also pays for meals, coffee and other expenses associated with League board and committee meetings. Are these payments reportable under the Act, or do they fall under the exemption in regulation 18950.3 for an official’s travel to make a speech within California.

CONCLUSION

The League’s travel reimbursements to city officials for service on the League’s board and committees do not fall within regulation 18950.3’s exemption for travel to make a speech within California. Under the Act, the board members are required to report reimbursements for transportation, lodging and meals from the League of California Cities as income or gifts on their statements of economic interests.

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1 Government Code sections 81000 - 91014. Commission regulations appear at title 2, sections 18109 - 18995, of the California Code of Regulations. Because your letter requests general advice and does not pertain to a particular official or event, we are treating it as a request for informal assistance, indicated by the file number prefix “I.” Informal assistance does not provide the requestor with the immunity provided by an opinion or formal written advice.
FACTS

You have provided the following background and informational facts about the League of California Cities (the "League"). The League is an association of cities created by city officials in 1898 to help city officials better serve their citizens. The League's various programs are conducted under the direction and supervision of the League's volunteer board of directors, which is made up of elected and appointed city officials from throughout the state. The League also has a number of committees of city officials that make recommendations to the League's board and perform other services for the League.

The League of California Cities is a voluntary membership association of California cities. The League's mission is threefold: (1) to educate city officials and coordinate the communication of ideas and information among city officials; (2) to develop broad support on issues and advocate those views to other governmental agencies and the public; and (3) to improve the quality of life in cities by assisting officials to make city services more responsive to its citizens.

The League's principal means of addressing policy and organizational issues is through its volunteer board of directors. The League's board consists of at least 37 directors, each of whom must be a city official from one of the League's member cities. Participation on the board requires intrastate travel to quarterly board meetings and, in some instances, interstate travel to attend National League of Cities events. The League's board members are volunteers; they receive no compensation for their time in statewide service to the League and all its member cities.

The League pays for the expenses associated with League board members' attendance at board meetings (typically meals served at board meetings). In addition, the League offers to reimburse board members for the costs associated with traveling to and from some board meetings and any overnight stays associated with two-day board meetings. In some instances a board member's city will advance the travel expenses and the League will reimburse the city. In other cases, the League will reimburse the board member directly.

You state that the League does not pay a general per-meeting stipend, it reimburses board members for their travel costs. The League's reimbursement policy provides for a $20 per day allowance for incidental expenses, which not all board members claim out of a recognition that such an amount could be considered reportable income if not backed up by actual travel expenses.

The League does not pay the expenses associated with board meetings held at the League's annual conference on the theory that each director would already be attending the conference. Also, the League does not reimburse travel expenses to its non-board committee meetings, although it typically provides coffee and lunch (usually sandwiches) at all-day committee meetings.
In addition, for League board executive committee members, the League offers to reimburse travel expenses associated with travel to League divisions to make presentations on behalf of the League, travel to National League of Cities meetings to represent California cities’ interests nationwide, and travel to meet with state officials, including testimony before legislative committees.

In sum, service in League leadership roles, including service on the League board, is on a volunteer basis. Consistent with the practices of most non-profits, the League offers to reimburse each member of its board of directors for the travel and lodging expenses associated with his or her service as a board member. (See League Bylaws, art. IV, §9.) The League also pays for meals, coffee and other expenses associated with League board and committee meetings.

The issue presented is whether any of these payments are reportable within the meaning of the Act. You argue that the nature of the services provided by League board and committee members constitute a “similar service” under the Commission’s regulations, and that therefore, the reimbursements from the League need not be included in city officials’ reports of gifts and income to the Commission.

ANALYSIS

The Act is designed to prevent a public official from making a governmental decision if the official has a financial interest in that decision. (Section 87100.) To prevent conflicts of interest, the Act requires all public officials to file a statement of economic interests (“SEI”) each year. Public officials file their SEI on Form 700 disclosing their investments, real property, and income and gifts that they have received during the year. (Section 87200 et seq.) In addition, the Act prohibits a public official from making a governmental decision that affects an entity or individual that has been a source of income or gifts to the official of $250 or more in the past 12 months. (Section 87103.) Further, it prohibits public officials from accepting gifts of $290 or more per year from a single source. (Section 89503.)

One of the most common benefits a public official receives is a third party paying for his or her travel expenses to make a speech, attend a conference or seminar, or inspect a facility. Travel expenses under the Act include transportation, accommodations and meals. Examples of third parties who sometimes pay for officials’ travel are private businesses and corporations; private interest groups and organizations (including 501(c)(4) organizations); foreign governments; government agencies other than the one for which the official works; and nonprofit charitable, religious or educational 501(c)(3) organizations.

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2 See, e.g., Cal. Corp. Code §5239(b) (payment of per diem, mileage or other reimbursement of expenses does not affect director’s status as a volunteer).
Under the Act, when a third party pays for a public official's travel, the payments are generally considered a gift to the public official. Less commonly, if the public official has provided consideration (e.g., performed work or services) in exchange for the payments, the payments for travel are considered income to the public official. Reflecting this, the statement of economic interests (Form 700) has Schedule F, titled "Income/Gifts—Travel Payments, Advances, and Reimbursements." On Schedule F, public officials disclose any payments for travel that they have received during the year, the name and address of the entity that paid for the travel, the amount of the payment, date, and whether the payment was a gift or income.

The Commission previously advised you that city officials serving as League board members who receive reimbursement for their travel to League board meetings, must report the travel payments from the League on Schedule F as income or gifts.3 (Benninghoven Advice Letter, No. I-93-298.)

Many city officials who serve as League board members do not understand why or do not think they should have to report travel reimbursements from the League as income on their SEIs. They view the League of California Cities, an organization that brings officials from California's cities together, as almost an arm of government. In volunteering to serve on the League's board, they are increasing their effectiveness as city leaders and serving the public by gaining knowledge and ideas from other cities to be put to use in their city. At the League's quarterly board meetings and committee meetings, they are doing serious, substantive work. They thus find it odd that travel reimbursements from the League must be reported as income or gifts under the Act.

The Act has certain exceptions to the $290 per year gift limit and reporting requirements for travel payments, such as the exception for travel paid for by a government agency or a nonprofit 501(c)(3) organization, and the exception for an official's travel to make a speech within California. As discussed below, however, these exceptions do not apply to travel reimbursements from the League to city officials for their service as League board or committee members.

3 In the Benninghoven Advice Letter, No. I-93-298, we discussed how to determine whether payments to city officials to attend League functions should be reported as income or gifts:

"... if a city official can demonstrate that he or she provided value in return for paid travel expenses, the official received income and not a gift. If the city officials are representing the League on official League business, it appears that they are providing consideration and the travel reimbursement would not be a gift.

If the official does not provide consideration for the reimbursement, the reimbursement for travel is a reportable gift ...."

Refer to the Allen Advice Letter, No. A-96-121, for further discussion of when officials have provided consideration of equal or greater value in return for travel payments.
1. Exemption from Reporting for Travel Paid for by a Government Agency or 501(c)(3) Nonprofit Organization.

In 1993, the League wrote the FPPC arguing that travel reimbursements paid by the League to city officials were exempt from the definition of income in section 82030(b)(2) and thus did not have to be reported by city officials on their SEIs, because the League is both a governmental and educational institution.

The Act’s definition of “income” at section 82030 exempts government salary:

“(b) ‘Income’ also does not include:

* * *

(2) Salary and reimbursement for expenses or per diem received from a state, local, or federal government agency and reimbursement for travel expenses and per diem received from a bona fide nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.” (Section 82030(b)(2).)

The FPPC disagreed. We concluded that “the reimbursements that city officials receive from the League are not excluded from the definition of income and may be considered either income or a gift." Benninghoven Advice Letter, No. I-93-298. Our past advice letter concluded that the League was not a “bona fide educational, academic, or charitable organization” within the meaning of section 82030(b)(2), which the Commission had interpreted to mean 501(c)(3) organizations (and which was later amended to specifically refer to 501(c)(3) organizations).^4

Your current advice request continues to emphasize the League’s nonprofit status, noting that under California law, the League is a nonprofit mutual benefit corporation governed by Cal. Corp. Code §§ 7110 et seq. Under state law, however, nonprofit mutual benefit corporations are distinct from organizations dedicated solely to charitable, religious, or public purposes. Section 7111 of the nonprofit mutual benefit corporation law states:

“Subject to any other provision of law of this state applying to the particular class of corporation or line of activity, a corporation may be formed under this part for any lawful purpose; provided that a corporation all of the assets of which are irrevocably dedicated to charitable, religious, or public purposes and which as a matter of law or according to its articles or bylaws must, upon

^4 Before it was amended in 1997, this section exempted reimbursement for travel expenses and per diem received from a bona fide educational, academic, or charitable organization.” (Emphasis added.)

^5 See also Abt Advice Letter, No. I-91-436 (payments an official received from the Public Affairs Council, a 501(c)(4) organization, were not exempt from the definition of income under section 82030(b)(2)).
dissolution, distribute its assets to a person or persons carrying on a charitable, religious, or public purpose or purposes may not be formed under this part.” (Cal. Corp. Code §7111 [emphasis added].)

Similarly, under federal tax law, the League of California Cities is not exempt from taxation under section 501(c)(3) of the Internal Revenue Code. It is a 501(c)(4) nonprofit organization. The Political Reform Act’s distinction between these types of organizations in its income and travel provisions is not arbitrary. Organizations qualify for tax exempt status under Internal Revenue Code section 501(c)(3), only if they are organized and operated exclusively for charitable, religious, educational, scientific, literary, or amateur sports purposes. Internal Revenue Code section 501(c)(3) organizations are limited in their ability to make lobbying expenditures and attempt to influence legislation.

Internal Revenue Code section 501(c)(4) nonprofit organizations are civic leagues, community associations, and social welfare organizations, such as local chambers of commerce and volunteer fire departments. These organizations’ political expenditures and lobbying activities are not limited in the same way that 501(c)(3) organizations’ expenditures are. Most ballot measure committees and political committees are set up as 501(c)(4) organizations.

FPPC advice letters show many examples of 501(c)(4) organizations, such as:

- SANE/FREEZE, a national political organization dedicated to reducing military spending. (Ferenbach Advice Letter, No. A-90-105.)

- The Fallbrook Chamber of Commerce. (Gressit Advice Letter, No. A-94-372.)

- Capitol Network, a broad-based, nonpartisan association of government relations, administration, and legislative professionals. (Hiltachk Advice Letter, No. A-95-020.)

- The Committee for Citizen Action, a committee controlled by then-Senator Quentin Kopp for the sole purpose of raising funds to support or oppose state and local ballot measures. (Kopp Advice Letter, No. A-97-390.)

- Community Coalition Network, an organization that supports public education and informed leadership on school boards. It researches the voting records of school board candidates in 40 school districts in San Diego County and publishes the information through a direct mailing of “candidate evaluations.” (Dennis Advice Letter, No. A-98-029(a).)

- Organization of Unified Concerned Homeowners, a Yorba Linda homeowner’s association that drafted a ballot measure to stop the widening of a highway. (Hill Advice Letter, No. A-98-194.)
In addition to the League’s policy development and educational functions, one of the most important activities of the League is its legislative advocacy efforts on behalf of cities. The League employs lobbyists who represent cities’ interests in Sacramento and in Washington, D.C. As part of its grassroots lobbying efforts, the League publishes a weekly “Legislative Bulletin” during the legislative session, and mails it out to mayors and city managers, alerting them to pending issues in Sacramento. The League sends out special alerts on key legislation to elected and appointed city officials through a statewide fax system. As permitted for 501(c)(4) organizations, the League is active in lobbying on behalf of cities.

In response to your previous advice request, we further concluded that the League of California Cities was not a governmental agency. Though board members may feel like the League acts as an arm of government, or is in some ways integral to government, it is not a local government agency as defined in the Act:

“Local government agency’ means a county, city or district of any kind including school district, or any other local or regional political subdivision, or any department, division, bureau, office, board, commission or other agency of the foregoing.” (Section 82041.)

About 40 percent of the League’s funding comes from dues paid by officials, and 40 percent is revenue from the educational seminars that the League offers. The League also receives revenue from publication sales and advertising in the Western Cities magazine. Although much of the League’s revenue comes indirectly from cities (paying for their officials to attend League seminars), the League is not funded by government.

2. Exemption from Reporting for an Official’s Travel to Make a Speech Within California.

Another exception to the $290 per year gift limit and the gift/income reporting requirements for travel payments exists for an official’s travel to make a speech within California. Regulation 18950.3, titled “Travel in Connection With Speeches, Panels, and Seminars: Exception for All Filers,” states:

“Free admission, and refreshments and similar non-cash nominal benefits provided to a filer during the entire event at which the filer gives a speech, participates in a panel or seminar, or provides a similar service, and actual intrastate transportation and any necessary lodging and subsistence provided directly in connection with the speech, panel, seminar, or service, including but not limited to meals and beverages on the day of the activity, are not payments and need not be reported by any filer.” (Emphasis added.)
Under this exception, if a third party pays for an official to travel within California to make a speech, participate in a panel or seminar, or provide a similar service, the payment for the official’s transportation, lodging, and meals is not considered a gift or income and does not have to be reported by the official.

In the present advice request, you argue that payments by the League to city officials should not be reportable under regulation 18950.3:

"... the League believes that its leadership’s activities with respect to the League qualify as a ‘similar service’ to participating in a panel or debate and the League’s provision of meals during these activities and reimbursement of travel expenses are not reportable." (Advice request dated July 7, 1998, from League Executive Director Don Benninghoven to FPPC General Counsel, p. 10.)

You argue that the nature of the services provided by League board and committee members constitute a “similar service” to giving a speech within the meaning of the Commission’s regulations interpreting the Act, and that therefore, the reimbursements from the League need not be included in city officials’ reports of gifts and income to the Commission.

You state that the activities of the League’s volunteer leadership — representing the League at events, and participating in League board and committee meetings — all share the characteristics of service, preparation, and structure. Because of this, you believe these activities constitute “similar services” to participating in a panel, debate or speech within the meaning of regulation 18950.3. You emphasize that serving in a leadership position with the League involves providing a valuable service, that the level of preparation for League board and committee meetings equals or exceeds that associated with participating on a panel, and that as directors of a nonprofit corporation, League board members assume a fiduciary responsibility under California law to perform their duties with due care and good faith. (See Cal. Corp. Code § 7231.)

You describe how League board meetings operate. Notice of League meetings is mailed out well in advance and directors are expected to prepare for League meetings by reviewing materials, consulting with their respective departments or divisions, and researching and evaluating the issues on the agenda, before the meetings. At League board meetings, board members typically are asked to give a brief presentation on recent developments in the League's various divisions and departments. This practice enables the board as a whole to stay apprised of statewide developments relating to cities and city staff. Board members who also serve on League committees are also frequently called upon to explain their committee's recommendations to the board. You describe how during the balance of the meeting, directors engage in lively debates on policy issues of critical concern to cities. The directors then report their decisions back to their respective divisions and departments, which begins the process of
providing feedback to the directors that they then bring to the following meeting. Directors also participate in subcommittees and report their findings or recommendations at these board meetings. Members of the board’s executive committee preside or must be ready to preside throughout the two-day meeting, leading the discussion, applying the rules of order, and ensuring that all voices are heard.

You argue that the Commission’s regulatory definitions of giving a speech, participating in a panel or seminar, or providing a similar service includes service on the League’s board or committees.

We recognize the substantive nature of city officials’ service on the League’s board and committees. However, we have never construed the exception for making a speech, participating in a panel or seminar, or providing a similar service, to be so broad as to include serving on an organization’s board of directors.

Regulation 18950.3 concerning intrastate travel by an official to make a speech, is an exception to the general rule that travel reimbursements from third parties are reportable gifts or income. As an exception to the general statutory rule, it should be construed narrowly. (See 58 Cal.Jur.3d Statutes, § 116 (1993 Supp.) (exceptions to the general rule of a statute are strictly construed).) Our previous advice has construed regulation 18950.3’s phrase “gives a speech, participates in a panel or seminar, or provides a similar service” narrowly, never expanding it to include an official’s attending a conference, or serving as a board or committee member at the meeting of an organization.

Regulation 18931.1 amplifies the definition of making a “speech.” It defines a “speech” to mean a public address, oration, or other form of oral presentation, and includes participation in a panel, seminar, or debate. A “speech” does not include a comedic, dramatic, musical, or other similar artistic performance. (Regulation 18931.1.) For example, we have advised that an appearance on the Ricki Lake Show to participate in a panel discussion broadcast on television qualifies as a “speech given” by a public official. (Manson Advice Letter, No. A-94-308.) In the Poole Advice Letter, No. A-95-376, we advised that an Assembly employee’s serving as mistress of ceremonies6 at an NAACP awards banquet constituted a service similar to giving a speech, such that travel payments to her to attend the conference were not subject to gift limits.

We have consistently advised, however, that merely attending or being a “discussant” at a conference does not qualify as giving a speech or oral presentation as required by the regulation. (Hoehn Advice Letter, No. I-92-392.)

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6 The Assembly employee spoke before 150-200 individuals attending the dinner; provided an introductory statement about the history of the annual dinner; announced the evening program; introduced NAACP branch officials and VIPs who were present in the audience; and announced award recipients, giving summaries of their biographies.
In the Bogetich Advice Letter, No. I-95-180, we advised that payments an Assembly consultant received from a high technology industry association for a three-day visit to Silicon Valley to participate in meetings and discussions would be gifts. The letter concluded that the Assembly staffer's participation in meetings and discussions did not fall within the exemption in regulation 18930.3 for "giv[ing] a speech, participat[ing] in a panel or seminar, or provid[ing] a similar service."

In the Cochran Advice Letter, No. A-96-015, we advised that payments a staff toxicologist at CalEPA's Department of Pesticide Regulation received from DowElanco for participating in a two-day workshop sponsored by DowElanco, were gifts and were not exempt under the exception for officials traveling to make a speech. In that case the toxicologist was to share information about his research on dietary exposure to chlorpyrifos in a series of roundtable discussions and breakout sessions, but he was not a leader or facilitator of any of the discussions. The letter concluded that "participation in a discussion group, even with advance preparation, does not constitute 'making a speech' for purposes of the travel exception in section 89506(a) and the definition in regulation 18931.1."

In the Martinez Advice Letter, No. A-96-198, we advised that payments to a state legislator and staff consultant from the National Conference of State Legislators ("NCSL") to attend the "Energy Institute '96," a two-day conference focusing on electric utility issues sponsored by NCSL and the federal Department of Energy, would be gifts if the source of the conference scholarships was NCSL, a non-501(c)(3) organization whose goal is to improve the effectiveness of state legislatures and represent the interests of states and state legislatures at the federal government level.

In addition, in the Williams Advice Letter, No. I-95-405, we advised that an "Assemblymember's holding informal meetings with constituents or a few individuals who are members of a particular group" does not constitute "giving a speech" for purposes of the reporting exemption in regulation 18950.3.

In conclusion, we reaffirm the advice given in the 1993 letter to you, that reimbursements paid by the League to city officials for travel to League events must be reported on the officials' statements of economic interests as either income or a gift.
If you have any other questions regarding this matter, please contact me at (916) 322-5660.

Sincerely,

Steven G. Churchwell
General Counsel

By: Hyla P. Wagner
Staff Counsel, Legal Division
October 15, 1993

Don Benninghoven
Executive Director
League of California Cities
1400 K Street
Sacramento, CA  95814

Re: Your Request for Advice
Our File No. I-93-298

Dear Mr. Benninghoven:

You have requested informal advice\(^1\) on behalf of the League of California Cities ("League") regarding application of the Political Reform Act (the "Act")\(^2\) to the League's travel reimbursement policy.

**QUESTION**

The League often reimburses city officials for travel expenses in connection with League activities, including travel to the National League of Cities ("NLC") meetings. Under the Act, does such reimbursement create reporting or other obligations for the city officials?

**CONCLUSION**

Reimbursement for travel provided to city officials when they represent the League on League business is income to the officials for purposes of the Act. This income is not exempt under Section 82030(b)(2) and therefore is reportable.

**FACTS**

The League of California Cities is an association of all 470 cities in California. One of the League's most central functions

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\(^1\) Informal assistance does not provide the requestor with the immunity provided by an opinion or formal written advice. (Government Code Section 83114; 2 Cal. Code of Regs. Section 18329(c)(3).

\(^2\) Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations, Sections 18000-18954. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.
is to represent cities' interests in the State Legislature and Congress, by evaluating and responding to proposed bills which could potentially impact cities. The League's activities in this respect are specifically authorized by Government Code Section 50023. The League complements its legislative activities with an extensive training and development program for city officials.

The League is governed by a volunteer board of thirty-six directors. The board is composed of an elected representative from each of fifteen state regions, one representative from each of the League's ten operating departments, eight directors at large, a president, a first and second vice-president, and a past president. The board acts as the primary policy-determining group of the League.

Participation in the League often involves travel. City officials on the League's Board of Directors travel to quarterly board meetings, which occur at various locations in the state.

The League also works closely with the National League of Cities, which performs at the national level many of the advocacy and training activities done by the California League. Members of the League's Board of Directors and other League officials attend numerous NLC events in Washington, D.C. and throughout the country. As with the California League, city officials receive no remuneration for participating in NLC activities.

**ANALYSIS**

**Income**

Section 82030(b)(2) exempts "salary and reimbursement for expenses or per diem received from a state, local, or federal government agency and reimbursement for travel expenses and per diem received from a bona fide educational, academic, or charitable organization" from the definition of "income" under the Act.

You state that the League is both a governmental and an educational institution. Therefore, you contend that the exemption from income should apply to a city official who is reimbursed by the League for travel expenses incurred by the official in connection with League business.

Under Section 82030(b)(2), the exemption from income only applies to reimbursement from a state, local or federal government agency and from a bona fide educational organization. Although you have stated that the League is the legislative arm of local agencies and its activities are authorized by Government

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3 The Commission does not act as the finder of fact in providing advice. (In re Ogelsby) (1975) 1 FPPC Ops. 71.)
Code Section 50023, this does not make the League a "local government agency," which is defined in the Act as:

[A] county, city or district of any kind including school district, or any other local or regional political subdivision, or any department, division, bureau, office, board, commission or other agency of the foregoing.

Section 82041.

You also state that the League serves an educational purpose. Therefore, it must be determined if the League is a bona fide educational organization within the meaning of Section 82030(b)(2) for the reimbursements from the League to be exempt from the definition of "income" under the Act.

Since the Commission has not promulgated regulations to clarify what constitutes a bona fide educational, academic, or charitable organization, we utilize other authorities for guidance concerning what constitutes a "bona fide educational, academic, or charitable organization" for purposes of the Act. (Sonoda Advice Letter, No. A-89-179, and McGowan Advice Letter, No. A-90-452, copies enclosed.)

The Internal Revenue Code allows individual deductions for charitable contributions. (26 U.S.C. 170(a)(1).) Charitable contributions are defined as contributions or gifts to, or for the use of:

(2) A corporation, trust, or community chest, fund, or foundation:

(B) organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or to foster national or international amateur sports competition... or for the prevention of cruelty to children or animals.


Moreover, the Internal Revenue Code exempts from taxation:

(3) Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial
part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation ..., and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

26 U.S.C. Section 501(c)(3).

A corporation which is organized and operated exclusively for educational, academic, or charitable purposes, and which is exempt from taxation under the provisions of Section 501(c)(3) of the Internal Revenue Code qualifies for this limited exception to the reporting and disclosure requirements of the Act.

Your letter states that the League serves educational functions, however I have been informed by your General Counsel, Ms. JoAnne Speers, that the League is not an educational organization enjoying tax exempt status under Internal Revenue Code Section 501(c)(3). Therefore, we must conclude that the League is not a bona fide educational organization for purposes of Section 82030(b)(2).

Accordingly, the reimbursements that city officials receive from the League are not excluded from the definition of income and may be considered either income or a gift. (Sections 82030(a) and 82028.)

Gift

A gift is a form of income. (Section 82030(a).) Section 82028(a) defines a gift as "any payment to the extent that consideration of equal or greater value is not received..."

Following our previous advice in the Riddle and Quan letters (A-89-200 and A-89-182), the city official has the burden of showing that he or she provided consideration of equal or greater value in exchange for the reimbursement of travel expenses and per diem paid by the League. If the official does not meet this burden of proof, the reimbursement will constitute a gift to the official. Section 89501 prohibits a local elected officeholder from accepting any gifts, from any single source, in excess of $1,000 in a calendar year, except reimbursement for actual travel expenses and reasonable subsistence in connection therewith.

City officials on the League’s Board of Directors travel to quarterly board meetings as well as to national League events in Washington, D.C. and throughout the country. Therefore, if a city official can demonstrate that he or she provided value in return for paid travel expenses, the official received income and not a gift. If the city officials are representing the League on official League business, it appears that they are providing consideration and the travel reimbursement would not be a gift.
If the official does not provide consideration for the reimbursement, the reimbursement for travel is a reportable gift, but it is not subject to the limits. (Section 89501.) If the reimbursement is a gift, Regulation 18950.2 (copy enclosed) provides certain exceptions for local elected officers only. Essentially, the regulation provides that a payment for transportation, lodging and reasonable subsistence in connection with attendance at a meeting or conference is not subject to the limits in Section 89501; however, the payment is reportable under Section 87207(c).

I trust this answers your question.

Sincerely,

Steven G. Churchwell
General Counsel

By: Jill Stecher
Counsel, Legal Division

SC:JS:ak
Enclosures

cc: Ms. Joanne Speers
General Counsel, League of California Cities