

**Oct. 15, 2015
Issue #94**

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Transportation Conference Committee to Hold First Hearings Oct. 16 and 21

The first two hearings of the conference committee of the First Extraordinary Session (Transportation) have been scheduled for Friday, Oct. 16 in Sacramento and Wednesday, Oct. 21 in Ontario. *For more, see Page 2.*



CalPERS to Consider Policy to Lower Investment Risk

League Supports Fund Sustainability, Urges CalPERS Board to Consider Challenges for Cities

The CalPERS Board of Administration next week will consider a new funding risk mitigation/investment policy to help reduce risk and volatility in the fund in years in which returns exceed the “discount rate” by 4 percent or more. The discount rate is used to calculate future investment returns, taking into consideration how the current year’s performance will affect the next year. *For more, see Page 2.*



League Seeks Images of City Council Meetings, Agendas, Council Member Discussions and More for Use in New Brown Act Publication

The League is in the process of updating its publication, *Open and Public: A Guide to the Ralph M. Brown Act*. In publishing the fifth edition of the most-referred to users guide for open and public meetings, the League is interested in featuring new images from California cities to illustrate the book. *For more, see Page 2.*

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According to legislative staff, the committee members plan to examine various proposals to fund transportation infrastructure, with an emphasis on repairing California's deteriorated highways, streets, and roads. Gov. Jerry Brown's Administration will present its funding proposal and the Legislative Analyst's Office will describe and compare this and other proposals. Witnesses representing local government, labor and business will provide testimony.

Both written and verbal public testimony will be accepted at the hearings, and cities are encouraged to stress the importance of a proposal that includes both additional revenues for the local streets and roads system and reform proposals. As with most conference committees, negotiations will continue between the conferees after the hearings. This may be the best opportunity for public input before the Legislature comes to an agreement.

Hearing details are as follows:

Friday, Oct. 16
10:00 a.m. to 12:30 p.m.
State Capitol, Room 4202
Sacramento, CA 95814

Wednesday, Oct. 21
9 a.m. to 12:30 p.m.
Ontario City Hall
City Council Chambers
303 East "B" Street
Ontario, CA 91764

The conference committee was [announced](#) shortly after the end of the regular session in September.

The League remains committed to advocating for additional funding and streamlining measures to address the 10-year, \$78 billion funding shortfall for the local streets and roads system. The League is a member of [Fix Our Roads](#), a broad coalition of local government, labor, and business stakeholders working toward an agreement.

'CalPERS' Continued from Page 1...

The new plan could potentially produce lower returns for the nation's largest pension investment fund and trigger changes in employer and employee contributions in the future. Under the proposed policy the CalPERS "discount rate" would be lowered from its current rate of 7.5 percent in increments of .05 percent up to a maximum of .25 percent depending on the excess investment return over the established discount rate. Discount rate reductions will then trigger changes in investment asset allocations, reducing likely investment returns and volatility in investment returns and gradual increases in employer and employee rates in the future.

The proposed policy is viewed by CalPERS as a preferable alternative to the current policy in which strong investment years are typically followed by lower performing years. When returns are lower, the cost to participating agencies rises. It is hoped the proposed policy will soften the employer and employee rate swings that result from steep declines in investment returns.

The potential action is detailed in the *Sacramento Bee*, ["CalPERS aims to lower investment risks,"](#) Oct. 12, 2015

League Research and Reaction

The League recently conducted a survey of cities to assess cities' perspectives on CalPERS volatility. The survey found that 77 percent of the 115 responding cities support the CalPERS board taking steps to reduce volatility in its investments by lowering the discount rate and gradually raising employer/employee contribution rates in the next few decades in addition to already programmed increases. However, the League cautioned CalPERS when reporting on the

results that the implementation of any additional rate increases to reduce future investment and rate volatility will be even more challenging for those cities in fiscal distress. The League urged the CalPERS board to balance its policy with this reality.

League Executive Director Chris McKenzie stated: “We believe the proposed Funding Risk Mitigation Policy reflects the overwhelming opinion of the respondents to the League survey and still allows the CalPERS Board to consider fiscal distress of local agencies and other factors as they may arise in the future. There is strong support at the local level for keeping the CalPERS system fiscally sustainable, and reducing volatility risk in the investment portfolio is a major ingredient in accomplishing that goal. These additional costs will likely be the subject of future local labor negotiations.”

‘Images’ Continued from Page 1...

Cities who are interested in submitting images should take high resolution photos that the League can use in the publication. Images should be at the size of 8.5”x8” and a minimum of 240 dpi.

The following are images are needed:

- City councils and the public engaged in a meeting — such as a shot from the back of the chamber looking at the dais with the council seated. The opposite image would be useful taken behind the dais seeing the backs of the council at the dais looking out at the full chamber of community members;
- City council with no meeting participants in the audience visible;
- City council meeting agendas both as printed documents and also on digital devices such as a tablet or laptop or computer screen;
- The agenda posted at city hall as public notice;
- Stack of agenda packets on a desk;
- Two council members talking directly to each other;
- Speaker phone on dais;
- Microphones both on dais and at the podium where public comments; and
- The public at the podium commenting.

The League requests that if you take pictures with the audience visible, please ask those in the images to sign a release form so the League has authorization to use their image.

Because city council meetings occur on a weekly or biweekly basis and staff is extremely busy during the meeting, the League suggests that cities interested in submitting images for this purpose, ask city staff to participate as the audience with the council in a staged meeting as not to take away from the work being done in a real public meeting.

Images can be emailed to leagueofcities@gmail.com.

Please contact [Eva Spiegel](#) with any questions at (916) 658-8228.

The League greatly appreciates your city’s input and participation in this process. Thank you for your help in making *Open and Public V* a dynamic publication.

PACE Funding Approved as Administrator of CSCDA Open PACE Program

California Statewide Communities Development Authority (CSCDA) this year launched its Open PACE platform as a turnkey solution for residential and commercial property owners to finance renewable energy, energy efficiency and water efficiency improvements via a voluntary property assessment placed on a property owners’ property. CSCDA is pleased to announce the addition of PACE Funding to its offering of Open PACE Program administrators. The Open PACE Program now will allow city and county property owners to access CaliforniaFIRST, AllianceNRG and PACE Funding through the adoption of a one-time resolution.

PACE Funding CEO Robert Giles said “We are excited to be able to roll out our financing product to the California market through CSCDA. CSCDA has a long track record of bringing innovative

financing programs to California municipalities and Open PACE will be yet another success for them”.

To learn more about Open PACE please visit the CSCDA [website](#).

About CSCDA

CSCDA was created in 1988, under California's Joint Exercise of Powers Act, to provide California's local governments with an effective tool for the timely financing of community-based public benefit projects. CSCDA is sponsored by the California State Association of Counties and the League of California Cities. Currently, more than 500 cities, counties and special districts have become Program Participants to CSCDA.

Registration for the 2016 City Managers Department Meeting is Now Open

Deadline to Register is Jan. 4

The League is gearing up for the 2016 City Managers Department Meeting in Indian Wells being held on Feb. 3-5.

This meeting allows city managers and assistant managers the opportunity to network and keep current on the wide range of issues. This is the largest gathering of managers that the League facilitates.

Full conference registration includes admission for the following:

- Two and a half days of educational sessions;
- Wednesday reception, Thursday lunch, Friday breakfast; and
- Electronic access to all program materials.

Registration fees subsidize the following: \$50 for Cal-ICMA and \$50 for CCMF.

Additional information about the City Managers Department Meeting sessions and speakers is available on the League's [website](#).
