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California’s Local Tax and Bond Measure Results June 2016

Along with one statewide measure (Proposition 50), the Presidential Primary election in California on June 7 included over 150 local measures. Among these were 89 ballot questions proposing new revised or extended local bonds or taxes. Local schools requested a total of \$6.1817 billion in school construction bond authorizations in 46 individual measures. Three cities sought a total of \$442 million in bonds including a \$350 million seismic safety bond in San Francisco, a library bond in Santa Cruz County and a roadway and storm drain repair measure in Orinda.

For more, see Page 2.



Federal Court of Appeals Holds Cash-in-Lieu Payments Must be Included in Regular Rate of Pay When Calculating Overtime

Cities Should Review Payroll Practices

The Ninth Circuit Court of Appeals issued a decision on Thursday, June 2, 2016, in *Flores v. City of San Gabriel* — a case in which former and current police officers challenged the city’s practice of excluding cash payments made in lieu of health benefits from the officers’ regular rate of pay when calculating overtime under the Fair Labor Standards Act (FLSA). *For more, see Page 2.*



California City Solutions: Irvine Finds Winning Combination to Improve Mail Center Operations

This story is part of an ongoing series featuring Helen Putnam Award entries. The 2015 entries are available on the League’s website as a resource for cities in a searchable database called [California city Solutions](#). Irvine’s Mail Center project was submitted in 2015 for the Internal Administration award category. For more, see Page 2.

'Measures' Continued from Page 1...

Based on election night counts with 100 percent of all precincts reporting, 70 of the 89 tax and bond measures have passed. Several others are too close to call. All majority vote city tax proposals passed except perhaps one: a one percent sales tax measure in Compton that currently is too close to call at 49.5 percent yes. All seven school parcel tax measures passed and 41 out of 46 school bonds were approved.

The [full report](#) is available from CaliforniaCityFinance.com.

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The FLSA requires covered employers to compensate employees at one and one-half times their “regular rate” of pay for all overtime hours. The regular rate is defined by FLSA regulations as the hourly rate of remuneration paid to employees for the normal, nonovertime workweek, except for certain categories of pay that are specifically excluded.

The city argued that its cash-in-lieu payments fell within excluded categories but the Ninth Circuit Court disagreed. The court found the cash-in-lieu payments to be different from other payments which are not made as compensation for hours of employment — such as vacation or holiday payments, or payments for travel or other expense reimbursements — and held that it is not necessary for the payments to be tied to the actual hours worked or the amount of service provided to be considered compensation for purposes of calculating the regular rate of pay. The court further concluded the payments do not fit within the exclusion for “contributions irrevocably made by an employer to a trustee or third person pursuant to a bona fide plan for providing ... health insurance or similar benefits for employee.”

After finding the cash-in-lieu payments were improperly excluded from the regular rate of pay, the court went on to find that the exclusion was “willful,” therefore entitling the officers to three years of back overtime pay, instead of two, plus liquidated damages. The court based its willfulness finding on the fact that the city did not take any affirmative action to determine whether its exclusion of cash-in-lieu benefits complied with the FLSA.

Although this ruling may be appealed, cities that provide cash payments to their employees in lieu of health benefits should consider asking their city attorney to review their payroll practices in light of the court’s ruling in this case.

'CCS: Irvine' Continued from Page 1...

For over a decade, the city of Irvine has outsourced internal mail service delivery with Project Independence, a nonprofit organization dedicated to promoting independence for the developmentally disabled. Project Independence provides an example of an internal administrative success story. Through continued assessment and management, this unique program highlights the ability of local government to provide economic and efficient service delivery through compassion, promoting an internal culture of acceptance and understanding. Project Independence reflects the city of Irvine’s efforts to be a disability friendly community including access to jobs, education, housing and the entire range of cultural and recreational activities.

The city’s mail center is a key service function that operates within the city clerk’s division, a section of the city manager’s department. On an annual basis, the city’s mail delivery team is responsible for the delivery of approximately 120,000 pieces of incoming mail, 20,000 pieces of interoffice mail, and 2,000 packages and parcels. With the advance of technology, traditional U.S. Postal Service mail service usage has declined. However, the city’s volume of mail remains high because of the 39 percent increase in the city’s population over the past ten years, and the growing volume of larger parcels with the expanded use of online services and greater logistics provided by shippers such as FedEx, UPS and the U.S. Postal Service.

Irvine had previously outsourced mail center services, which resulted in high consultant turnover, increasing complaints, inconsistent job performance and a need for direct supervision. Critical

mail and packages often include time sensitive materials, checks, escrow documents and agreements. Misplacing and/or mishandling critical mail can severely impact city operations. The turnover of consultant staff was increasingly problematic, requiring recruitments and subsequent trainings on a continual basis. More than 45 consultants were hired during a five-year period, resulting in inconsistent performance and poor service deliverables. Once it was determined that a change in operations needed to occur, the city performed a focused research and evaluation process, and determined that the best solution for mail services would be a hybrid option, combining city oversight with outsourced services.

Irvine requires departments to run both efficiently and economically, with an emphasis on customer service. Through the analysis of mail center operations, a hybrid solution was developed that not only addressed efficient and economical management processes but also provided outstanding customer service and efficiency in service delivery that were unprecedented in this segment of city operations.

Project Independence is an Orange County based nonprofit with a mission to “to promote civil rights for people with developmental disabilities through services which expand independence and choice.” The organization carries out its mission through its creation of employment opportunities for individuals with developmental disabilities by providing support and training to employees and employers. Through the partnership between the city and Project Independence, teams of mail clerks were organized to perform mail delivery tasks for the city. This turned out to be highly successful, both by efficiently performing essential tasks and by providing a variety of benefits for program participants and the city as a whole.

Through this collaborative program, all city mail is delivered and picked up by a team of mail clerks comprised of adults with developmental disabilities. This team is supported by city staff members and skilled Project Independence job coaches. While the mail team includes adults with developmental disabilities such as autism, cerebral palsy and Down syndrome, the focus is on the abilities the team currently owns. In its daily service of 23 mail stops at city hall and 22 satellite facilities, the mail team displays the ability to provide accurate service while multitasking to ensure that daily goals are met. Job coaches drive the teams to the satellite facilities in vans that are provided and maintained by Project Independence. In 2014, mail delivery staff logged over 13,000 miles delivering mail for the city.

Irvine’s mail delivery team consists of two groups of four part-time mail clerks, one working in the morning and the other in the afternoon. The morning team is comprised of the Project Independence Community Day Service Program, which offers employees a higher level of support from job coaches. The afternoon team consists of employees from the Project Independence Supported Employment Program. This program is for employees who are able to work independently with occasional support from job coaches. Although different, both groups of employees have showed great ability to successfully fulfill the city’s mail delivery needs, with very few employee performance issues.

Continual communication and collaboration between city staff overseeing mail operations and Project Independence staff has virtually eliminated turnover in the city’s mail delivery operations saving time and money that is normally dedicated to training new staff. The city’s lead mail coordinator works with Project Independence job coaches and supervisors in a biannual performance appraisal of each mail clerk, allowing the city’s feedback on employee performance and individual goal setting.

Project Independence has proved to be an invaluable collaborator resulting in outstanding operational outcomes. The combination of efficient business practices and an immeasurable and intangible human value is indicative of the positive influence local government can provide in its daily operations. Through this program, the mail teams are encouraged and ultimately develop high self-esteem, independence, and an enhanced quality of life. This collaboration has become a model of inclusiveness, enriching both the mail teams and their customers (city employees) whose demonstrated acceptance and encouragement provides a winning combination for mail center operations.

Through the value and empowerment of employment and encouragement of independent living, Project Independence focuses on what their employees can do, rather than what they cannot do.

On a daily basis, the mail teams assigned to the city of Irvine learn the value of pride in one's work, the value of dedication and loyalty and the value of comradeship and acceptance. Often, those with intellectual disabilities feel isolated and different. Through collaborative programs such as Project Independence, those who face daily challenges can find fulfillment and purpose. City employees have been accepting of this program and admire the courage and dedication of its mail teams, finding inspiration in their determination to lead fulfilling lives under difficult circumstances.

The city's partnership with Project Independence for mail delivery services has resulted in many supplementary benefits. In addition to providing an essential service, city employees have the opportunity to work in a diverse and inclusive work place, and to interact with a unique group of people that they might not have otherwise encountered. This level of integrative management has fostered a great source of pride for this unique program, one that will hopefully be modeled and shared with other municipalities.

League-Sponsored Bond Agency Issues \$15.6 Million in Tax-Exempt Bonds for Affordable Housing Project in San Jose

Some of the most significant benefits of League membership for cities since 1988 have flowed from the League's co-sponsorship of the [California Statewide Communities Development Authority](#) (CSCDA).

This program provides a variety of public agencies and developers access to low-cost, tax-exempt financing and economic development tools. CSCDA recently issued a total of \$15,600,00 in tax-exempt multifamily housing bonds for the Courtyard Plaza Apartments in San Jose.

About Courtyard Plaza Apartments

Courtyard Plaza Apartments (Courtyard Plaza) is an acquisition and rehabilitation of 81 multifamily affordable housing apartments by Courtyard Community Partners, LP. The project sponsor is WNC & Associates, Inc. (WNC). Courtyard Plaza will continue to be 100 percent affordable and provide one and two-bedroom apartments to low-income residents in San Jose.

CSCDA and WNC partnered with California Bank & Trust to provide tax-exempt multifamily affordable housing bonds for Courtyard Plaza. The rehabilitation will include full exterior stucco replacement with accent siding, window, door and roof replacement. Unit interiors will include new kitchen and bathroom cabinetry and counters, new tub/shower fixtures, and new flooring and appliances. Common areas will be improved with solar to offset energy load, the office and community room will be remodeled, and the two pool areas will be expanded to provide more lounging space. The financing of Courtyard Plaza will maintain the affordability of units for low-income tenants for 55 years.

Background

CSCDA is a joint powers authority created in 1988 and is sponsored by the League of California Cities® and the California State Association of Counties. It was created by cities and counties for cities and counties. More than 500 cities, counties and special districts are program participants in CSCDA, which serves as their conduit issuer and provides access to efficiently finance locally-approved projects. CSCDA has issued more than \$50 billion in tax exempt bonds for projects that provide a public benefit by creating jobs, affordable housing, healthcare, infrastructure, schools and other fundamental services. Visit CSCDA's [website](#) for additional information on the ways in which CSCDA can help your city.

Register Now for the City Clerk’s Workshop Being Offered During the League’s Annual Conference

The League of California Cities® has opened registration for its 2016 Annual Conference & Expo, being held on Oct. 5–7 in Long Beach. City Clerks can also register for a workshop that specifically covers the California Public Records Act (CPRA). The workshop is being held Wednesday, Oct. 5 from 10 a.m.-2:30 p.m.

View this year’s conference [schedule](#) to read the great line-up of sessions and networking opportunities available for attendees. For more information, check out the annual conference [announcement with session information](#).

City Clerks Workshop: The California Public Records Act

The California Public Records Act (CPRA), established in 1968, requires public inspection and disclosure of government records upon request unless otherwise exempted by law. Almost half a century later, the traditional view of the CPRA is being challenged. Instant access to information is seen not only as the right of an individual but a broader expectation of modern day society. In a world where human interactions are electronically recorded and instantly available in real-time, reevaluation of CPRA views is prudent and necessary to ensure government maintains pace with the community it serves. Explore the historical, legal and social applications of the CPRA, and to identify challenges and opportunities.

This workshop requires additional registration of \$150 per member city or \$300 per non-member city. The workshop begins with a business meeting from 10-10:30 a.m. followed by the four- hour workshop, and includes lunch.

CMC/MMC Advanced Education Point accreditation will be available.

Lodging Information

There are several fantastic properties for lodging this year around the Long Beach Convention Center. Reduced hotel room rates are available for registered attendees and can only be reserved online using the links provided in your conference registration confirmation email. Phone reservations will not be available.

Register early, as space is limited. If you have any questions, please contact [Dayna Casper](#).

Showcase Your City’s Sustainability Efforts and Apply for ILG’s Beacon Program Recognition

The deadline is looming to submit an [application](#) for the Institute for Local Government’s (ILG) 2016 Beacon Program Award recognition. Cities and counties have until July 1 to submit information on energy savings, greenhouse gas reductions and sustainability best practices for a chance to win an award. Only cities participating in the program can qualify for awards. Awards will be presented at the League of California Cities’ 2016 Annual Conference and Expo being held Oct. 5-7 in Long Beach. Learn more about the program and how to apply by visiting ILG’s [website](#).

For questions about the award program, please contact [Karalee Browne](#) at (916) 658-8274.

A Push for Civic Education

The Annenberg Foundation recently found that only a third of all adult respondents to a national survey could name all three branches of the federal government. Of the college graduates surveyed, 10 percent thought Judge Judy is a member of the United States Supreme Court. Research studies and media editorials bemoan the decreasing lack of even fundamental civic awareness of our citizenry and how this weakens our democratic institutions.

This trend is particularly unfortunate for our communities because an increasing body of research also shows that citizen interconnectness and community cohesion is the single biggest contributor to resiliency of our communities from natural and man-made disasters. Civic connectedness and a feeling of “belonging” brought about through civic engagement can lessen the likelihood of civil unrest that city officials may occasionally have to deal. As our people’s mistrust of government, income inequities and social alienation from our communities and institutions grows this situation require a civic renewal in our country. Such civic renewal can only be achieved by a focus on civic education that must reach beyond the brief few hours of academic time now allotted to studying government in California classrooms. New generations of Americans will have to be taught in new ways the civic lessons necessary for productive citizenship.

“[A Push for Civic Education](#),” in the June issue of the [International City/County Management Association’s PM magazine](#), provides a pragmatic prescription for improving the civic health of our communities through restoring our focus on civic education. Practices that increase civic awareness are plentiful and diverse in American communities and should be an area of increasing significance to managers and elected officials alike. Advocating the use of both a number of traditional and newer digital civic education solutions available to local government leaders the authors believe we can reverse this trend of growing civic illiteracy. These practices range from traditional student in government days to modern digital games simulating election campaigns to platforms that increase the access to civic information and public officials. Providing an overview of digital civic platforms available and examples of where practices are employed in California and around the country the article is appropriate for distribution to elected officials, civic groups and organizations to create a coalition of civic, educational and governmental partners.

California cities and counties are entering a new era of technology assisted civic engagement and education. However our success will depend on the historic role for managers and elected officials to exercise their influence and personally get involved to mend the civic fabric of our communities. With the exception of classroom teachers few professionals are better positioned to facilitate civic education than those of us in local government leadership.
