



## **GOVERNANCE, TRANSPARENCY AND LABOR RELATIONS POLICY COMMITTEE HIGHLIGHTS**

**Thursday, January 23, 2020**

Hyatt Regency, 1209 L Street, Regency F, Sacramento

### **ATTENDANCE**

Members: Jess Talamantes (Chair); George Harris (V.Chair); Michael Allawos; Jan Arbuckle; Bill Baber; Melanie Bagby; Greg Barton; Lisa Blackmon; Rick Bonilla; Matthew Bronson; Aram Chaparyan; Rich Constantine; Katherine Cooley; Elisa Cox; Geoff Ellsworth; Claudia Frometa; Leon Garcia; Jennifer Gomez; Jose Gonzalez; Jenny Haruyama; Linda Hollinsworth; Jose Jasso; Randi Johl; Paolo Kespradit; Jelani Killings; Dawn LaBar; Sara Lamnin; John Leonard; Joseph Lillio; Joe Lopez; Frank Luckino; Paul Morris; Carlie Myers; Stephanie Nguyen; Jason Nutt; Lori Ogorchock; Cynthia Owens; Glenn Parker; La Vonda Pearson; Melinda Sayre; Robert Schultz; Rhonda Shader; Emma Sharif; Corey Sianez; Margaret Silveira; Arne Simonsen; Randy Stone; Isaac Suchil; Anthony Tave

League Partners: Ryder Smith

Staff: Bijan Mehryar, Legislative Representative and Johnnie Pina, Legislative Policy Analyst

### **I. State Budget and General Briefing**

On Thursday, Olivia Valentine, Chair, League Revenue and Taxation Policy Committee gave a brief introduction at the General Briefing Session. After her welcome, she introduced League President John Dunbar, Mayor, Yountville, who welcomed everyone and thanked them for their commitment to the policy committee process. President Dunbar then recognized his fellow officers in the room, and shared that they had met with legislators and the Governor's staff earlier that week. He emphasized the importance of League members contacting legislators when in Sacramento to make the most of everyone's time during their visit. President Dunbar explained that there is a lot of value in building relationships and advocating on legislation that could affect cities.

Turning to the budget, President Dunbar stated that he was excited to see money heading to cities. He is encouraged by the relationship between the League and the Governor and the open lines of communication that they share. President Dunbar closed by reiterating the importance of sharing the message of protecting local authority in meetings with legislators and continued participation in policy committees.

President Dunbar introduced Carolyn Coleman, League Executive Director. Ms. Coleman thanked President Dunbar for all of his hard work, and welcomed everyone to Sacramento. Ms. Coleman thanked everyone in attendance for their time engaging and building a strong voice for the League. She explained that the League would not be as effective if it were not for the collective efforts of the policy committee members. Ms. Coleman also acknowledged the League partners present and thanked League staff for all of their hard work. She concluded by introducing everyone to Melanie Perron, League Deputy Executive Director, Advocacy and Public Affairs.

The League's Fiscal Policy Advisor, Michael Coleman, walked everyone through the State Budget update, which included how the State plans to spend the \$5.9 billion surplus and pay down debts while growing its reserves. He further explained how there is substantial

funding in the budget to address housing and homelessness, natural resources and the environment, and fire protection. Mr. Coleman reminded everyone that this is only a budget proposal and is not final. There will be a May revision to this proposal, but this proposal is a good indication of where the Governor's budget is headed. The finalized budget will be voted on by the Legislature and signed by the Governor by the end of June.

Jason Rhine, Assistant Legislative Director, kicked off the legislative update by discussing issues related to housing, community, and economic development. Mr. Rhine emphasized that it is currently the second year of a two-year legislative session, and in addition to the two-year bills, there likely will be over a thousand new bills introduced this year. He emphasized that SB 50 is one of the biggest bills this year for housing, and despite recent amendments, the League remains oppose unless amended on this measure (this measure failed passage by the legislative deadline of January 31). Mr. Rhine then spoke about homelessness. He explained that this is the third year with significant money in the budget to address homelessness, with about \$1 billion in investment. Mr. Rhine explained that the League will continue to work with the Governor's office to address issues related to homelessness.

Bijan Mehryar, Legislative Representative, highlighted issues related to governance, transparency, and labor relations. He began by explaining that this year there will be a large focus on pensions as a component of cities overall fiscal sustainability. In relation to pensions, Mr. Mehryar highlighted SB 266, a two-year bill that may be acted upon this year to require cities to directly pay retirees disallowed retirement benefits using general fund dollars. Mr. Mehryar then discussed labor and workers compensation noting AB 418, which seeks to extend evidentiary privileges between union agents and a represented employee (this measure is a two-year bill currently on the Senate floor). He finished his update emphasizing he will continue to monitor issues related to elections and redistricting into 2020.

Charles Harvey, Legislative Representative, explained several evolving public safety issues. Mr. Harvey expressed that one of the big issues this year will be cannabis. He was happy to report that AB 1356 will not pass off the Assembly floor. Instead, a new bill related to model retail ordinances will be introduced. Mr. Harvey does expect to see a cannabis enforcement bill later this year, extending to cities the authority to impose civil fines and penalties against illicit cannabis operations. He is continuing to monitor issues related to cannabis taxation, including a recently introduced bill to lower excise taxes. Lastly, Mr. Harvey highlighted AB 1190, which the League supported regarding a framework for drone regulation. He explained this bill will be referred to three policy committees in the Senate, and he will continue working with cities in shaping drone policy this year.

Derek Dolfie, Legislative Representative, began his presentation by discussing environmental quality. He highlighted the League is working on issues related to utility initiated power shutoffs, grid hardening, and electrical undergrounding in conjunction with the Transportation, Communications, and Public Works, and Public Safety Policy Committees. Mr. Dolfie then turned to solid waste and recycling, thanking the cities in attendance who weighed in on SB 54 and AB 1080 related to the reduction of single-use plastic waste. He emphasized these bills are still moving through the legislative process, and there will be an updated action alert issued soon.

Mr. Dolfie then discussed community services. He mentioned the Governor issued an executive order last year creating a Master Plan for Aging and a stakeholder advisory committee. Mr. Dolfie highlighted Immediate Past President, Jan Arbuckle, Council Member, Grass Valley currently serves on this committee representing the local

government perspective. Mr. Dolfie also added the Governor's budget proposal includes \$65.1 million for the creation of a "Parks for All Initiative," which seeks to expand access to parks, open spaces, and natural lands for all Californians.

Rony Berdugo, Legislative Representative and Federal Policy Liaison, gave a legislative update on transportation, communications, public works and federal issues. He began by reviewing the scooter legislation carried over from last year, AB 1286, which the League co-sponsored, and AB 1112, which the League opposes. Mr. Berdugo then turned to the active litigation that the League is in with the Federal Communications Commission. He explained the Transportation, Communications, and Public Works Policy Committee would get an update on this case later in the day. Mr. Berdugo also mentioned he has been working with the California Public Utilities Commission on closing the digital divide through broadband deployment. Mr. Berdugo finished his update by reviewing federal issues of importance to the League, including remote identification for drones, streamlining of the National Environmental Policy Act, and the recently approved federal budget.

Lastly, Nick Romo, Senior Fiscal Policy Analyst, highlighted issues related to revenue and taxation. He explained the Revenue and Taxation Policy Committee will continue to work with and monitor the activities of the California Department of Tax and Fee Administration as they have begun collecting sales and use taxes from out of state retailers following the passage of AB 147, regarding Wayfair v. South Dakota. In regards to annexation, Mr. Romo highlighted a two-year bill that the League supports, AB 213, currently in the Senate Appropriations Committee. He reiterated the League will continue to support annexations and incorporations into 2020. Mr. Romo closed his update by addressing the Governor's recent streamlining of Enhanced Infrastructure Financing Districts (EIFDs) by removing the 55 percent vote requirement. While helpful, EIFDs remain difficult for cities to initiate.

## **II. Special Joint Presentation to the Revenue and Taxation and Governance, Transparency and Labor Relations Policy Committee Members**

Following the General Briefing for all policy committees, the Governance, Transparency and Labor Relations Committee and the Revenue and Taxation Committee received a special joint briefing from Marcie Frost, CalPERS CEO, on the [Priorities for the Future](#). The presentation included an overview of the pension system, which included how contributions are made and split among members, employers and investment earnings. It also included an outlook to the future funded status and how the system got to where it is now. CEO Frost also highlighted the risk mitigation policy, which established a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return, and strategic asset allocation targets.

The presentation highlighted three key risk factors which include investment risk, climate risk and employer affordability. The acknowledgement that employer affordability is a key factor to a healthy fund is a welcomed perspective from CalPERS. The presentation closed by describing the tools available to employers to assist them in maintaining pension affordability including the new pension outlook tool.

## **III. Welcome and Introductions**

Chair Jess Talamantes, Council Member, Burbank welcomed Committee members and provided an introduction.

## **IV. Public Comment**

None

## V. **Overview of Parliamentary Procedures and Robert's Rules**

Chair Talamantes stated that all members should have read the rules and procedures and briefly highlighted some of the key provisions and procedures the committee will follow. This was an informational item presented by the Chair as an agenda attachment.

## VI. **Committee Orientation**

Staff highlighted the importance of committee member involvement and engagement on the items brought before the committee. Additionally, staff made themselves available for comments and questions during and outside of committee meetings.

## VII. **Census and Elections update**

The committee received an update on the California 2020 Census from Yumi Sera, Deputy Director of Statewide Initiatives California Complete Count - Census 2020. She discussed why the census matters to cities and the negative impact an under count could have on California. She went on to discuss the hard-to-count populations and how cities can play a role in the count. Fact sheets for hard to count populations can be found [online](#). Additionally, the regional contact list is available [here](#).

Following the update from the California 2020 Census, the committee received an update from the Chief Consultant of the Assembly Elections and Redistricting Committee, Ethan Jones. Mr. Jones gave the committee an overview of the most prominent 2019 election issues and gave his thoughts of what is to come in 2020. The topics included redistricting, the 2020 census, the California Voter's Choice Act, campaign contributions, ballot order, the California Fair Political Practices Commission, and the California Voting Rights Act.

## VIII. **Discussion on the CalPERS Presentation**

Committee members shared their thoughts regarding the presentations they received with emphasis on the presentation from CalPERS. The committee discussed a wide range of issues including the Public Employees' Pension Reform Act, defined benefit plans, the change in California's demographics and labor pool, Cost of Living Adjustments, and the CalPERS health program. The committee members made it clear that it is hopeful to see that CalPERS is engaging with cities as a valued stakeholder and hope to keep the lines of communication open.

## IX. **League Strategic Priorities for 2020**

The committee was updated on the League's 2020 strategic priorities. Bijan Mehryar discussed the League Leaders retreat and explained the process by which strategic priorities are established. The League's 2020 strategic goals are as follows:

1. **Improve the supply and affordability of housing.** Provide cities with financial tools to increase construction of housing, particularly for vulnerable populations, reform state regulatory barriers, and ensure cities retain flexibility based on the size, geography, demographics, impact mitigation and land use needs of each community.
2. **Advocate for increased funding and resources to prevent homelessness and assist individuals experiencing homelessness.** Secure additional resources and flexibility to provide navigation assistance, emergency shelters and permanent supportive housing and strengthen partnerships with stakeholders to ensure mental health, substance abuse treatment, and wrap around services are available for adults and youth at risk of – or already experiencing –homelessness in our communities.
3. **Address cities' fiscal sustainability to deliver essential services and meet pension obligations.** Raise awareness among stakeholders about the fiscal challenges cities face and work collaboratively to secure new revenue tools and flexible

prudent policies to ensure cities are able to provide essential services to their residents while maintaining their ability to meet pension obligations.

4. **Strengthen community and disaster preparedness, public safety, and resiliency.** Improve community resiliency to disasters and environmental threats, and strengthen infrastructure stability and control, through expanding partnerships, including state and federal agencies, and securing additional resources and support for climate change adaptation, planning, preparedness, response, recovery, and sustainability in our cities.
5. **Address public safety concerns of California cities.**
  - Reform recently enacted criminal justice laws — enacted by both statute and initiative —that have eroded public safety protections of California residents through the passage of the Police Chiefs/Grocer’s-sponsored criminal justice reform measure eligible for the November 2020 state ballot, or by equivalent reforms achieved through legislative action.
  - Protect public safety by reducing access to firearms by the mentally ill.
  - Support additional tools and resources to address critical community challenges such as homelessness, mental health, domestic violence, drug rehabilitation, human trafficking and workforce development for ex-offender reentry.

**X. Update to the Existing Policy and Guiding Principles**

Mr. Mehryar referred the committee members to the League’s updated Existing Policy & Guiding Principles document, and encouraged them to familiarize themselves with the policies. He explained the importance of the guiding principles document as the foundation for League advocacy positions. The document is updated and published every two years to reflect significant policies adopted by policy committees and approved by the League Board of Directors.

A motion to adopt the existing policy and guiding principles with the conforming changes.

*The motion carried unanimously.*

**XI. Legislative and Legal Update**

Mr. Mehryar gave an update on the Governor’s proposed budget and legislative proposals which included AB 315 (Garcia), AB 418 (Kalra), AB 628 (Bonta), AB 932 (Low), AB 992 (Mullin), AB 1832 (Salas), and SB 266 (Leyva).

**XII. Adoption of 2020 Work Program**

In order to produce the committee’s work program, committee members were asked to complete an online survey before the meeting. The survey asked members to write their top three priorities for the committee to focus on this year. League staff created a draft committee work program based on the top responses. The draft was presented to the committee for feedback and discussion. After a thorough discussion and amendments to the initial draft plan, a motion was made to adopt the following items as the GTLR work program.

- **Monitor Legislation:** Continue to monitor legislation as it relates to the subject matter of this committee. The committee will also meet via webinar, if necessary, to give staff feedback and take legislative positions when appropriate. It is the goal of the committee to support presentations and discussions that benefit their consideration of legislation and recommendations to the League.
- **Fiscal Sustainability:** In addition to supporting strategic priority three, the committee will discuss ways to create a cohesive and inclusive statewide messaging strategy to guide city officials in communicating pension and other fiscal challenges to their employees, bargaining units and residents. Additionally, the

committee will discuss different strategies for cities to manage their obligations along with what policy recommendations should be advocated for at the state level.

- **Governance and Transparency:** Develop understanding of and advocate for effective policies regarding transparency and governance including but not limited to: California Public Records Act and Ralph M. Brown Act.
- **Elections:** Work with key stakeholders and the Legislature to explore further legislation surrounding California Voting Rights Act (CVRA) related litigation and compliance.

*The motion to adopt the work program carried with two opposed.*

**Next Meeting: Thursday, April 2, Sheraton Park Hotel, 1855 S Harbor Blvd, Anaheim**