

**GOVERNANCE, TRANSPARENCY & LABOR RELATIONS POLICY COMMITTEE  
HIGHLIGHTS**

Thursday, June 7, 2018

Sacramento Convention Center, 1400 J Street, Room 203, Sacramento

**ATTENDANCE**

Members: Sara Lamnin (Chair), Janet Abelson, Michael Allawos, Jan Arbuckle, Bill Baber, Melanie Bagby, Edi Birsan, Matthew Bronson, Cal Campbell, Raymond Eddy, Ron Galperin, Leon Garcia, Blanca Gomez, Jennifer Gomez, Peter Grant, George Harris, Mike Healy, Randi Johl, Bill Kampe, Jelani Killings, John Leonard, Joseph Lillio, Polly Low, Gordon MacKay, Laurie Murray, Lori Ogorchock, Alexandra Orologas, Joy Patterson, La Vonda Pearson, Pam Powell, Mary Ann Reiss, Maribel Reynosa, Robert Schultz, Reina Schwartz, Corey Sianez, Margaret Silveira, Arne Simonsen, Melissa Stevenson Diaz, Randall Stone

League Partner: Jonathan Holtzman, Dustin Reilich

Staff: Dane Hutchings, Johnnie Pina

**I. State Budget and Issues Briefing**

Rich Garbarino, League President and Council Member from the City of South San Francisco, welcomed all the attendees and thanked them for their valuable contributions to the League's policy development process. He then paused and asked the attendees to celebrate the voter's support earlier that week for Proposition 69, which ensured that revenues derived from SB 1 could only be used for transportation purposes. He added that the battle to protect local transportation funds was not over, and the League would be working with our partner organizations in the Fix Our Roads coalition to help voters understand the value of preserving these funds. He also noted that voters had approved two other League-supported measures: Prop. 68, the park bond, and also Prop 72 to give a tax break for rainwater capture. League Executive Director Carolyn Coleman provided additional welcoming remarks.

Next, League Fiscal Policy Consultant, Michael Coleman, gave an in-depth update of the Governor's May budget revise. He discussed the revenues generated by the state and the funding priorities for the administration. Erin Evans-Fudem explained the League's budget asks including wildfire and disaster funding, increasing funding for the Transformative Climate Communities program, and increasing state funding to address organic waste recycling challenges.

League Deputy Executive Director/Legislative Director Dan Carrigg then gave an overview of the primary election results including the high-profile Governor's race in November. He talked about the candidates and highlighted some of the positions the candidates have on issues important to the League, such as housing.

Michael Coleman then provided an update on local ballot measures from the recent election. Dan Carrigg then discussed the challenges the League faces with multiple ballot measures in November. Specifically, Dan discussed the Business Roundtable's initiative. This initiative would significantly hinder a city's ability to raise revenue and fund essential services. Due to its retroactive provision, the initiative would undo 25 local ballot measures passed by the voters at the June election.

Jason Rhine, League's Assistant Legislative Director, then updated the attendees on housing legislation. Jason highlighted several bills including AB 2923 (Chiu), SB 828 (Wiener), SB 831

(Wieckowski), AB 2890 (Ting), AB 3162 (Friedman), and SB 946 (Lara). Jason explained that the budget deal on homelessness has been struck, but he urged everyone to call or visit their legislators to tell them that they support funding for homelessness.

Rony Berdugo, the League's lobbyist on Transportation, Communications and Public Works, was joined by National League of Cities lobbyist, Angelina Panettieri. Rony provided an overview of the fight over SB 649 (Hueso) the small-cell bill from last year, and the implementation transportation funding from SB 1 (Beall, 2016), and asked for volunteers to be champions to help defend SB 1. Rony then introduced Angelina, who discussed the National League of Cities perspective on telecom issues and how other states are addressing the issue. She asked for members to speak to their congressional legislators about broadband deployment to make sure that local government perspectives are heard in Washington D.C.

Dane Hutchings, the League's lobbyist on Governance, Transparency and Labor Relations, discussed AB 1912 (Rodriguez) that would apply retroactive liability to each member agency of a joint powers authority. Dane also discussed a recent budget trailer bill affecting contracting for library services that is reminiscent of AB 1250 (Jones-Sawyer) from last year.

Dan Carrigg then introduced the League's newest lobbyist for Public Safety, Charles Harvey. Charles introduced himself and discussed various cannabis and public safety bills. Primarily, Charles discussed SB 1302 (Lara) that would force cities to allow for deliveries in their jurisdictions. He urged the group to call their legislators to let them know that cities do not support SB 1302 or any other measure that removes cities' ability to regulate cannabis deliveries.

Lastly, Dan Carrigg gave a brief overview of the issues related to Revenue and Taxation. He briefly described SCA 20 (Glazer) and efforts to refine a proposed transition to destination allocation of local Bradley-Burns sales taxes as one of the primary topics of ongoing discussion.

## **II. Welcome and Introductions**

Chair Sara Lammin (Councilmember; Hayward) welcomed the committee and expressed gratitude to each member for their service to the cities of California and the League of California Cities. Each member was invited to introduce himself or herself. The committee was briefed on the meeting agenda.

## **III. Public Comment**

No Public Comment

## **IV. 2018 Legislative Agenda**

### **[SB 783 \(Pan\) Public Employee Pension Funds: Divestment Proposals: Review](#)**

League staff gave background information on the bill and explained its potential effect of reducing the harm of divestment. League staff goes on to say just how harmful divestment has been to the CalPERS fund. After answering a few clarifying questions, a motion was made to **Support if Amended**. The motion carried unanimously.

The amendments are as follows:

- Add a sixth member of the commission representing local government finance.

### **[SB 1421 \(Skinner\) Peace officers: Release of Records](#)**

League staff gave background on the bill and briefly explained the content of the bill. League staff gave the recommendation that we follow the lead of the California Police Chiefs Association and take a position of oppose unless amended. The committee then discussed this bill and heard from a police chief who serves on the committee regarding his perspective and insight on the bill.

A motion was made to **oppose unless amended**. The motion carried 32-3. The amendments are as follows:

- For instances of dishonesty and sexual assault, the bill specifies that there needs to be a “sustained finding” in order to release information. Extend this standard of “sustained finding” to specified use of force incidents.

## V. **Update on Election Related Issues**

Ethan Jones, Chief Consultant, Assembly Committee on Elections and Redistricting, spoke to the committee and discussed the current happenings in elections and redistricting. Ethan discussed security issues, cyber security, election reforms, budget negotiations, and the primary elections. There are currently many outdated voting systems throughout the state and the Governor’s budget includes \$134 million to replace the current voting systems. He also stated that things are quieter than normal this year. He mentioned how voter turnout in this primary election may have been the highest since 2002. This has also been the first statewide election with new election reforms including same day registration, vote centers, ballot drop boxes, and Voter’s Choice Act in Sacramento, San Mateo, Napa and Madera Counties. It appears as if the new vote centers have been successful. There was also discussion of the automatic voter registration, the top two primary system, the Secretary of State’s Cal Access website update and the signature recognition updates.

### **Proactively Managing your Pension Plan's Unfunded Liability**

Randall Dziubek, Deputy Chief Actuary of Valuation Services, and David Teykaerts, Stakeholder Relations of CalPERS gave a presentation regarding unfunded liability. They laid out three strategies on how a city can be proactive in paying down their unfunded liability. A webinar presented by CalPERS on the same subject can be found [here](#).

There was discussion about hardship criteria and the ongoing collaboration between employers and CalPERS to fine-tune the details of those criteria.

CalPERS staff also discussed a proposed private equity strategy called CalPERS Direct that is still under development. According to CalPERS, “CalPERS Direct would be governed by a separate, independent board to advise on allocation and longer-term capital market perspectives. It would consist of two separate funds. One would focus on late-stage investments in technology, life sciences, and healthcare, and the other on long-term investments in established companies. These would operate alongside CalPERS' existing private equity structure that typically invests in co-mingled private equity funds. Plans call for CalPERS Direct to launch in the first half of 2019, following final review and approval by the Board. CalPERS anticipates that up to \$13 billion a year will need to be invested in private equity to achieve a ten percent allocation of the portfolio.”

The committee engaged in discussion with CalPERS staff and asked them several questions. Discussion ranged from establishing 115 trusts to what positive changes are being made within CalPERS to engage more directly with local employer agencies. CalPERS staff ended by encouraging everyone to attend the CalPERS educational forums.

[The full PowerPoint presentation can be found here.](#)

## VI. **Legislative Update**

League staff provided the committee with a “Bills of Interest” document and then gave more detail regarding the following bills: AB 1912 (Rodriguez), SB 899 (Pan), AB 1749 (Daly), AB 2812 (Limon), AB 2123 (Cervantes), ACA 31 (Cervantes), and SB 459 (Portantino).

**VII. GTLR Work Plan and Strategic Goal Update**

League staff briefed the committee on the work that has been done since the last meeting. League staff discussed the local elected took kit that gives locals tools to advocate and bring more attention to the pension issue. The work of the pension response team was also discussed, including their advocacy on AB 1912. League staff also touched on the League's attempt to sponsor a bill that would have provided cities with more resources to improve their technological abilities.

**Next Meeting (tent.): Annual Conference, Long Beach, September 12**

*Staff will notify committee members after July 20<sup>th</sup> if the policy committee will be meeting in September.*