

AGENDA
REGULAR MEETINGS
BOARD OF DIRECTORS

EAST BAY REGIONAL PARK DISTRICT

Tuesday, May 4, 2010

C. BUSINESS BEFORE THE BOARD

7. BOARD COMMITTEE REPORTS

c. Legislative (2.19.10) (Radke)

The Legislative Committee met at District headquarters on Friday, February 19, 2010.

Present: Directors: Ted Radke (Chair), Ayn Wieskamp, John Sutter (Alt. for Doug Siden)
Staff: Pat O'Brien, Erich Pfuehler, Dave Collins, Carol Victor,
Bob Doyle, Jeff Rasmussen, Ted Radosevich
Consultants: Doug Houston, The Houston Group
Public: N/A

I. STATE LEGISLATION/ISSUES UPDATE

A. NEW

a. Proposed Legislation

AB 1594 (Huber) - Advocate Houston stated the purpose of this bill is to explicitly require legislative approval for authorization or funding of a peripheral canal around the Delta. The bills author, Alyson Huber, and supporters Lois Wolk and Tom Torlakson, felt frozen out of the water package negotiations last year. There is a clear feeling that Delta communities had minimal input into the process. Specifically, the bill calls on the Legislative Analyst's office to conduct a thorough analysis of costs associated with the construction of the canal. The intent of the analysis is to ensure southern Californians, who would be the main beneficiaries of the canal, would pay more of the costs than northern Californians. Houston added the bill is unlikely to advance, but it is a rallying point for other northern California legislators to discuss the need for a more fair and equitable cost sharing formula.

The Committee voted unanimously to SUPPORT.

AB 419 (Caballero) – Advocate Houston explained this bill, authored by Local Government Committee Chair Anne Marie Caballero, would require LAFCo recommendations, which need approval by the public, to be added to the most immediate upcoming general election ballot. Legislative Manager Pfuehler stated the bill is supported by the California Association of Local Agency Formation Commissions and seeks to create a uniform standard throughout the state.

The Committee voted unanimously to SUPPORT.

B. ISSUES

a. June Ballot Initiatives

PROPOSITION 15 - Political Reform Act of 1974: California Fair Elections of 2008 (Hancock). Advocate Houston stated this ballot proposal sets up a pilot project to publicly finance the 2014 and 2018 elections for the office of Secretary of State. To help pay for the elections, it imposes a \$700 fee on each agency or entity which retains a lobbyist. Additionally, it requires lobbyist to pay \$700 for each client they represent. Director Wieskamp asked if the proposition was likely to pass. Houston said not a lot of money would be spent in support, but some will be spent to oppose the proposition. Houston also mentioned there are serious Constitutional questions about Prop. 15 and the Institute of Governmental Advocates (IGA) may file suit.

PROPOSITION 16 – New 2/3rds Requirement for Local Public Electricity Providers. General Manager O'Brien stated this ballot initiative is supported by PG&E in response to Marin and San Francisco Counties trying to establish their own power purchasing programs for the purposes of offering more renewable energy to their residents. Pfuehler mentioned the costs involved for PG&E mean they will likely have less funding for charitable causes. Houston stated PG&E does not want competition from new municipal utility districts like SMUD in Sacramento. Wieskamp expressed she thought most of the public would be inclined to like the idea of local utilities. O'Brien discussed there is momentum behind cities and counties buying electricity on the open market and selling it back to their residents. If the movement continues, PG&E will lose their rate base. PG&E is banking on the idea that a 2/3rd vote by the public would reduce the momentum behind this movement.

PROPOSITION 14 - Elections: open primaries. Director Sutter questioned the mechanics of this proposition. He wondered how a declined to state voter could vote for some Democrats and some Republicans in the same primary. For example, could they ask for both ballots? Pfuehler noted at the end of the day, two Democrats or two Republicans could run against each other in the general election. The proposition's champion, State Senator Abel Maldonado, believes this dynamic might allow more moderates to win general elections. Wieskamp noted the most rapidly growing party is "declined to state." Advocate Houston pointed out that "declined to state" has exceeded 20% of the overall registration.

b. November Ballot Initiatives

Constitutional Convention:

Erich Pfuehler cautioned the series of articles about the lack of fundraising success by the Bay Area Council may, in fact, be a planned effort to solicit funds. The District will keep an eye on this "suspended" campaign and will try to meet with Jim Wunderman at the Council. O'Brien suggested this is a very good time to meet with the Council. If they bring another initiative forward, there may be an opportunity to include special districts. Advocate Houston said it is a difficult climate for reform right now, but the collective mindset of Californians could shift before the election. The Board discussed that there are currently 76 initiatives circulating, but it is doubtful many will make the ballot.

State Parks Access Pass:

Houston stated the proponents have held workshops to train volunteer signature gatherers. Currently, they have around 2 million signatures. Early polling showed people are willing to pay \$18 per vehicle license fee for “free” access to state parks. On its face, the District should generally be supportive. Of the total funds raised, 5% will be set aside for agencies which manage state parks. The District manages three state parks and may receive a portion of the 5%, but most of the set aside will probably go to Los Angeles County.

O’Brien noted that the Executive Director for the State Parks Foundation, Elizabeth Goldstein, will have some input on the guidelines for the distribution of resources should this initiative pass. The District gave Ms. Goldstein a tour of Eastshore State Park and informed her that it would probably not receive any funding under the language of the initiative. State Parks could still designate funds for Eastshore with discretionary money. If the District can put enough pressure on State Parks, they may allocate some resources to Eastshore.

Houston questioned why there was a distinction in the initiatives between parks where revenue is collected and where it is not. Houston also stated that the State Parks Foundation folks are generally sympathetic to the District’s interest in funding for Eastshore. O’Brien noted that other proponents of the ballot initiative are providing more funding to get it passed and, therefore, have more control of the measure’s wording. Other organizations, like the Nature Conservancy and Trust for Public Land, see this measure as a good way to fund acquisition of large tracts of property. They also see this as a vehicle to generate new money to operate and maintain these properties once they are acquired. These groups will acquire property on the nickel and turn around sell it back to the State on the dollar. O’Brien said that’s traditionally what they’ve done, but they’ve finally run into a roadblock though because State Parks has said they can’t take any more property. This initiative may have the unintended consequence of these groups acquiring more land, but not being able to sell it back to State Parks.

Director Sutter asked about the minimum the District would receive. Advocate Houston said for every dollar we spend on State Park properties currently, the District would likely get 30-40 cents.

Roughly, \$25 million will be set aside for local agencies operating a unit of the State Park system. Of the \$25 million, the first cut will be used to address lost gate fees – about \$10-12 million. The remainder – \$13-15 million – is supposed to go to local agencies on a pro-rated basis to maintain each unit. State Parks will need to develop implementation guidelines which will have public hearings.

Pfuehler feels it is a complex situation in terms of impacts to the District. Board Members should be aware that many PAC and Sierra Club members are among the volunteers seeking signatures in support of the initiative. Houston added the District will meet some of the East Bay delegation in March to discuss this initiative.

Stop Borrowing from Locals:

Advocate Houston discussed the initiative being sponsored by the League of California Cities and the California Transit Association, which basically says, stop, no more borrowing, no more taking, no more raiding, no more negotiation, no more Prop 1A, our money is our money, and the legislature needs to find another way to balance their own budget.

Houston cautioned the District may chose to keep a low profile as legislators may view this initiative as very obstructionist. It does not demonstrate a willingness to cooperate and work with legislators to reach budget solutions. It could interfere with the District's ability to negotiate with legislators at a later date.

Pfuehler agreed with Advocate Houston. When District staff went to Sacramento last year, we received a much more pleasant reception with the legislators by saying we understand why you are asking everyone to chip in, instead of saying "don't take our money."

Local Taxpayer, Public Safety and Transportation Protection Act of 2010:

This initiative is supported by a coalition of labor, fire departments and local governments to block the state from cutting services like fire, public safety and transit. These supporters would rather see a split roll tax under Prop. 13 than shifts in property tax or redevelopment and/or transit raids. Advocate Houston believes the campaign for this initiative will reignite the debate about labor unions using dues for political purposes. Businesses want each employee to "check off" that it is okay for union leadership to use a portion of their dues for political purposes.

California Freedom from Slavery Act:

There was a brief discussion about this initiative which would exempt every Californian 55 or older from paying taxes. Houston believes, and Pfuehler concurred, that this was unlikely to make it on the ballot.

c. State Budget – Schwarzenegger's proposal

In the *2010–11 Governor's Budget*, the administration puts the size of the problem to be addressed in the coming months at \$18.9 billion (the Legislative Analyst Office puts it closer to \$20.7 billion). The Governor's estimate consists of a General Fund deficit of \$6.6 billion at the end of 2009–10 — assuming no corrective budget actions by the Legislature and the Governor — and an additional \$12.3 billion operating deficit in 2010–11. The Governor declared a fiscal emergency on January 8, 2010, calling the Legislature into special session with 45 days to respond. The Governor's proposal relies on 40% funding from the Federal government, 40% in cuts and 20% in fund "shifts" including Prop. 63 mental health funds and Prop. 10 early childhood development funds (both proposals that were rejected in the May 2009 special election). The Governor's proposal also recommends an automatic triggering of significant cuts if the Federal government funds come up short.

Advocate Houston stated the Governor's hope to secure \$7 million from the Federal government is highly unlikely. Houston stated additional cuts are likely and new revenues are unlikely.

O'Brien cautioned that another \$18 to \$19 billion in cuts would literally end many services.

Advocate Houston said the state is likely to incur more debt and selling bonds will be more difficult. Houston cautioned that although Prop. 1A was suspended last year, there are still ways for the state to take money from local agencies.

Director John Sutter questioned if the State could take any surplus money. Advocate Houston said the State can legally take any money from local government.

2. FEDERAL LEGISLATION/ISSUES / ISSUES

A. NEW

a. Federal Initiatives – Jobs Bill(s)

Pfuehler stated the federal jobs bill is being altered significantly by Senator Harry Reid. At the end of December, the House, under Rep. George Miller's leadership, added a \$154 million jobs package to an omnibus funding bill. Rep. Miller's bill would of added quite a bit of money for transit and transportation, from which the District may of benefitted, as well as an extension of unemployment benefits and some tax breaks for small businesses who hire unemployed workers and a number of other things.

In January, the Senate began to focus on a jobs bill. The first bi-partisan draft was about \$85 million. A day later Senator Reid announced a \$15 billion jobs bill focusing on four things: the extension of the transportation bill for one year, tax breaks for hiring unemployed workers, tax breaks for small business, and some breaks for bonding authority by state and local governments. Pfuehler noted this was a huge gap from \$154 billion to \$15 billion. He stated it is hard to know where this is going to land. The press has reported that Reid was concerned about the political ramifications of another large spending bill. It is unclear if the District can benefit from this smaller bill.

Pfuehler noted there are still opportunities in the transportation bill. There were two cities that received money for trails systems, Indianapolis and Philadelphia, under the TIGER portion of the original stimulus bill. The Metropolitan Transportation Commission has told the District repeatedly that there is no more money and the District wouldn't qualify anyway. Given two cities received trail money, the District should speak directly with the Department of Transportation and submit an application.

3. PUBLIC COMMENTS – none.