



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Presentation by Stephen Qualls, League of California Cities, Central Division Representative

MEETING DATE: November 4, 2009

PREPARED BY: City Clerk

RECOMMENDED ACTION: None.

BACKGROUND INFORMATION: Stephen Qualls, Central Valley Division representative of the League of California Cities, requested an opportunity to come and present the golf tournament trophy from the League-CitiPac fundraiser to the City of Lodi and the presentation was agendized accordingly. Mr. Qualls will also be providing an update on the League's recent ballot initiative efforts.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None.



Ray C. Cook

APPROVED: 

Blair King, City Manager



YES to Protect Local Taxpayers and Funding for Public Safety, Transportation & Other Vital Local Services from State Raids

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YES! You may list me/my organization as a public supporter of The Local Taxpayer, Public Safety and Transportation Protection Act, an initiative aimed for the November 2010 ballot that would protect funding for public safety, transportation & other vital local services. The measure would prevent the Legislature and Governor from borrowing, taking or otherwise redirecting local government, public transit and transportation funds.

Please select a category:

- Organization Company Individual

Please complete the following information:

Company or Organization Name/Employer

Name

Title/Occupation

Street address

City

State

Zip

County

Phone number

Fax number

E-mail Address (If you are a public employee, please do not use your government e-mail address. Use your personal e-mail address, like Gmail, Yahoo, Hotmail, etc.)

Signature (Required)

Date

Please email me, updates.

I/We can help in the following ways:

- | | |
|---|---|
| <input type="checkbox"/> Help collect signatures | <input type="checkbox"/> Write a letter-to-the editor |
| <input type="checkbox"/> Help raise money | <input type="checkbox"/> Place a link on a website |
| <input type="checkbox"/> Volunteer/Speak at local events | <input type="checkbox"/> Distribute materials |
| <input type="checkbox"/> Communicate with employees/members | |

Email or fax this form to: INFO@XXXXXXXX or 916-442-3510 (fax)



I PLEDGE TO SUPPORT PROTECTING LOCAL GOVERNMENT AND TRANSPORTATION FUNDING FROM THE GRIPS OF THE STATE - TO PROTECT OUR COMMUNITIES ONCE AND FOR ALL

WHEREAS, the legislature and governor have taken or borrowed nearly \$5 billion in city, county, transit and transportation funds to finance the state budget this year; and

WHEREAS, the board of directors of the League of California Cities, in partnership with the California Alliance for Jobs, the California Transit Association, and many other organizations, is currently evaluating the financial and political feasibility of co-sponsoring a November 2010 ballot measure to provide constitutional protections to cities against legislative raids and loans of revenues historically allocated to local government, mass transit, redevelopment and transportation; and

WHEREAS, the voters of the state have indicated their strong desire to further protect local and transportation revenues from state interference and manipulation; and

WHEREAS, I am a city official who strongly supports asking the voters to provide further constitutional protections against state raids, loans or diversions of local government and transportation revenues.

NOW, THEREFORE, I PLEDGE to fully support the efforts of the League and other organizations to consider launching a campaign to secure signatures to place a local government and transportation revenue protection measure on the November, 2010 ballot, and I pledge to do the following in support of this effort in my private capacity without the use of public facilities, equipment or materials.

- Make the 100/100 pledge.** I will contribute or raise a minimum of **\$100** and gather a minimum of **100** signatures on the petitions to qualify a ballot measure to protect local revenues from state diversion or loans.
I want to do more. My goal is _____ signatures and _____ dollars.
- Host a Community Forum.** I will host or co-host a Community Forum/Town Hall Meeting to help inform the public about the impacts on city services of state raids of my city's funds to help educate the public about the need for reform.
- Recruit Volunteers to Help.** I will identify and recruit a minimum of 10 individuals and/or organizations to assist with volunteer signature gathering efforts.
- Sign up to receive campaign updates** and information about actions you can take to help qualify the local revenue protection measure for the November 2010 ballot from your regional manager.

PLEASE DELIVER TO YOUR REGIONAL MANAGER, OR SEND TO AMY O'GORMAN AT
aoorman@cacities.org / FAX (916) 658-8240/ 1400 K Street, Sacramento, CA 95814

No public funds were used for this communication.



100/100 PLEDGE

Please provide your personal (non-city) contact information below

[i.e. personal cell phone, private email account (yahoo, gmail), home mailing address]

Name: _____

Occupation: _____

Employer: _____

Title: _____

City: _____ Division: _____

Phone: _____

Email Address: _____

Mailing Address: _____

CITIPAC Contribution:

Included is my check to CITIPAC in the amount of:

\$100 \$250 \$500 Other _____

I hereby authorize CITIPAC to debit my credit card in the amount of:

\$100 \$250 \$500 Other _____

Credit Card # - - - Exp. Date: -

Authorized Signature: _____

* Contributions to CITIPAC are not tax-deductible as charitable contributions for income tax purposes.
ID# 1254399

League of California Cities- CITIPAC- 1400 K Street, 4th Floor, Sacramento, CA 95814- citipac.org

The League will use your personal information only to communicate with you regarding the campaign to save and preserve local government revenues. The League will not share your personal information with third parties.

**PLEASE DELIVER TO YOUR REGIONAL MANAGER, OR SEND TO AMY O'GORMAN AT
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Questions & Answers About the Local Taxpayer and Vital Services Protection Act

WHAT IS YOUR MEASURE AND WHAT DOES IT PROPOSE TO DO?

The Local Taxpayer, Public Safety and Transportation Protection Act is a constitutional amendment that we are working to place on California's November 2010 statewide ballot. The initiative would stop the State from raiding or borrowing funding for local public safety, transportation, transit and other essential local government services.

Specifically, the measure would:

- ✓ Prohibit the State from taking, borrowing or redirecting local taxpayer funds dedicated to public safety, emergency response and other vital local government services. The measure would close loopholes to prevent the taking of funds currently dedicated to cities, counties, special districts and redevelopment agencies. It would also end the State's fiscally irresponsible practice of borrowing local government property tax funds.
- ✓ Protect vital, dedicated transportation and public transit funds from State raids. The measure would prevent State borrowing, taking or redirecting of the state sales tax on gasoline (Prop 42 funds) and Highway User Tax on gasoline (HUTA) funds that voters have dedicated to transportation maintenance and improvements. It would also prevent the State from redirecting or taking public transit funds.
- ✓ Protect local taxpayers by keeping more of our local tax dollars local where there's more accountability to voters, and by ensuring once and for all that our gas taxes go to fund road improvements. The measure also reduces pressure for local tax and fee increases that become necessary when the State redirects local funds.

WHY IS IT NEEDED?

Unfortunately, the State has continued its irresponsible practice of taking and borrowing local taxpayer dollars and dedicated transportation funds. The 2009110 state budget borrowes and takes approximately \$5 billion in city, county, transit, redevelopment and special district funds this year despite the fact that voters have overwhelmingly passed ballot measures to keep local funding at the local level to provide essential local services. This year's raids and previous, ongoing state raids and borrowing jeopardize the services Californians need most, including police, fire and emergency 911 services; local economic development and redevelopment; mass transit like buses and commuter rail; and transportation improvements like road repairs and congestion relief. We need to pass this measure to protect these vital local services from State raids and borrowing.

ISN'T FUNDING FOR LOCAL GOVERNMENT AND TRANSPORTATION ALREADY PROTECTED FROM STATE RAIDS?

California voters have overwhelmingly passed separate measures to prevent the State from raiding local government and transportation funds. However, each and every year the State attempts to take or borrow local government, transportation and transit funding using loopholes, or illegal funding diversions that have only been stopped after expensive and lengthy court battles. This year alone, the Legislature:

- Borrowed approximately \$2 billion in property taxes from local governments, despite no clear path to repay these funds.

- Took \$2.05 billion in local redevelopment funds, despite a recent Superior Court ruling that says these types of raids are unconstitutional.
- Shifted \$910 million in transit funding away from local transit agencies. The courts have since ruled these types of raids are unconstitutional.
- Voted to take more than \$1 billion of the local government share of the Highway User Tax (HUTA) to repay state bond debt (but the measure stalled in Assembly). These are funds that have always been used to finance local road repairs and maintenance.
- Took action to eliminate the state sales tax on gasoline (Prop 42 funds) and HUTA and replace with a gasoline "fee" that would have no constitutional protection from future raids by the legislature (the Governor ultimately vetoed this measure).
- Threatened to borrow Prop 42 transportation funds to address the State's deficit.

Our measure would close loopholes in current law that the legislature has exploited to take or divert **local** funds. And it would tighten sections of the law to prevent illegal State funding raids of local government and transportation funds before they happen.

WHY DOES YOUR MEASURE PREVENT THE STATE FROM BORROWING LOCAL GOVERNMENT AND TRANSPORTATION FUNDS?

The local government revenue protection measure in 2004 (Prop 1A) and the transportation revenue protection measure in 2006 (Prop 1A) included provisions that allow the State to borrow these funds during fiscal emergencies. However, after several budget cycles it is clear that these borrowing provisions are not only bad for local governments and transportation services, but fiscally irresponsible for the State. Borrowing these dedicated funds only plunges our state deeper into debt because the funds must to be repaid, *with interest* within three years.

The borrowing was meant to provide an outlet in short-term budget emergencies, but it's instead being used to paper over structural budget problems. For example, the State has no clear way to pay back the \$2 billion plus interest in local property taxes that the State is borrowing as part of this year's 2009-2010 State budget, yet lawmakers borrowed these funds anyway.

What's more, because the State has the authority to borrow local government and transportation funds, it creates mass uncertainty for cities and counties who need to plan and pass their local budgets, and for transportation and transit planners who aren't sure if they can rely on these revenues in any given year.

DOES THIS MEASURE INCREASE OR DECREASE REVENUES FOR LOCAL GOVERNMENTS OR FOR TRANSPORTATION AND TRANSIT?

This measure does not increase or decrease the existing revenues that are dedicated to **local** government, transportation and transit funds. It simply prevents the State from borrowing or raiding *existing* local government, transportation and transit revenues that voters have dedicated to these services.

WON'T THIS MAKE OUR STATE'S BUDGET SYSTEM EVEN WORSE BY FURTHER PUTTING A LOCK BOX ON BILLIONS OF DOLLARS IN FUNDING?

First, these are revenues that have historically been dedicated to cities, counties and special districts to fund local government services. It's fiscally irresponsible for State Government to raid funds from local governments.

Second, it's important to remember that these are funds that voters have **ALREADY** dedicated to local government, transportation and transit services. We are not dedicating any **NEW** funding for these services, but instead ensuring



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Stopping State Raids of Local Government and Transportation Funds is Good for Business and California's Economy

THE PROBLEM: STATE RAIDS AND RAISING OF LOCAL GOVERNMENT AND TRANSPORTATION FUNDS HURT OUR ECONOMY AND BUSINESS

California voters have overwhelmingly passed separate ballot measures to prevent the State from taking local government, transit and transportation funds. Despite this, the State has passed a budget that borrows and takes \$5 billion in city, county, transit, and other local funds this year and the State continues to threaten to borrow or take billions in transportation funds every year. The borrowing and raiding of local government and transportation funds hurt our economy and business climate:

- X **Raiding and borrowing local government funds hurts the services businesses rely on and pressure for local fees and taxes on local businesses.** Local governments provide the services and infrastructure that are critical for local economic growth and a healthy business climate, including land-use approvals, local streets, roads, sewer rate of service, fire and police and fire protection and more. When local funds are reduced, it hinders business development and increases pressure for local fees and taxes to pay for these services.
- X **Raiding transportation funds immediately harms the economy.** Every \$1 billion spent on highway construction generates \$5 billion in economic activity and creates 18,000 jobs. Additionally, businesses rely on a reliable transportation and public transit network to move their products to work and products to the market.
- X **The State raid of \$2+ billion in redevelopment funds this year could otherwise create up to 198,000 additional part-time jobs in the construction and related industries.** Redevelopment activities help support new business opportunities in local communities – when redevelopment funds are raided it stymies job creation and business development.

THE SOLUTION: PROHIBIT THE STATE FROM RAIDING LOCAL GOVERNMENT, TRANSIT AND TRANSPORTATION FUNDS.

The Local Taxpayer, Public Safety and Transportation Protection Act, scheduled for the November 2010 statewide ballot, would:

- ✓ **Prohibit the State from taking, borrowing or redirecting local taxpayer funds dedicated to public safety, emergency response and other vital local government services.** The measure would close loopholes to prevent the taking of local taxpayer funds currently dedicated to cities, counties, special districts and redevelopment agencies. It would also revoke the State's authority to borrow local government property tax funds.
- ✓ **Protect vital, dedicated transportation and public transit funds from state raids.** The measure would prevent State borrowing, taking or redirecting of the state sales tax on gasoline (Prop 42 funds) and Highway User Tax on gasoline (HUTA) funds that are dedicated to transportation maintenance and improvements. It would also prevent the State from redirecting or taking public transit funds.
- ✓ **Protect business development and the economy.** Protecting local government and transportation funds will help preserve the services that businesses rely upon and help protect jobs and the economy.
- ✓ **Protect local taxpayers** by keeping more of our local tax dollars local where there's more accountability to voters, and by ensuring once and for all that our gas taxes go to fund road improvements. The measure also reduces pressure for local tax and fee increases that become necessary when the State redirects local funds.
- ✓ **Reform state government and enhance fiscal accountability.** This measure is a key step in reforming California's broken budget system by restoring more local control and accountability. It also stops the irresponsible practice of the State borrowing special funds that have to be repaid with interest, which only puts our State further in debt.

Paid for by Californians to Protect Local Taxpayers and Vital Services, a coalition of taxpayers, public safety, local government, transportation, business and labor, with major funding from the League of California Cities (non-public funds) 1121 L Street, #803 - Sacramento, CA 95814



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YES to Protect Local Public Safety Funding from State Raids

THE PROBLEM: STATE RAIDS AND BORROWING JEOPARDIZE LAW ENFORCEMENT, FIRE PROTECTION, EMERGENCY RESPONSE AND OTHER VITAL PUBLIC SAFETY SERVICES.

Cities, counties and special districts provide the vast majority of law enforcement, fire protection, emergency response and public safety services in California. In fact, on average, 65% of city discretionary budgets go to fund police and fire programs and services and more than half of county discretionary budgets go to fund law enforcement, emergency medical and public health programs and services. That's why California voters have overwhelmingly voted to stop State raids of local government funds – to protect funding for vital public safety services. Despite this, the State has used loopholes and abused other provisions in the law to take local funds. In fact, just this year the State passed a budget that borrows and takes billions of dollars in local government revenues. This year's borrowing and previous, ongoing State raids of local funds jeopardize public safety services throughout the state and could mean:

- X Fewer police officers and sheriffs on the street
- X Fewer firefighters, paramedics and emergency medical personnel
- X Longer response times
- X Longer waits for 911 calls
- X Reduced traffic enforcement

THE SOLUTION : PROHIBIT THE STATE FROM RAIDING OR BORROWING LOCAL GOVERNMENT FUNDS VITAL TO PUBLIC SAFETY SERVICES.

The Local Taxpayer, Public Safety and Transportation Protection Act, scheduled for the November 2010 statewide ballot, would:

- ✓ **Prohibit the State from taking, borrowing or redirecting local taxpayer funds dedicated to public safety, emergency response and other vital local government services.** The tightly-written measure would close loopholes to prevent the taking of local taxpayer funds currently dedicated to cities, counties, special districts and redevelopment agencies. It would also revoke the State's authority to borrow local government property tax funds.
- ✓ **Protect vital, dedicated transportation and public transit funds from state raids.** The measure would prevent State borrowing, taking or redirecting of the state sales tax on gasoline (Prop 42 funds) and Highway User Tax on gasoline (HUTA) funds that are dedicated to transportation maintenance and improvements, including road safety repairs. The measure would also prevent the State from redirecting or taking public transit funds.
- ✓ **Reform state government and enhance fiscal accountability.** This measure is a key step in reforming California's broken budget system by restoring more local control and accountability. It also stops the irresponsible practice of the State borrowing special funds that have to be repaid with interest, which only puts our State further in debt.



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YES to Protect Vital Road Safety, Traffic Relief and Other Transportation and Transit Projects from State Raids

THE PROBLEM: STATE RAIDS AND BORROWING ARE JEOPARDIZING TRANSPORTATION AND TRANSIT PROJECTS ACROSS THE STATE.

California voters have repeatedly and overwhelmingly passed measures to dedicate the gas taxes we pay at the pump to transportation and transit improvement projects like freeway widening, traffic relief, and maintaining and expanding mass transit. Despite this, in the past few years alone the state has spent billions of dollars in public transit and has threatened to borrow or outright take billions of dollars in Proposition 42 and Highway User Tax on gasoline (HUTA) gas tax funds that are supposed to fund transportation and transit improvements. State raids and borrowing of these funds jeopardize vital transportation and transit projects up and down the state, including:

- X *Freeway widening projects*
- X *Projects like freeway widenings, new on-ramps, I/OV other projects to keep motorists moving.*
- X *City and county street repairs, stoplight synchronization and pothole repairs.*
- X *Public transit like bus, commuter rail, light rail, etc. while fares are being raised.*

THE SOLUTION: PROHIBIT THE STATE FROM BORROWING FUNDS THAT VOTERS HAVE DEDICATED TO TRANSPORTATION AND TRANSIT IMPROVEMENTS.

The Local Taxpayer, Public Safety and Transportation Protection Act aimed for the November 2010 statewide ballot, would:

- ✓ **Prohibit the State from taking, borrowing or redirecting funds that are dedicated to transportation and transit.** This measure would prevent State borrowing, including of the state sales tax on gasoline (Prop 42) and Highway User Tax on gasoline (HUTA) funds that are dedicated to transportation maintenance and improvements. It would also prevent the State from redirecting or taking public transit funds.
- ✓ **Prohibit the State from taking, borrowing or redirecting local government funds.** This measure would prevent State raids of transportation and transit projects from the measure would close loopholes and prevent the use of city, county and special district funds, thereby revoking the State's authority to borrow local property taxes.
- ✓ **Protect jobs and our economy.** Every \$1 billion invested in transportation generates \$5 billion in economic activity and 18,000 jobs. By preserving a reliable source of funding for transportation and transit improvements, this measure will create jobs and drive our economy.
- ✓ **Protect local government by keeping more of our local dollars local where there's more accountability to voters, and by ensuring once and for all that our gas taxes go to fund transportation and transit improvements as the voters have mandated on more than one occasion.** This measure also prevents the State from local tax and fee increases that become necessary when the state redirects local government funds.
- ✓ **Reform local government and enhance its accountability.** This measure is a key step in reforming California's broken budget by restoring local control and ensuring that the measure ends the irresponsible practice of State borrowing special funds that have to be paid with local taxes which only puts our State further in debt.