

Meeting Report: League of California Cities (LOCC)

Policy Committee – Governance, Transparency, Labor Relations (GTLR)

Annual Conference

September 12 - 14, 2018

Long Beach Convention Center

Reporting: Bill Kampe, Mayor

I attended the Policy Committee meeting as the Monterey Bay Division representative to the GTLR Policy Committee. My attendance continued for the Annual Conference. This report summarizes both parts of the Conference Event.

You can review the conference agenda at:

<http://www.cacities.org/Education-Events/Annual-Conference/For-Attendees/Sessions/Sessions>

Conference materials can be found at:

<http://www.cacities.org/2018ACmaterials>

Policy Committee Meeting

Our GTLR policy committee endorsed on a 24 – 8 vote a resolution for the LOCC to explore a possible ballot measure to reinforce local control for cities. Local control is a cornerstone principle for LOCC. Nevertheless, we also heard voices raised by the committee that we need to be more selective in just what is held as local control. Topics noted included housing issues and wireless network infrastructure, where local control is often part of the obstruction of essential statewide and local goals. Overall the committee felt that state pre-emption is too frequent and bad governance.

Mayor and Councilmember Department Meeting

We heard a presentation on Community Choice Aggregation. Pacific Grove is already part of MBCP, so we are engaged. Funds generated from CCA's can be helpful to support environmental programs locally. Examples included subsidies or grants for EV purchase and charging station installation. Sonoma County is providing subsidies of \$17,500 for energy efficient home rebuilding after the fire.

CCA's are still partially subject to CPUC review, for example the exit fee. The CPUC has also delayed TOU (Time of Use) rates. Yet that's an important piece of having market forces work for better solutions.

There is a lot of volatility in wholesale energy prices. Economy of scale is critical. (My interpretation: rooftop solar is less than utility scale.) Storage technology is still too expensive, yet ultimately a critical part of the green power solution. We can't get to 100% green today.

Conference Opening Session

Robert Garcia, Mayor of Long Beach, welcomed the 1800 attendees who are at the Conference. Rich Garbarino, President of the LOCC, described the League's analysis of Propositions on the coming ballot. The League has taken positions on Props 1 and 2 regarding housing, Prop 3 regarding water supply for the state, and Prop 6 which would take back funds for road and bridge maintenance and safety.

Helen Putnam awards were given to several cities for exemplary achievement in several categories.

Keynote Speaker – Drew Dudley, Day One Leadership

Drew Dudley took us beyond the larger than life version of the good leader and into the realm of the many everyday leaders who are so important to our communities and organizations. He drew from personal stories to illustrate the effect of good leadership and added well-produced research results on leadership attributes and effectiveness. I'll note a few of his comments, though I strongly recommend his book "Day One Leadership" as the better source.

- Plan to matter every day.
- Never let a person diminish their own worth in what they have done.
- Do not steal ideas – Benchmark a best practice
- Great story about Mr. Peters, a school custodian, who had such a profound effect on students.
- What did you do today to make it likely that someone...
 - Would learn something
 - Tried anyway when unsure
 - Elevated instead of escalated
- Politics uses fear to win; leadership removes fear to succeed.
- Be good to myself

The Beaumont Crisis

The City of Beaumont faced severe financial problems in 2013. The panel shared the lessons. Some of the points:

- Cities see problems...and don't act
- Building blocks of good government
 - Corporate support, Accountability, Value Systems
 - Ensuring Excellent Services
 - Innovation and Focus on the Future
- Legal issue – disclosure of financial condition for issued bonds
- Don't contract program management and project construction with the same firm.
- Situation: Fund balance was \$15M, but it included a loan of \$22M to the RDA, so the net spendable amount was -\$7M. Seriously in the hole.
- Council didn't ask questions.
- Bankruptcy was not an option, but a negotiating tool.
- Citizens were the victims
- Expertise matters – spend for it! Beaumont hired consultants and lawyers.
- Created an emergency operations center
- 7 officials and staff arrested after investigations into what happened.
- Now on a recovery path.

Diagnosing Financial Health

Michael Coleman described several factors that cause financial difficulties for cities:

- Unsustainable compensation
- Unsustainable decline in core revenues
- Ceding local policy choices, e.g.
 - Arbitration
 - Earmarked city taxes that reduce budget flexibility
 - Over reliance on future development
- Risky financing schemes, e.g. P.O.B.'s
- Fear and denial
- Toxic relationships – Council/Labor/Community

Four views of financial health:

1. Cash solvency
2. Budgetary solvency – current year
3. Long run solvency – ability to meet requirements into the future
4. Service level solvency

Editorial comment: PG has the potential to remain healthy on all four views, although we are at risk from current initiatives and from the inevitable uncertainties of the future. Looking at the factors that cause difficulties, the pension element of compensation is high, we are choosing whether to reduce our core revenues in the coming election, and our local policy choices are restricted by voter initiative on several aspects of our zoning. Overall, Prop 13 and 218 continue to restrict revenue options.

General Session

We heard the LOCC Strategic Plan for the coming years. I can't locate the materials for this session

Beacon awards were presented to 5 cities.

A political panel including both a Democratic strategist and a Republican strategist discussed some of the statewide issues and voting demographics. The basic message is that this year is very boring from the perspective of issues. Charts of voting trends show that voting participation changes only slowly and many citizens feel their vote doesn't matter, so why bother.

Coastal Cities Group

Sea level rise science is a critical topic for the Coastal Commission, and for many coastal cities.

New residential guidelines are coming out. It is OK to protect infrastructure. Managed retreat is expected for other coastal uses, e.g. residential.

Efficiency and Effectiveness

This session was a very interesting look at applying the principles of 6-sigma quality management to government service operations. Several case examples were given, including pothole repair, with dramatic improvement in both efficiency and effectiveness.

Beacon Spotlight Awards

The Institute for Local Government presented many Beacon Spotlight awards, with Pacific Grove receiving two – a Platinum Award for Greenhouse Gas reduction and a Silver award for sustainability best practices. There are five categories for awards. Cities that achieve awards in each category receive the full Beacon Award. Five such cities were recognized earlier in the conference.

The Changing Face of Economic Development

There are some forces that cities have no control over, such as changing technology and green economy mandates.

The challenge is to convert economic investment into productive use. Factors to consider are consumption, commuting, and communication.

Consumers consider price, place, and trips. Online shopping is growing at 20% per year; in-store, 2% per year. Instead of building parking structures, contract with Uber.

Millennials are a fully digital generation. The new paradigm is a sustainable community, fully millennial ready. Homeless housing is not a funding issue, it's NIMBY.

When you redo your general plan, do the CEQA coverage for the updated version. That makes it possible for developers to move with more certainty and more quickly.

For a streetscape master plan, standards that unify the streetscape are important.

Do an economic benefit analysis for development. Ask quid pro quo from developers. Impact fees need to consider both the cost to build infrastructure and to maintain it.

It's not about making money for the city. It's about making money for workers, investors, entrepreneurs. Focus on people – cool places, cool people.

The Long Beach economic development blueprint provides: clarity and certainty, specific plans, links to the regional economy, and pre-entitlement. Interesting side note: Music saved the Queen Mary.

Economic development is an ecosystem. Tell your story; make it about people.

Housing

There were a lot of acronyms in this session. Tax credits are a basic building block of low-income and affordable housing. Overall, it was hard to find applicability in Pacific Grove circumstances. Most examples were new and large developments on open sites. PG has mostly infill situations.

Unconscious Bias

This session focused on bias unfavorable to women. When I walked into the session, I noted that about 85% of the audience was women. Where were the men?

Everyone is biased. The speaker described several experiments that clearly showed the bias and challenges that women face in the workplace to establish their merit and potential.

Final Session

During lunch, the LOCC installed the new officers for the next year. We then had voting delegates act on the two resolutions:

1. The resolution on rodenticide usage was amended to request the state to conduct research on the effects of newer rodenticides, rather than research on only the harmful effects. Motion passed.
2. The resolution to seek methods to protect local control also passed.

We adjourned.