

PRIORITY FOCUS



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2008 LEGISLATIVE ACTION DAYS DRAWS HUNDREDS OF CITY OFFICIALS TO SACRAMENTO

Budget, Climate Change and Infrastructure Top Issues

The League of California Cities annual Legislative Action Days occurred April 16-17 in Sacramento. The two-day event was well attended with over 350 city officials coming to lobby in the Capitol and hear about pressing legislative issues. *For more, see Page 2.*

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LEAGUE BOARD OF DIRECTORS MEETS IN CONJUNCTION WITH LEGISLATIVE ACTION DAYS

The League board held its second meeting of 2008, April 17-18 at the Sheraton Grand Sacramento. The Sacramento-based meeting provided an opportunity for the board to hear from some of the state's top officials. *For more, see Page 4.*

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STATE TREASURER LOCKYER BRIEFS LEAGUE BOARD ON MUNICIPAL BOND RATING SYSTEM

Board Unanimously Supports Reform Effort

Although municipal bonds carry a very low default risk for investors, their ratings are subject to higher standards than corporate bonds, mortgage-backed securities and other debt investments. That fact has prompted California Treasurer Bill Lockyer, 10 other state treasurers and financial officers from a number of local agencies, including the city of Los Angeles, to call for rating agency reform. *For more, see Page 5.*

The League's legislative briefings were held at the Sacramento Convention Center on April 16 and the Sheraton Grand Hotel Sacramento on April 17. League President Jim Madaffer's welcoming remarks on the first day were followed by a long list of impressive speakers from Gov. Arnold Schwarzenegger's Administration and the Legislature.

The budget was the topic du jour for all the speakers with the Governor delivering his May Budget Revise on May 15.

Finance Director Mike Genest readily acknowledged the very tough position California is in this year. He provided a historical perspective on the state's budget between 1998 and today to help explain why California has a cash-flow problem for the current fiscal year (FY 2007-08) and a significant budget deficit for the budget year that starts July 1 (FY 2008-09).

"We should have been cutting, but it is not embedded in the DNA of the budget process," said Genest as he explained why the Governor is working to enact a constitutional amendment to create a "rainy day" fund to smooth out future state budget turbulence.



Department of Finance Director Mike Genest

Assembly Member Anna Caballero, chair of the Local Government Committee, recalled her days as mayor of Salinas when she would come to Sacramento to lobby. She commented to her former local government colleagues that the budget will only be solved through bipartisan cooperation.



Sen. Alan Lowenthal (D-Long Beach)

Senator Alan Lowenthal spoke about SB 974, legislation he's introduced which would give the Ports of Long Beach, Los Angeles and Oakland the authority to collect a \$30 fee per container to fund congestion management and air quality improvement projects related to the ports. He conveyed to the audience his frustration about the toll that transporting goods from California ports out of state has on our infrastructure.

On the budget, the senator, who chairs a budget subcommittee, remarked, "Cuts won't be enough to solve our budget problems. We need more

revenues."



Sen. Alex Padilla (D-Los Angeles)

Sen. Alex Padilla, former League president, spoke about Proposition 1A protections. "I'm fighting to not have the state make locals pay for state cash flow problems," Padilla told the audience.

New Senate Republican Minority Leader Dave Cogdill addressed the League, expressing his admiration for local government. He served on the Modesto City Council years ago and told the audience that they have the hardest job in government.

"This budget crisis makes previous ones pale in comparison," said Sen.

Cogdill in his remarks about the state budget. He told the city officials present that the Republicans are looking to find ways to make cuts where they make sense to make California more efficient and find revenues—outside of tax increases—to stimulate the economy.

Speaker-Elect Karen Bass closed the Wednesday general session. She will assume her new post May 13, just two days before the May Revision is delivered. The assembly woman from Los Angeles told the city officials gathered that, "It will take a unified effort by the Legislature, cities and counties coming together to figure out how to get out of this mess."

Climate Change and Budget Issues Dominate Day Two General Session

The second day of Legislative Action Days, April 17, featured two key speakers: Cynthia Bryant, deputy chief of staff and director, Office of Planning and Research and James Tilton, secretary, California Department of Corrections and Rehabilitation.

Bryant, a member of the Governor's Administration since its earliest days, spoke about new developments related to implementing the Global Warming Solutions Act (AB 32) and the potential for achieving better planning through regional blueprints, regional transportation plans and the regional housing needs allocation process.

She told the audience that the Governor frequently refers to local government as his partner and this partnership extends to work on climate change. "Land use has become sexy and everyone wants to be involved," Bryant said.

Her outline for how state and local government can work best on greenhouse gas (GHG) emission reduction included:

- Coordinating planning efforts;
- Addressing planning resources; and
- Aligning infill infrastructure investments with GHG reduction goals.

The Governor, Bryant remarked, has been quoted as saying "The local level is where all the answers are."

California Department of Corrections and Rehabilitation Secretary James Tilton was the final Legislative Action Days speaker.

Tilton, who had announced his retirement just days before he addressed the general session, reflected on his accomplishments and provided perspective on his agency's work. He told the audience that Corrections is the largest provider of mental health services in the state.

The secretary's remarks concluded with a discussion of the challenges of the state budget.

The issue papers prepared for Legislative Action Days are available on the League's Web site.

- State Budget http://www.cacities.org/resource_files/26742.FINAL_Issue_Paper_State_Budget.rtf
- Climate Change http://www.cacities.org/resource_files/26740.FINAL_Issue_Paper_Climate_Change.rtf
- Infrastructure and Economic Stimulus http://www.cacities.org/resource_files/26741.FINAL_Issue_Paper_Infrastructure_and_Economic_Stimulus.rtf

'April Board Meeting' Continued from Page 1...

State Budget Discussion

Mike Genest, director, Department of Finance, Diane Cummins, Office of Senate Pro Tem Don Perata and Rick Pratt, assistant executive director, California School Boards Association, conducted a panel discussion on the looming state budget crisis. Each provided insight based on their expert perspectives.

Genest, who addressed the Legislative Action Days' Wednesday general session, acknowledged the difficulty of this year's budget. He spoke about the Governor's proposed constitutional amendment which would create a rainy day fund to capture revenues during boom years to save for years like this one. Part of the Governor's plan includes creating a mechanism to reduce spending faster than is possible now to help stave off such a large projected deficit.

The Finance director said that borrowing Prop. 1A funds would be terrible for California because the pay-back period is so short it would make recovery more difficult. Although right now the Governor is leaving all budget options on the table, he said that he hopes 1A won't be used.

Diane Cummins said the day of reckoning is here. As a 30-year veteran of state budget negotiations, she said she's never seen a worse budget, largely because all of the easy solutions have already been used.

Speaking to the board, Cummins commented "We have to close the gap and are going to make major reductions. If we can't get revenue then those cuts are going to be more devastating."

Rick Pratt said that although schools had weathered previous budget shortfalls, nothing compares to this year's budget. He told the board that school boards had to send out pink slips March 15 because they have to finalize their budgets for the coming year by July 1, even if the state fails to finish its own. Echoing Cummins remarks, Pratt commented that we need a balanced approach to the budget because cuts can't solve the problem entirely.

The board had a preliminary discussion of a proposed League policy-statement on the state budget crisis. It will meet next week by conference call to finalize the statement.

State Treasurer Bill Lockyer briefed the board on his work to reform the municipal bond rating system. Please read "State Treasurer Lockyer Briefs League Board on Municipal Bond Rating System," on page 1 for a full discussion of his presentation.

Strategic Priorities

The board was briefed on the League's strategic priorities. The short update on the priority to "protect funding for vital community services," preceded the budget presentation by Genest, Cummins and Pratt.

The board was briefed on the second priority, "support green and sustainable cities," with a discussion on the Institute for Local Government's (ILG) work on climate change and an update on the League's work on SB 375 (Steinberg).

ILG's Climate Action Network has a recognition component to celebrate how cities are reducing emissions. The program is designed to recognize cities based on the percentages they reduce to allow for the difference in size between cities.

The board was also advised that staff and a group of local and regional agencies are continuing discussions on SB 375 with author Sen. Darrel Steinberg and the bill's sponsor, the California League of Conservation Voters. When the negotiations are complete, League policy committee chairs with jurisdiction on the bill will work with the board to review the package of recommended changes.

Over the past few months, the League has been convening meetings of local and regional stakeholders with the author's representatives and sponsor in an effort to hammer out a responsible set of amendments to the bill.

In the briefing on the League's third priority this year to "expand infrastructure investment," the board was advised that cities are beginning to receive Proposition 1B Local Street and Road funds. As of mid-April, 235 cities have received their FY 2007-08 allocations.

Finally, the board learned how its fourth priority to "enact honest and responsible eminent domain reform" was faring when it received reports on the large coalition that has been formed to defeat Prop. 98 and pass Prop. 99.

The board learned of the recent opposition to Prop. 98 by the California Chamber of Commerce, the California Transportation Commission (CTC) and U.S. Representative George Radonovich (R-Mariposa). The board was also advised that State Treasurer Bill Lockyer is the first California constitutional officer to officially oppose 98 and support 99.

Shortly after the meeting it was announced that the board of directors of the California Building Industry Association voted to oppose Prop. 98. On Thursday, April 24, U.S. Senator Diane Feinstein (D-CA) announced her opposition to Prop. 98 and support for Prop. 99.

Next Board Meeting

The League of California Cities board of directors will next meet July 25-26 in Santa Cruz.

'Municipal Bond Rating Reform' Continued from Page 1...

Treasurer Lockyer briefed the League's board of directors during its meeting Thursday, April 17 on his campaign. The board voted unanimously to support the campaign because of the importance to the fiscal vitality of cities, especially given the current budget crisis. The League's Revenue and Taxation Policy Committee took a support position on this matter when it met in early April in Ontario.

Lockyer explained to the board last week that the current rating system discriminates against local and state agencies which issue bonds which results in public agencies paying a higher interest on the bonds than private corporations with similar default exposure. The practice penalizes taxpayers because public money that could be invested in infrastructure is instead being used to borrow at high interest rates.

Under the current system, municipal bonds that are typically assigned an A rating by Standard & Poor's, Moody's and Fitch can be upgraded to AAA if the agencies issuing the bonds purchase expensive bond insurance. Lockyer estimates that in the past five years, California has spent \$102 million purchasing insurance which is unneeded given the extremely low default rate.

Municipal bonds are extremely safe investments, especially compared to other bonds. Standard & Poor's has found that the default rate of A-rated municipal bonds is just .023 percent, while corporate bonds have a default rate of 2.91 percent—or a 13 times greater chance of default than municipal bonds.

During his presentation, the treasurer spoke about his frustration with the bond rating agencies which have not answered why municipal bonds are assigned such low ratings. He has reminded

them in correspondence and in his testimony to the House Financial Services Committee in March that California is the eighth largest economy in the world and has constitutional protection for debt repayment and that its bonds are extremely secure investments.

The campaign calling for reform to the municipal bond rating system is getting attention across the country. Moody's has begun an internal review of its rating practices and is considering a new global rating scale for all bonds. Lockyer has also been encouraged by the public agencies that have begun to write letters and pass resolutions asking the rating organizations to review their methodologies and is optimistic that this will ultimately result in significantly lower interest rates for municipal bonds.

After the League board voted unanimously to support the municipal bond rating reform campaign, League Executive Director Chris McKenzie notified the three rating agencies of the action. The League board strongly urges cities to pass resolutions supporting municipal bond rating reform.

A sample resolution and letter to the rating agencies is available on the League's Web site. Links to each are provided below.

- Sample resolution [http://www.cacities.org/resource_files/26738.Lockyer Story Sample Resolution.rtf](http://www.cacities.org/resource_files/26738.Lockyer%20Story%20Sample%20Resolution.rtf)
- Sample letter http://www.cacities.org/resource_files/26739.LockyerStorySampleRatingAgencyLetter.rtf

A recently launched Web site, www.treasurer.ca.gov/fairbondratings, with additional information to support the nationwide effort to reform how Wall Street rating agencies grade bonds issued by state and local governments.

The site includes features to help interested parties register their support for a fair system that bases all bond ratings—for both government and corporate issuers—on the risk the issuer will default. The Web site also includes background information, updates on the latest developments, a current list of supporters, news articles and opinion pieces.

Priority Focus reported on Treasurer Lockyer's campaign in the April 4 issue. The article is available on the League's Web site. http://www.cacities.org/resource_files/26708.april4.pdf

Coalition Condemns Deceptive Prop. 98 Radio Campaign

Rallying at a news conference at the state AARP headquarters in Pasadena on Wednesday, April 23, representatives from AARP, the League of Women Voters of California, and senior and tenant rights groups blasted new 'Yes on Proposition 98' radio commercials as a deceptive campaign being funded by apartment and mobile park landlords who are trying to trick voters into supporting Prop. 98. The measure is slated for the June 2008 ballot.



Groups rallying at AARP headquarters in Pasadena.

The radio ads began airing Tuesday, April 22 in most media markets. The spots draw on voters' concerns about eminent domain. However, the ads intentionally exclude any mention of the real reason landlords have contributed 80 percent of the funding for this campaign—to eliminate rent control and renter protections.

Additionally, Prop. 98 would abolish local land use regulations and environmental protections and would obstruct future water projects. The League is part of a broad coalition opposing Prop. 98.

The following individuals spoke at Wednesday's event:

- Chris Carson, government director, League of Women Voters of California
- Larry Gross, executive director, Coalition for Economic Survival
- Elena Popp, tenants rights attorney
- Marvin Schachter, AARP California Executive Council Member
- Greg Spiegel, housing attorney, Western Center on Law and Poverty

Media Coverage

The Pasadena press conference attracted a great deal of news coverage including:

- KNBC-TV 4 (NBC)
- KMEX-TV 34 (Univision)
- KPCC-FM 89.3 (NPR)
- KFWB-AM 980
- KFBK-FM 90.9
- *Pasadena Star News*
- *Pasadena Weekly*
- *Chinese Daily Newspaper*

Yes on Prop. 99

Prop. 99, the Homeowners Protection Act, also on the June 2008 ballot, offers true eminent domain reform, by prohibiting the government from using eminent domain to take a home to transfer to a private developer. Prop. 99 is supported by a broad coalition of homeowners, business, labor groups, cities, counties and environmentalists.

Visit www.no98yes99.com for more information, fact sheets and news about the No on 98/Yes on 99 campaign.

Public Officials Voice Opposition to Prop. 98 and Support for Prop. 99

In recent weeks, a number of high level state and national officials and organizations have publicly opposed Prop. 98 and or supported Prop. 99 including:

- U.S. Senator Diane Feinstein opposed Prop. 98 and supports Prop. 99
- State Treasurer Bill Lockyer opposes Prop. 98 and supports Prop. 99
- Former Gov. Pete Wilson opposes Prop. 98
- California Transportation Commission opposes Prop. 98
- Speaker of the House, U.S. Rep. Nancy Pelosi (D-San Francisco) opposed Prop. 98 and supports Prop. 99
- U.S. Representative George Radanovich (R-Mariposa) opposes Prop. 98
- Assembly Member Patricia Wiggins (D-Santa Rosa) opposes Prop. 98 and supports Prop. 99

League Urges City Opposition of AB 2676 Bill Would Limit Transit-Occupancy Tax

City officials are urged to review and send letters of opposition on AB 2676 (Calderon). This bill would prohibit a city or county from imposing a transit occupancy tax (TOT) retroactively in certain situations. This bill will be heard next Wednesday, April 30 by the Assembly Committee on Local Government.

A sample opposition letter is available on the League's Web site at www.cacities.org/billsearch. Plug in AB 2676 into the bill search function to access the sample letter.

Letters of opposition should be sent to Assembly Member Charles Calderon, the bill's author. Fax the letter to his office at (916) 319-2158.

In addition, please fax a copy of the letter to the following:

- Your Assembly Member and Senator
- J.Stacy Sullivan, chief consultant, Assembly Committee on Local Government, fax: (916) 319-3959
- Dan Carrigg, legislative director, League of California Cities, fax: (916) 658-8240

Background

For many California cities, transient occupancy tax (TOT) has become an important and vital source of revenue, which is collected from guests who stay at hotels and similar lodging establishments. The ordinances implementing these local taxes vary in their wording, and the level and type of activity that is taxed.

AB 2676 contains four pages of intent language that point to concerns that the sponsors of this legislation have about the application of ordinances within the City and County of San Francisco, as well as other matters. These disputes over the interpretation of particular local ordinances are best settled at the local level, rather than attempt to dictate a state-wide one-size-fits-all approach outlined in this legislation.

Furthermore, the drafting of this bill could be interpreted to require local governments to amend their ordinances, as well as interfere with a city's ability to appropriately audit the tax collection practices of hotel owners/operators to ensure they are in full compliance with local ordinances.

Senate Budget Committee Examines Legislative Analysts' Parole Reform Proposal

On Thursday, April 17, Senate Budget Subcommittee #4 held a hearing to examine the Legislative Analyst's Office (LAO) proposal to shift state parole responsibility to counties, paying for it by taking city Proposition 172 public safety dollars, eliminating the COPS program, eliminating Booking Fee reimbursements, and shifting special district property tax dollars.

In addition to county and probation representatives, Assistant Police Chief Dan Katz represented the city of San Jose and provided the local law enforcement perspective on the proposal. Specifically, Chief Katz pointed out that the frontline impacts of parole realignment would be devastating to local law enforcement agencies. He supported this by pointing out that city police provide services to over 80 percent of the state's population, which includes the vast majority of inmates who are paroled.

Chief Katz also urged the committee to realize that the LAO proposal should not be assessed in isolation regarding impacts to law enforcement. The effects of a declining economy are severely impacting city budgets in all areas as well. Any cuts to services in one area will have a trickle effect to other areas of city budgets, including funding that is essential for public safety services.

La Mesa Council Member and League Public Safety Policy Committee Chair Dave Allan also testified during the hearing. His remarks called attention to the fact that in addition to law enforcement, the LAO proposes to eliminate fire protection funds by eliminating cities' portion of Prop. 172 funds.

The League recognizes that tough budget decisions will have to be made during the state's economic slowdown. This includes exploring options to realign or reorganize state services, which is an appropriate policy discussion given the current fiscal crisis.

However, when the state realigns responsibility to another level of government, it should also shift specific state revenues associated with the new responsibility to fund the program. An appropriate and available funding source should be identified to fund the shift. Funds relied on to protect public health and safety should not.

The subcommittee did not take specific action on the proposal. However, it is anticipated that discussions regarding parole realignment, and how to pay for it, will continue.

Letters Needed in Support of AB 642 Design-Build Contracting Legislation

City officials are urged to send in letters of support for AB 642 (Wolk). This legislation would allow cities, upon approval of the city council, to utilize design-build contracting until Jan. 1, 2019 for building construction projects as well as wastewater facilities, solid waste management facilities, or water recycling facilities.

Currently, this method of contracting is available only to a handful of California cities. The League supports allowing cities flexibility and different options in public works contracting to maximize timeliness and cost-effectiveness. The streamlined design-build method of contracting has shown it is effective in reducing project cost and expediting project completion. AB 642 would allow cities to use design-build if a local agency desired, allowing cities the option of a more efficient process.

This bill will be heard in the Senate Local Government Committee soon and all support letters and phone calls must be received by April 30.

A sample letter and talking points in support of AB 642 are available on the League's Web site at www.cacities.org/billsearch. Plug AB 642 in to the Bill Search function to find the sample letter.

For more information, please call Liisa Lawson Stark at (916) 658-8249.

City Officials Encouraged to Complete Illegal Dumping Survey by May 16

City managers, in conjunction with other city departments that oversee solid waste issues, are encouraged to participate in an important statewide survey on illegal dumping and litter abatement. Developed by the League, the California State Association of Counties (CSAC) and the California Integrated Waste Management Board (CIWMB), the survey is a shortened version of a similar survey conducted two years ago.

The 2008 survey is critical to local governments. The previous survey produced a significant database on the costs of illegal dumping to local governments as well as the demographics of illegal dumping. Thirty-seven cities and 35 counties participated in the 2006 survey which found that local governments spent \$44 million annually on abatement and enforcement.

The 2008 survey must be completed by the extended deadline of Friday, May 16.

To participate in the survey, click here.

http://cacities.qualtrics.com/SE/?SID=SV_5c1w1ztiBze79Z2&SVID=Prod

City Officials Urged to Take Local Streets and Roads Assessment Survey Now

The Local Streets and Roads Needs Assessment project survey is now available online. City officials should take the survey and report important factors impacting local transportation systems. The survey is available at www.savecaliforniastreet.org and should be completed by the end of May.

Participation from every California city will ensure a comprehensive report when the survey results are presented to Gov. Arnold Schwarzenegger and the Legislature as part of a plan to secure additional infrastructure funding for local jurisdictions.

The survey requests information on the various aspects of local transportation systems, including the number of miles of streets and roads, pavement condition ratings, and non-pavement assets like sidewalks, streetlights and traffic signals. The survey is also looking for information about the available resources cities have to maintain these resources as well as what funding shortfalls each city faces.

Please visit www.savecaliforniastreet.org for more information and to take the online survey.

Cities Should Apply for Prop. 1B Local Street and Road Funds Now

As of mid-April, 235 cities have received their FY 2007-08 Proposition 1B local street and road funds, according to the Department of Finance (DOF). Cities that have not already submitted their applications for Prop. 1B local street and road funds should do so immediately.

DOF sent all California cities a letter in January with Prop. 1B application instructions as well as a list detailing each city's proportional share of the funds.

These materials, along with the Prop. 1B Implementation Guidelines and a city-by-city list of funds, are posted on the infrastructure page of the League's Web site at www.cacities.org/infrastructure.

Western City Magazine Wins Three CAPIO Excellence in Communications Awards

The League of California Cities' *Western City* magazine was honored with three awards from the California Association of Public Information Officials (CAPIO) on April 17 at its annual conference in South Lake Tahoe.

CAPIO's Excellence in Communications Awards recognizes outstanding public agency information and communications programs.

Western City won in the following categories:

Special Innovation (third place): "How Should California Grow?" series. Click here for the series. <http://www.westerncity.com/grow>

Writing (second place): "Two Columns about China" by League Executive Director Chris McKenzie.

Click here for McKenzie's first column.

<http://www.cacities.org/index.jsp?zone=wcm&previewStory=26851>

Click here for McKenzie's second column.

<http://www.cacities.org/index.jsp?zone=wcm&previewStory=26959>

Writing (third place): "Crisis Leadership" column by League President Jim Madaffer.

Click here for Madaffer's column.

<http://www.cacities.org/index.jsp?zone=wcm&previewStory=26896>

Sustainable Cities Feature: Lincoln's NEV Transportation Plan

Thanks to a special alternative transportation plan, Neighborhood Electric Vehicles (NEV) are transforming the way residents get around Lincoln and improving the city's air quality.

Lincoln, a city of about 38,000 on the eastern edge of the Sacramento Valley, has grown dramatically since 1997 when the population was just 8,500 residents. That growth is the result of California's statewide growth spurt earlier this decade and the development of the Sun City active adult community in Lincoln.

Sun City sparked the NEV program because the adult community had a golf cart transportation plan so residents could move around the development in golf carts or NEVs at 15 miles per hour. However, drivers weren't able to legally access the shopping centers adjacent to the community because they would have to travel roads with speed limits upwards of 35 mph.

A NEV is a four wheeled vehicle which is larger than a golf cart but smaller than a typical light-duty car. They are defined by the U.S. National Highway Safety Administration's Federal Motor Vehicle Safety Standard as having top speeds between 20-25 miles per hour.

At the time, under California laws, NEVs could only be driven in golf cart communities and the city needed to come up with a strategy to allow the vehicles to move about the entire city. That strategy ultimately resulted in the Lincoln City Council drafting state legislation (AB 2353) to create a pilot program whereby Lincoln and its neighbor, the city of Rocklin, could develop NEV transportation plans. The bill passed in 2004, and August 8 will mark the two year anniversary of Lincoln's NEV plan.

In order to safely enable NEVs to drive on roads with speed limits of 35 mph or higher, Lincoln had to create special signage and lanes. These specially striped lanes are seven feet wide and are used by both NEVs and bicycles. The city has spent about \$800,000 on the lanes and signage. The NEV transportation plan proposes approximately 50 miles of NEV lanes and NEV-designated routes. So far, Lincoln has completed about six miles of the special striping and expects to finish by 2009.

Tom Cosgrove, a Lincoln council member, who was active in getting AB 2353 passed, believes this program helped make Lincoln a stronger community.

"Most cities are looking for ways to grow that retains the charm of their communities, so when residents asked us to help expand the range of neighborhood electric vehicles within our city, we saw an opportunity to connect our neighborhoods without adding cars," he says. "We need to provide the infrastructure so that we can be sure that NEVs can work in our city and this will also be an example to other communities on how this can work for them, too."

Lincoln's growing reliance on NEVs helps reduce traffic around town and air pollution. These vehicles use electricity instead of gas so they don't have the "cold start" problem of a regular car. Furthermore, NEVs' energy efficiency is equivalent to 150 miles per gallon of gasoline. Today there are 600 NEVs in Lincoln and the city wants to increase that number to 5,000 by 2025. The NEVs in use in the city today eliminate approximately 10 tons of air pollution annually. According to John Pedri, public works director, this saves 42,500 gallons of gas each year.

Although originally designed to connect residents of the active adult community with the rest of Lincoln, NEVs have become popular throughout the city. A community group in the city has launched a Web site dedicated to NEVs at www.lincolnhillslsv.com.

Lincoln's NEV Transportation Plan is available as a PDF online.
<http://www.ci.lincoln.ca.us/pagedownloads/Final%20NEV%20Transportation%20Plan.pdf>

More information about the city of Lincoln can be found at www.ci.lincoln.ca.us.

Court Validates Cooperative Purchasing Through U.S. Communities

A ruling issued April 10 by a Los Angeles Superior Court judge rejected claims that the city of Los Angeles violated antitrust and other laws when it agreed to pool its purchasing power with other agencies through U.S. Communities to procure better pricing in its purchase of copy machines. The case potentially would have affected the purchasing power of tens of thousands of public agencies across the U.S. and could have jeopardized millions of dollars in taxpayer savings.

In 2007, Canon Business Solutions-West sued Los Angeles for allegedly engaging in anti-competitive conduct after the city issued a request for quotations (RFQ) and awarded a master agreement to another company. Under the city's RFQ, the successful bidder would have to offer the same price to public agencies nationwide under the U.S. Communities program. Canon did not want to offer the same pricing nationwide and argued that the U.S. Communities program invited public agencies to effectively collude on setting national prices. Canon claimed that it was unfair to force bidders to offer their products at a single price nationwide.

The city and U.S. Communities demonstrated to the Court that aggregating purchasing agreements actually benefits competition and results in lower costs to local governments. It also eliminates lengthy and expensive procurement procedures for the agencies that agree to participate in the program. Los Angeles and U.S. Communities also argued that the agreements also help suppliers, who, as successful bidders, secure instantaneous access to a broad range of markets.

The judge denied all of Canon's claims. As to its antitrust allegations, the Court held that: "[A]ll governing courts and agencies have concluded that group purchasing agreements are pro-competitive and do not constitute a violation of antitrust laws."

This case validates the close partnership between U.S. Communities, the city of Los Angeles, and thousands of other public agencies who are working together to provide unparalleled value in public procurement.

Please contact James Hamill with U.S. communities with further questions by e-mail at jhamill@uscommunities.org.

Visit www.uscommunities.org for more information about the cost-saving contracts available through U.S. Communities.

Legislature Welcomes Two New Leaders This Spring

April and May bring new leadership to the Legislature with Senator Dave Cogdill (R-Fresno) assuming his new role as Republican Leader April 15, and Assembly Member Karen Bass (D-Los Angeles) will become Speaker of the Assembly on May 13.

In his new leadership position, Senate Republican Leader Cogdill will play a key role in the budget this year. A former Modesto city council member, Sen. Cogdill was elected to the Senate in 2006 after serving for six years in the California State Assembly. The senator was first elected to public office in 1975 as a member of the board of directors of the Bridgeport Fire Protection District in Mono County.



Senate Republican Leader Dave Cogdill (R-Fresno)

He is vice chair of the Senate Public Safety, the Revenue and Taxation and the Legislative Audit Committees and sits on a number of other committees including Budget and Fiscal Review; Budget Subcommittee on Health and Human Services, Elections, Reapportionment and Constitutional Amendments, Human Services, Natural Resources and Water, Joint Legislative Budget, and Select Committee on Air Quality. The senator has also been very active in the effort to put together a water supply package for California.

Assembly member Karen Bass will make history in mid-May when she becomes Speaker of the California Assembly. She will be the first African American woman to serve in this powerful state legislative position.

A long-time community activist, Speaker-Elect Bass came to the Assembly in 2005. Listed among her key legislative interests are affordable housing and job creation—two issues of paramount concern to all California cities. Speaker Fabian Núñez selected her as the Majority Floor Leader for the California State Assembly during the 2007-2008 legislative session, making her the first African American and the first woman to hold this leadership position.



Speaker-Elect Karen Bass (D-Los Angeles)

During the 2005-2006 legislative session, the Speaker-Elect served as the Majority Whip. She also serves as the chair of the Select Committee on Foster Care. As the vice chair of the Legislative Black Caucus, Speaker-Elect Bass commissioned a report to research the basic demographic profile of Black Californians including the basic social and economic conditions.

Governor Appoints New Secretary of the Department of Corrections and Rehabilitation

Gov. Arnold Schwarzenegger appointed Matt Cate as the Department of Corrections and Rehabilitation (CDCR) secretary, following the announcement that current CDCR Secretary James Tilton will retire May 16 for health reasons.

Cate has pledged to work with stakeholders at the state and local levels and to continue the projects begun under Secretary Tilton, including those that address re-entry facility placement, prison overcrowding, and prisoner health.

In March 2004, Gov. Schwarzenegger appointed Cate CDCR inspector general. Prior to this position, he served as a deputy attorney general with the California Department of Justice from 1996-2004, including as a supervising deputy attorney general from 2002-2004.

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