

DATE SUBMITTED 01/15/2016
SUBMITTED BY BEST
DATE ACTION REQUIRED 01/20/2016

COUNCIL ACTION (x)
PUBLIC HEARING REQUIRED ()
RESOLUTION ()
ORDINANCE 1ST READING ()
ORDINANCE 2ND READING ()
CITY CLERK'S INITIALS ()

**IMPERIAL CITY COUNCIL
AGENDA ITEM**

SUBJECT: DISCUSSION/ACTION: LEAGUE OF CALIFORNIA CITIES ANNUAL DUES/MEMBERSHIP

- 1. APPROVAL OF ANNUAL LEAGUE OF CA CITIES MEMBERSHIP

DEPARTMENT INVOLVED: CITY MANAGER

BACKGROUND/SUMMARY:

The League is the leading voice for California Cities. Working in concert with cities, partners and coalition members, protecting local control through advocacy and education remains the cornerstone of League Activities. Through numbers, the enclosed 2015 Annual Report provides an informative glimpse of the organization and the activities dedicated to advancing the League's mission. The strategies, activities, and advocacy behind these numbers are made possible because of the continuing commitments from cities like the City of Imperial.

The City Council of the City of Imperial may approve the annual membership dues based upon two proposals included in this report. The proposal based off of the 2008 population (see Q&A chart) or the proposal based off of 2015 annual population report.

FISCAL IMPACT: Up to \$6,727.76 dependent upon Council's decision. F.O. INITIALS: *VS*

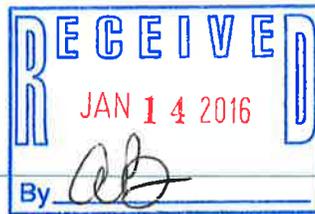
STAFF RECOMMENDATION: It is staff's recommendation to continue with our partnership with the League of CA Cities.

MANAGER'S RECOMMENDATION: Management agrees with the staff recommendation to continue with our membership. MANAGER'S INITIALS

MOTION:

SECONDED: APPROVED () REJECTED ()
AYES: DISAPPROVED () DEFERRED ()
NAYES:
ABSENT: REFERRED TO:

1400 K STREET
SACRAMENTO, CA 95814
PH: (916) 658-8200
FX: (916) 658-8240



WWW.CACITIES.ORG

January 6, 2016

TO: City Managers and City Clerks in non-manager cities

FROM: Officers of the League of California Cities

Dennis Michael, President, and Mayor of Rancho Cucamonga
JoAnne Mounce, First Vice-President, and Council Member of Lodi
James Goodhart, Second Vice-President, and Mayor of Palos Verdes Estates
Stephany Aguilar, Immediate Past President, and Council Member of Scotts Valley
Chris McKenzie, Executive Director

**SUBJECT: League Dues for 2016
Voluntary Surcharge to Support Vital Litigation**

Thank you for your City's membership in the League of California Cities. We understand the City's financial resources are precious and value your commitment to keep the League strong now, and into the future.

League Membership – A Great Investment

Enclosed is your city's 2016 dues statement (*see enclosed blue Q & A sheet for important information regarding your city's 2016 dues calculation*). The value your city derives from membership in the League of California Cities makes the payment of League dues a wise investment. Please review the enclosed customized "Return on Investment" report for your city. It reflects financial benefits your city enjoys as a direct result of the League's legislative and ballot measure advocacy. A strong and effective League is central to your city's strength and vitality.

For 2016, the Board of Directors authorized a two percent dues increase. Following an unprecedented eight year period with no increases, this year's adjustment reflects the board's desire to return to its pre-great recession approach of increasing dues to keep pace with inflation, ensure adequate funding to maintain the League's work program, and carry out stable and predictable adjustments that minimize the potential for significantly larger increases in the future.

Annual Report – Advancing the Mission

The League is the leading voice for California cities. Working in concert with cities, partners, and coalition members, protecting local control through advocacy and education remains the cornerstone of League activities. Through numbers, the enclosed 2015 Annual Report provides an informative glimpse of the organization and the activities dedicated to advancing the League's mission. The strategies, activities and advocacy behind these numbers are made possible because of continuing commitments from cities like yours.

Voluntary Litigation Surcharge – Defending Local Control

The League and city officials have invested tremendous human and financial resources over the past decade to secure meaningful constitutional protection of city revenue sources. Proposition 1A (2004) and

*Our mission is to expand and protect local control for cities
through education and advocacy to enhance the quality of life for all Californians.*

Proposition 22 (2010) were passed with strong leadership from the League and cities to protect city revenues, but the work is not over. When legislation is enacted that attempts to erode these revenue protections and other constitutional authority of cities, defending and enforcing these protections can require litigation as a last resort.

This vital defensive strategy is expensive, but essential. Implementing this strategy is conducted at greatly reduced cost and effort when the League coordinates efforts or serves as the lead plaintiff on behalf of member cities. The alternative would be for each city or *ad hoc* groupings of cities to initiate separate lawsuits. Through the League, cities can leverage their membership and resources to challenge the state whenever it attempts to weaken the important local revenue protections and authority California cities have worked so hard to achieve and maintain.

Acknowledging the increasingly important role litigation serves for the League, the board of directors formalized a policy to maintain a Litigation Contingency Reserve Account (LCRA) funded through an optional voluntary surcharge set as a percentage of dues. Reviewed annually by the League's finance committee and board of directors, the LCRA is set at \$275,000 and is reserved to 1) cover expenses incurred from board approved litigation within a single budget year; and 2) maintain sufficient set-asides to cover expenses the League would incur if the League becomes or remains involved in board approved litigation during the following year.

In 2013 and 2014, approximately fifty-two percent of member cities voluntarily paid ten percent of their membership dues and in 2015 seventy-two percent contributed 2.4 percent of their membership dues. To date, approximately 54 percent of the surcharge collected has been used to defray litigation expenses associated with the *League of California Cities v. Matasantos* (AB 1484) and *City of El Centro, et al. v. David Lanier, et al* (SB 7). During 2016, litigation expenses are projected to be \$200,000.

To maintain the LCRA at \$275,000 and help support vital on-going litigation, the board strongly encourages each city to consider including with its 2016 dues an optional surcharge payment equal to four percent of dues. The recommended surcharge is shown on the enclosed invoice. The recommended surcharge is optional; a city may pay the base dues and enjoy all the benefits of membership. However, the board of directors sincerely hopes you will support the LCRA because of the tremendous value a coordinated litigation strategy and united front brings to your city and all cities throughout the state.

Conclusion – California Cities Work Together

Through the League, all cities and all city officials have the opportunity to help shape solutions to the issues of greatest importance to our cities and the state of California. Working together, we pursue those solutions most effectively. It is important for cities to act energetically, in unison, and with renewed focus to amplify our voice in key statewide policy matters.

The board of directors encourages your enthusiastic support of and participation in the League of California Cities in 2016. We look forward to continuing our fight together to protect local control and help you provide outstanding service to the residents of your great city.

If you have any questions about this matter, please contact Norman Coppinger, director of administrative services, at ncoppinger@cacities.org or 916-658-8277.

Enclosures: Dues Invoice
Q & A Sheet for Cities with a Population Increase Since 2008
Return on Investment Report
2015 Annual Report

INVOICE



1400 K Street, Suite 400 Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

To: City Manager
City of Imperial
420 South Imperial Avenue
Imperial, CA 92251

Invoice: 158363

Terms: Jan. 31, 2016

Option #1 Membership Dues Based on Current Population

<u>Date</u>	<u>Description</u>	<u>Amount</u>
January 4, 2016	Membership dues for calendar year 2016	\$6,469.00
	Optional litigation surcharge (4%)	<u>\$258.76</u>
	Total Amount	\$6,727.76
	Official 2015 Population: 17,446	

Option #2 Membership Dues Based on 2008 Population *(see accompanying blue Q & A sheet)*

<u>Date</u>	<u>Description</u>	<u>Amount</u>
January 4, 2016	Membership dues for calendar year 2016	\$5,617.00
	Optional litigation surcharge (4%)	<u>\$224.68</u>
	Total Amount	\$5,841.68

Strategic Priorities for 2016

- Increase Funding for Critical Transportation and Water Infrastructure;
- Improve Housing Affordability; and
- Update the Local Government Tax Structure to Respond to the New Economy and Stimulate Economic Growth.

League Membership – Your Best Investment

www.cacities.org

Please make checks payable to
LEAGUE OF CALIFORNIA CITIES
and mail to the Sacramento address above.

Questions? Contact Norman Coppinger at ncoppinger@cacities.org or 916-658-8277

LEAGUE OF CALIFORNIA CITIES

LEAGUE MEMBERSHIP -- A GREAT INVESTMENT

Customized Return on Investment Report
December 2015

	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY2015-16	Total
IMPERIAL									
IMPERIAL's Dues	5,507	5,507	5,507	5,507	5,507	5,507	5,507	5,617	44,166
VLF/Property Tax Swap ⁽¹⁾	468,920	419,779	337,725	250,437	256,526	292,144	302,254	292,326	2,620,112
Prop. 42 (local streets)	109,883	120,619	↓	↓	↓	↓	↓	↓	230,501
HUTA state taking blocked		204,712	↓	↓	↓	↓	↓	↓	204,712
HUTA and Prop. 42 protected by Prop. 22 ⁽²⁾			300,227	420,306	417,253	821,724	819,253	611,062	3,389,825
Property Tax loan securitized / prohibited by Prop. 22 ⁽³⁾		193,525							193,525
VLF shift prohibited by Prop. 22 ⁽⁴⁾			53,396						53,396
SB889 VLF Shift				-47,631	-48,750	-49,680	-50,756	-52,279	-249,096
Redevelopment TI protected by Prop. 22			995,083						995,083
Redevelopment Disolution (net of ROPS) ⁽⁵⁾				>>>	-729,474	<<<	<<<	<<<	-729,474
Police Grants - Supplemental Budget									0
Pre-2004 Mandate Claims payment							1,208	10,254	11,462
Total Return	578,803	938,635	1,686,431	623,113	-104,446	1,064,188	1,070,751	851,109	6,708,584
Rate of Return	105:1	170:1	306:1	113:1	-19:1	193:1	194:1	152:1	152:1

1. Net gain in revenues by virtue of the VLF/Property Tax Swap. Growth in PropTax in Lieu of VLF versus estimated growth in VLF had it remained.
2. Prop. 22 ended the Legislature's ability to borrow or delay HUTA and Prop. 42 gas tax funds.
3. Prop. 22 ended the Legislature's ability to borrow local property taxes. The FY09-10 loan was securitized. Under Prop.1A('04) another borrowing could have occurred in 3 years.
4. Prop. 22 ended the Legislature's ability to shift revenue allocations from the 0.65% state Vehicle License Fee.
5. Actual redevelopment TI from RPTTF returned to affected taxing agencies other than the city through Sept 2013.



Our mission is to expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

**League of California Cities 2016 Membership Dues
Important Question & Answers Sheet for
Cities with a Population Increase Since 2008**

1. **How are membership dues determined?** Membership dues are based on population. Reviewed and adopted by the board of directors annually, the dues schedule is comprised of 35 different population categories.
2. **Does the dues schedule change from year to year?** The population categories comprising the dues schedule do not change although the board may authorize an adjustment to the dues figure tied to each population category.
3. **When is the last time the board authorized a dues increase?** The board authorized a 2 percent adjustment for 2016, which is the first dues increase since 2008.
4. **What impact does a change in a city's population have on its dues?** Changes that move a city into a higher or lower population category result in a corresponding increase or decrease in that city's dues. To help cities conserve their financial resources during the great recession, dues for the years 2008 through 2015 were based on a city's 2008 population figure.
5. **Are 2016 dues based on 2008 or current population figures?** 2016 dues are based on 2015 population figures. However, because 2016 represents the first dues increase in eight years, cities that have experienced a population change since 2008 resulting in a corresponding dues increase, have the option of paying their 2016 dues based on their 2008 or 2015 population figure.
6. **Why are cities with a population increase being provided this option?** In most instances the difference between dues based on 2008 versus 2015 population figures averages less than \$2,000; however, the League recognizes cities may not have anticipated this type of increase when they budgeted for their 2016 League dues.
7. **Does this apply to my city and what are the options?** Yes. Your city may elect to pay the enclosed 2016 dues invoice by using option 1 or 2. Option 1 represents your city's dues based on your city's 2015 population figure as reported by the California Department of Finance. Cities needing to absorb the increase over time may elect option 2, which allows a city to pay its dues based on its 2008 population figure.
8. **What happens if my city elects option 2?** Cities that elect option 2 are being provided the opportunity to build the increase into future city budgets. If your city elects options 2, you can work with the League's director of administrative services to bring future dues payments in line with the League's dues schedule as soon as possible.
9. **Who is the contact person at the League who can answer questions about my city's dues or help my city implement option 2?** You may contact Norman Coppinger, director of administrative services, at ncoppinger@cacities.org or 916-658-8277.

**League of California Cities
2016 Dues Schedule**

For cities having a population of:			2008-2015 Dues	2016 Increase	2016 Dues
1	to	500	\$72	\$1	\$73
501	to	600	191	4	195
601	to	700	381	8	389
701	to	800	417	8	425
801	to	900	500	10	510
901	to	1,000	586	12	598
1,001	to	1,250	732	15	747
1,251	to	1,500	879	18	897
1,501	to	1,750	1,025	21	1,046
1,751	to	2,000	1,172	23	1,195
2,001	to	2,250	1,318	26	1,344
2,251	to	2,500	1,465	29	1,494
2,501	to	2,750	1,611	32	1,643
2,751	to	3,000	1,758	35	1,793
3,001	to	4,000	2,344	47	2,391
4,001	to	5,000	2,929	59	2,988
5,001	to	7,500	3,953	79	4,032
7,501	to	10,000	4,562	91	4,653
10,001	to	15,000	5,507	110	5,617
15,001	to	20,000	6,342	127	6,469
20,001	to	25,000	7,940	159	8,099
25,001	to	30,000	9,534	191	9,725
30,001	to	40,000	11,736	235	11,971
40,001	to	50,000	14,278	286	14,564
50,001	to	60,000	16,447	329	16,776
60,001	to	70,000	18,076	362	18,438
70,001	to	80,000	18,988	380	19,368
80,001	to	90,000	20,240	405	20,645
90,001	to	100,000	22,172	443	22,615
100,001	to	125,000	25,288	506	25,794
125,001	to	150,000	27,836	557	28,393
150,001	to	200,000	31,636	633	32,269
200,001	to	500,000	33,220	664	33,884
			<i>Plus</i> 1,585	32	1,617
				<i>per each full 10,000 of population over 200,001</i>	
500,001	to	640,000	80,637	1,613	82,250
			<i>Plus</i> 1,465	29	1,494
				<i>per each full 10,000 of population over 500,001</i>	
Over		640,000	100,476	2,010	102,486

A bylaws provision states that no city's dues may increase by more than \$5,000.

League of California Cities®

2015 ANNUAL REPORT



The wise saying “the whole is greater than the sum of its parts” applies to the 473-member League of California Cities®.

At 118 years strong, the organization in 2015 achieved success through the combined engagement of mayors, council members, department directors and staff of our member cities, the League’s regional divisions, policy committees, the League board officers and directors and the contributions of the dedicated League staff. The numbers presented in this 2015 Annual Report reflect the results of the League’s strategic efforts to advocate, inform members, the public and lawmakers on issues of greatest concern to California cities, showcase best practices at the local level and educate city leaders.

► Legislative Advocacy

2,772 BILLS INTRODUCED of which, the League monitored, tracked and engaged on **1,291**.

70 CITY OFFICIAL MEETINGS

with legislators and legislative staff arranged by League staff.

17 of 21 League-supported bills signed by Governor Jerry Brown.



465 MEMBERS combined from **8** policy committees that met **3 to 4** times.

146 Alumni of the League’s California Civic Leadership Institute® between 2005-2015, including **17** in 2015.

164 League Members downloaded new legislative advocacy app.



► Legal Advocacy

54 friend-of-the-court briefs/letters approved for filing in California appellate courts and Attorney General; and League is petitioner on behalf of cities or provided financial support in **3** additional cases.



► Information

105 ISSUES of *CA Cities Advocate* e-newsletter with **8,430** subscribers and average of **37** articles/month.

139,300 visitors to www.cacities.org ➔ **13% increase** from 2014.



62,400 unique visitors to news article pages on www.cacities.org.



1,000+ subscribers to *Local News RoundUp* who receive biweekly city-focused news clips.

18 ACTIVE LEAGUE LISTSERVS for city officials to discuss city-focused issues. **9,591 subscribers**

6,700 Twitter followers with an average of **139** tweets and an average of **68,855** monthly impressions.

2,500 FACEBOOK LIKES

150+ PRESS INQUIRIES

25 new resources from the Institute for Local Government (ILG); **2** new resource centers (*Cap-and-Trade and Recycling*).

2,200 ILG resources downloaded monthly from www.ca-ilg.org.

12 issues of *Western City* magazine published, totaling **392** pages.



100,000 visitors to www.westerncity.com.

► Recognitions Given

3 LEGISLATORS OF THE YEAR

6 Legislators recognized with new Distinguished Legislative Leadership Award.



13 Helen Putnam Award-winning cities exemplifying best practices in city innovation.

30 cities honored with Institute for Local Government Beacon Awards for sustainability efforts.



► Education

1,773 Annual Conference & Expo attendees.



273 Exhibitors at the Annual Conference, including **84** first-time exhibitors.

8 municipal department meetings with a total of **2,665** participants.

23 webinars on a wide range of topics with **3,514** webinar sites and **10+** participants/site.



► Financial Resources for Cities

CSCDA > \$1.25 billion Issuance of tax-exempt bonds and tax credits for cities/community nonprofits. www.cscda.org.

US Communities > 345 cities saved **\$4.2 million** using purchasing portal with group discounts on goods and services. www.uscommunities.org/lcc.

CalTrust > \$2.17 billion in pooled investment of public funds at attractive rates. www.caltrust.org.

League of California Cities®

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Phone: (916) 658-8200 | www.cacities.org