



**Council Meeting: January 29, 2008**

**SUBJECT: Positions on State and Local Ballot Measures for the February 2008 Election**

**REPORT IN BRIEF**

This report provides an opportunity for the Sunnyvale City Council to take positions on state and local measures on the February 5, 2008 Ballot. This report summarizes the measures which are considered City business, provides the City's adopted policy on the issues (if any), the position of the League of California Cities (LCC) when appropriate, and a staff recommendation. **Consistent with other ballot measures, no public funds have been or will be used to campaign for or against these measures.**

At this time, Council may also review the terms of a one year, Council-initiated pilot on how ballot measures are brought to Council for review.

Staff recommends the following positions on the ballot measures discussed in this report:

*State Ballot Measures:*

**Proposition 91: No Recommended Position**

Transportation Funds. Initiative Constitutional Amendment

**Proposition 92: No Recommended Position, not City business**

Community Colleges. Funding. Governance. Fees. Initiative Constitutional Amendment and Statute

**Proposition 93: No Recommended Position, not City business**

Limits on Legislators' Terms in Office. Initiative Constitutional Amendment

**Proposition 94: No Recommended Position, not City business**

Referendum on Amendment to Indian Gaming Compact

**Proposition 95: No Recommended Position, not City business**

Referendum on Amendment to Indian Gaming Compact

**Proposition 96: No Recommended Position, not City business**

Referendum on Amendment to Indian Gaming Compact

**Proposition 97: No Recommended Position, not City business**

Referendum on Amendment to Indian Gaming Compact

*Local Ballot Measures:*

**None**

## **BACKGROUND**

Staff is providing this report to afford the Sunnyvale City Council an opportunity to take a public stand on state and local measures on the February 5, 2008 ballot. Staff's recommendations are generally based on existing City policies from documents such as the General Plan and the Legislative Advocacy Positions, and impact on City operations. Past positions of the Council also guide staff recommendations. New positions taken by the Council will become official policies of the City.

### *Ballot Measure Pilot*

At the Council study issues workshop on December 15, 2006, Council voted to pilot for one year an alternate process for bringing ballot measures to Council for review and action. Previously, staff would review and analyze every measure on the Sunnyvale ballot and make a recommendation based on City policy. Council, instead, directed staff to only consider measures that directly impact the City, with the assistance of the Mayor and Vice Mayor in determining impact or relevance to City business. Council also directed placement of the ballot measures RTC on the Tentative Council Meeting Agenda Calendar one month prior to Election Day; this will allow Council's action on measures to reach absentee ballot voters prior to ballot submission. Finally, Council directed that this pilot occur for one year only at which point, if no other action is taken by the Council, the process would revert back to the previous process.

The pilot was to occur between December 2006 and December 2007, however, there were no statewide elections during that time. As noted in the October 5, 2007 Weekly Report to Council, the pilot was extended to include the February 5 election.

## **EXISTING POLICY**

**Goal 7.3C:** Participate in intergovernmental activities, including national, state and regional groups, as a means to represent the City's interests, influence policy and legislation, and enhance awareness.

**7.3C.1:** Represent City policy in intergovernmental activities in accordance with adopted policy guidelines.

**Council Policy 7.3.2 Legislative Advocacy Positions** defines "City business" as all matters directly related to service delivery, or otherwise contributing to the City's operational success.

## **DISCUSSION**

A brief analysis of each measure affecting City business follows, including a measure summary, staff analysis by the appropriate department regarding

impact on City operations, fiscal impact, relevant City policy and staff recommendation. The Office of the City Attorney prepared an impartial analysis pursuant to Elections Code section 9280, and as directed by the City Council.

**State Ballot Measures:**

**Proposition 91: Transportation Funds. Initiative Constitutional Amendment.**

Staff Recommendation: **No Recommended Position**

Measure Summary:

- Prohibits certain motor vehicle fuel sales and use taxes, which are earmarked for the Transportation Investment Fund, from being retained in the State's General Fund. Currently such taxes may be retained if Governor issues a proclamation, a special statute is enacted by a 2/3 vote of the Legislature, repayment occurs within three years, and certain other conditions are met.
- Requires repayment by 6/30/17 of such vehicle fuel taxes retained in General Fund from 7/1/03 to 6/30/08. Currently repayment is generally required by 6/30/16.
- Changes how and when General Fund borrowing of certain transportation funds is allowed.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

Increases stability of state funding for highways, streets, and roads and may decrease stability of state funding for public transit. May reduce stability of certain local funds for public transit.

City of Sunnyvale Staff Initial Review:

Constitutes City business; bring to Council with full analysis and position recommendation.

Staff Analysis:

Proposition 91 was advanced by transportation industry groups seeking to protect Proposition 42 transportation funding, which has been continually diverted from its intended purpose to the State's General Fund.

While Proposition 91 was being qualified for the ballot, the Governor, Legislature and local government leaders agreed upon a different initiative Constitutional Amendment to protect Proposition 42 funding

(Proposition 1A in 2006, which was part of the 1A-1E infrastructure bond package).

The original proponents of Proposition 91 are encouraging a No Vote on this measure in favor of the protections afforded by Proposition 1A in 2006. The City Council previously supported passage of Propositions 1A-1E in 2006 (see RTC 06-320).

Impact to City Services:

This initiative is meant to stabilize Proposition 42 payments, but contains language that could be interpreted as allowing the State to borrow local transportation funding.

Proposition 42 funds are used primarily for roadway maintenance. Providing a reliable funding source allows the City to provide a stronger commitment to maintaining roadways in good condition.

Fiscal Impact:

Proposition 91 purports to offer stability to the City's receipt of Proposition 42 local transportation funding. Due to the successful passage of Proposition 1A in 2006 (which constitutionally protects Proposition 42 funding), the City expects to receive approximately \$1.4 million annually in Prop 42 funding beginning in FY 08/09, which is reflected in the City's Long-Term Financial Plan.

**Proposition 92: Community Colleges. Funding. Governance. Fees.  
Initiative Constitutional Amendment and Statute**

Staff Recommendation: **No Recommended Position, not City business**

Measure Summary:

- Establishes in state constitution a system of independent public community college districts and Board of Governors.
- Generally, requires minimum levels of state funding for school districts and community college districts to be calculated separately, using different criteria and separately appropriated.
- Allocates 10.46 percent of current Proposition 98 school funding maintenance factor to community colleges.
- Sets community college fees at \$15/unit per semester; limits future fee increases.
- Provides formula for allocation by Legislature to community college districts that would not otherwise receive general fund revenues through community college apportionment.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

Increase in state spending on K-14 education from 2007-08 through 2009-10—averaging about \$300 million per year, with unknown impacts annually thereafter; loss of student fee revenues to community colleges—potentially about \$70 million annually.

City of Sunnyvale Staff Review:

Does not constitute City business; do not bring to Council with full analysis and position recommendation.

**Proposition 93: Limits on Legislators' Terms in Office. Initiative Constitutional Amendment.**

Staff Recommendation: **No Recommended Position, not City business**

Measure Summary:

- Reduces the total amount of time a person may serve in the state legislature from 14 years to 12 years.
- Allows a person to serve a total of 12 years either in the Assembly, the Senate, or a combination of both.
- Provides a transition period to allow current members to serve a total of 12 consecutive years in the house in which they are currently serving, regardless of any prior service in another house.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

This measure would have no direct fiscal effect on state or local governments.

City of Sunnyvale Staff Review:

Does not constitute City business; do not bring to Council with full analysis and position recommendation.

**Proposition 94: Referendum on Amendment to Indian Gaming Compact**

Staff Recommendation: **No Recommended Position, not City business**

Measure Summary:

A "Yes" vote approves and a "No" vote rejects, a law that:

- Ratifies amendment to existing gaming compact between the state and Pechanga Band of Luiseño Mission Indians; amendment would permit tribe to operate 5,500 additional slot machines;

- Omits certain projects from scope of California Environmental Quality Act; amendment provides for Tribal Environmental Impact Report and intergovernmental procedure to address environmental impact;
- Revenue paid by tribe to be deposited into the State's General Fund; tribe would make \$42,500,000 annual payment and pay percentage of revenue generated from the additional slot machines to the state.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

Net increase in annual state government revenues probably in the tens of millions of dollars, growing over time through 2030. For local governments in Riverside County, potential net increase of revenues due to economic growth and potential increased payments from the tribe to offset higher costs.

City of Sunnyvale Staff Review:

Does not constitute City business; do not bring to Council with full analysis and position recommendation.

**Proposition 95: Referendum on Amendment to Indian Gaming Compact**

Staff Recommendation: **No Recommended Position, not City business**

Measure Summary:

A "Yes" vote approves and a "No" vote rejects, a law that:

- Ratifies amendment to existing gaming compact between the state and Morongo Band of Mission Indians; amendment would permit tribe to operate 5,500 additional slot machines;
- Omits certain projects from scope of California Environmental Quality Act; amendment provides for Tribal Environmental Impact Report and intergovernmental procedure to address environmental impact;
- Revenue paid by tribe to be deposited into the State's General Fund; tribe would make \$36,700,000 annual payment and pay percentage of revenue generated from the additional slot machines to the state.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

Net increase in annual state government revenues probably in the tens of millions of dollars, growing over time through 2030. For local governments in Riverside County, potential net increase of revenues

due to economic growth and potential increased payments from the tribe to offset higher costs.

City of Sunnyvale Staff Review:

Does not constitute City business; do not bring to Council with full analysis and position recommendation.

**Proposition 96: Referendum on Amendment to Indian Gaming Compact**

Staff Recommendation: **No Recommended Position, not City business**

Measure Summary:

A “Yes” vote approves and a “No” vote rejects, a law that:

- Ratifies amendment to existing gaming compact between the state and Sycuan Band of the Kumeyaay Nation; amendment would permit tribe to operate 3,000 additional slot machines;
- Omits certain projects from scope of California Environmental Quality Act; amendment provides for Tribal Environmental Impact Report and intergovernmental procedure to address environmental impact;
- Revenue paid by tribe to be deposited into the State’s General Fund; tribe would make \$20,000,000 annual payment and pay percentage of revenue generated from the additional slot machines to the state.

Summary of Legislative Analyst’s Estimate of Net State and Local Government

Fiscal Impact:

Net increase in annual state government revenues probably in the tens of millions of dollars, growing over time through 2030. For local governments in Riverside County, potential net increase of revenues due to economic growth and potential increased payments from the tribe to offset higher costs.

City of Sunnyvale Staff Review:

Does not constitute City business; do not bring to Council with full analysis and position recommendation.

**Proposition 97: Referendum on Amendment to Indian Gaming Compact**

Staff Recommendation: **No Recommended Position, not City business**

Measure Summary:

A “Yes” vote approves and a “No” vote rejects, a law that:

- Ratifies amendment to existing gaming compact between the state and Agua Caliente Band of Cahuilla Indians; amendment would permit tribe to operate 3,000 additional slot machines;
- Omits certain projects from scope of California Environmental Quality Act; amendment provides for Tribal Environmental Impact Report and intergovernmental procedure to address environmental impact;
- Revenue paid by tribe to be deposited into the State's General Fund; tribe would make \$23,400,000 annual payment and pay percentage of revenue generated from the additional slot machines to the state.

Summary of Legislative Analyst's Estimate of Net State and Local Government

Fiscal Impact:

Net increase in annual state government revenues probably in the tens of millions of dollars, growing over time through 2030. For local governments in Riverside County, potential net increase of revenues due to economic growth and potential increased payments from the tribe to offset higher costs.

City of Sunnyvale Staff Review:

Does not constitute City business; do not bring to Council with full analysis and position recommendation.

**Local Ballot Measures:**

None

**Ballot Measure Pilot**

As directed by Council at the study issues workshop on December 15, 2006, staff implemented a one year pilot of an alternate process for bringing ballot measures to Council for review and action. Previously, staff would review and analyze every measure on the Sunnyvale ballot and make a recommendation based on City policy.

In preparation for the February 5 ballot measures report, staff only analyzed and considered measures that directly impact the City; the Mayor and Vice Mayor advised staff on their initial review of each measure to determine impact or relevance to City business.

Council directed that the pilot sunset after one year only unless other action is taken by the Council; in that case, the process would revert back to the previous process.

The pilot process resulted in a streamlined staff review process as fewer hours were spent analyzing measures which have no impact on City services or operations.

### **FISCAL IMPACT**

#### **Proposition 92:**

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

### **ALTERNATIVES**

1. Adopt the following positions on the ballot measures:

#### *State Ballot Measures:*

##### **Proposition 91: No Recommended Position**

Transportation Funds. Initiative Constitutional Amendment

##### **Proposition 92: No Recommended Position, not City business**

Community Colleges. Funding. Governance. Fees. Initiative Constitutional Amendment and Statute

##### **Proposition 93: No Recommended Position, not City business**

Limits on Legislators' Terms in Office. Initiative Constitutional Amendment

##### **Proposition 94: No Recommended Position, not City business**

Referendum on Amendment to Indian Gaming Compact

##### **Proposition 95: No Recommended Position, not City business**

Referendum on Amendment to Indian Gaming Compact

##### **Proposition 96: No Recommended Position, not City business**

Referendum on Amendment to Indian Gaming Compact

##### **Proposition 97: No Recommended Position, not City business**

Referendum on Amendment to Indian Gaming Compact

2. Adopt alternative positions on the ballot measures.
3. Permanently adopt ballot measure pilot review process.
4. Renew ballot measure pilot review process for another year.
5. Take no action at this time.
6. Other action as directed by Council.

**RECOMMENDATION**

Staff recommends Alternatives 1 and 3:

Alternative 1: Adopt the following positions on the ballot measures:

*State Ballot Measures:*

**Proposition 91: No Recommended Position**

Transportation Funds. Initiative Constitutional Amendment

**Proposition 92: No Recommended Position, not City business**

Community Colleges. Funding. Governance. Fees. Initiative Constitutional Amendment and Statute

**Proposition 93: No Recommended Position, not City business**

Limits on Legislators' Terms in Office. Initiative Constitutional Amendment

**Proposition 94: No Recommended Position, not City business**

Referendum on Amendment to Indian Gaming Compact

**Proposition 95: No Recommended Position, not City business**

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**Proposition 97: No Recommended Position, not City business**

Referendum on Amendment to Indian Gaming Compact

Alternative 3: Permanently adopt ballot measure pilot review process.

Reviewed by:

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Approved by:

Amy Chan  
City Manager