



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Aldinger and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Lindy Coe-Juell, Assistant to the City Manager

DATE: April 15, 2008

SUBJECT: Consideration of the State Budget and Legislative Update

RECOMMENDATION:

Staff recommends that the City Council receive and file the April 2008 Budget and Legislative Update from Tony Rice, the City's legislative advocate.

FISCAL IMPLICATION:

There are no fiscal implications associated with staff's recommendation.

BACKGROUND:

The City contracts with Tony Rice of Rice, Englander and Associates, for legislative advocacy and representation. One of the deliverables of the contract is to provide regular updates on the state budget and legislative activity.

DISCUSSION:

The April 2008 Budget and Legislative Update from Tony Rice is attached.

April 15, 2008

To: City of Manhattan Beach

Fm: Rice/Englander & Associates

RE: SACRAMENTO UPDATE

State Budget

April 15 is the deadline for most Californians to submit their taxes to the state, whether for payment or a rebate. As such, the state will not know the extent of the deficit Sacramento must tackle until after those figures are tabulated. Therefore, no new analyses have been done on the level and depth of the deficit since your last update. However, speculation abounds based on the most recent economic indicators that the deficit will continue to grow upon the current known figure of \$8 billion. The final tabulation of revenues and expenditures will be compiled in May, and be released through the document known as the May Revise. This document will serve as the final word on the size of deficit, and will be used as the baseline for the serious budgetary discussions in the formulation of the 2008-09 State Budget Bill. It is commonly understood in Sacramento that we will likely experience a protracted budget discussion this year, with little hope that an on-time budget (July 1) will be achieved.

Despite the fact that we have an unknown deficit that must be worked around, the Senate and the Assembly Budget Committees continue to work on the individual line items of the various state agencies and departments, either approving or denying requests from those entities in the upcoming budget year. Any difference between the Senate and the Assembly on these actions will be heard by the Joint Legislative Budget Conference Committee, generally convened after the release of the May Revise. We should have more empirical data regarding the state's finances by the time of your next update.

Legislation

We are in a "middle" period, so to speak, in regards to legislation. Hundreds of new bills were introduced this year, and now the Legislature's policy committees are working overtime to consider these items before the deadlines for passage fall upon us. We have sent numerous bills to the City for consideration and are working with staff on some of the more high priority pieces. That said, we will have a clearer outlook on what bills are considered legitimate threats and/or opportunities this year by the time of your next update as we expect several hundred bills to be defeated in the next couple of weeks.

Eminent Domain

We have reported in the past of the impending initiative battle, scheduled in June, of two competing propositions relating to the ability of local governments to utilize eminent domain. We are limited by law as consultants as to what we can and cannot say regarding initiatives, however, we strongly recommend interested parties contact the League of California Cities at 916-658-8200 should they be interested in being involved in the campaign. We understand the use of eminent domain is not a big issue for Manhattan Beach today, however if one of the propositions were to pass, the ability of Manhattan Beach to utilize the proceedings would be severely curtailed in perpetuity.

Other Matters

The League of California Cities is hosting its annual League Action Days on April 16 and 17. Having seen their agenda, the League event will be well attended by city representatives from around the state as well as by high ranking state legislators. Should members of the Manhattan Beach City Council be attendance for either, or both of these days, we look forward to seeing them here and offer our assistance in scheduling meetings with your legislative delegation, if appropriate.

As always, please do not hesitate to contact us with any questions or comments you may have.