CITY OF CONCORD 1950 Parkside Drive, MS/01 Concord, California 94519-2578 FAX: (925) 798-0636

OFFICE OF THE MAYOR
Telephone: (925) 671-3158



CITY COUNCIL
William D. Shinn, Mayor
Helen M. Allen, Vice Mayor
Guy S. Bjerke
Laura M. Hoffmeister
Mark A. Peterson

Mary Rae Lehman, City Clerk Thomas J. Wentling, City Treasurer

Edward R. James, Interim City Manager

July 18, 2008

Hon. Senator Tom Torlakson 7th District
State Capitol Room 5050
Sacramento, CA 95814

Subject: State Budget and Local Government Finance

Dear Senator Torlakson:

As Mayor of the City of Concord, I request you <u>OPPOSE any effort to "borrow" local government revenues</u> to temporarily fix the State budget deficit. This approach is fiscally irresponsible and will hurt our economy. Without any realistic plan for repaying "loans" this approach exacerbates the State's structural deficit and harms local services.

In overwhelmingly enacting Propositions 1A and 42, the voters made it clear they oppose taking local and transportation funds to address the State's short term budget problems. Loans were approved if the governor declares a severe fiscal hardship. Using these loans at the first opportunity because the Legislature fails to enact real solutions to the State's budget structural deficit breaks faith with voters.

Cities also face difficult times due to high fuel costs, the mortgage crisis and a stagnant economy. We have already adopted our budgets, making tough choices to reduce our spending, develop new revenues and maintain acceptable levels of vital services. Any State "loans" now will require that we reduce local services.

We recognize that State leaders face difficult decisions. Solutions are at hand. They require compromise and acknowledgement that the State should balance its budget with state funds – no more and no less.

Very truly yours,

Walliam D. Shin

William D. Shinn Mayor Hon. Senator Tom Torlakson July 18, 2008 Page Two

cc: Hon. Assemblyman Mark DeSaulnier, State Capitol Room 4162, Sacramento, CA 95814

Governor Arnold Schwarzenegger, State Capitol, Legislative Affairs Unit Attn: John Moffatt, Sacramento, CA 95814

Senate President Pro Tem Don Perata, State Capitol, Room 205, Sacramento, CA 95814

Senate Republican Leader Dave Cogdill, State Capitol, Room 305, Sacramento, CA 95814

Assembly Speaker Karen Bass, State Capitol, PO Box 942849, Sacramento, CA, 94249-0047

Assembly Republican Leader Michael Villines, State Capitol, Room 3104 Sacramento, CA 94249-0029

Members of the City Council

Mary Rae Lehman, City Clerk

Edward R. James, Interim City Manager

Peter Dragovich, Director of City Management

Joe Gonsalves & Sons, 925 L Street, Suite 250, Sacramento, CA 95814

League of California Cities, 1400 K Street, Suite 400, Sacramento, CA 95814

Eric Figueroa, Regional Representative, East Bay Division – League of California Cities, P.O. Box 901, San Leandro, CA 94577