



# City of Encinitas

Office of  
The Mayor

April 26, 2017

The Honorable Reginald Jones-Sawyer, Sr.  
California State Assembly  
State Capitol Building, Room 2117  
Sacramento, CA 95814  
VIA FAX: 916-319-2159

*Catherine S. Blakespear*  
Mayor

**RE: AB 1250 (Jones-Sawyer). Counties and Cities: Contracts for Personal Services.  
Notice of Opposition (as amended 04/07/17)**

Dear Assembly Member Jones-Sawyer:

*Tony Kranz*  
Deputy Mayor

The City of Encinitas must respectfully oppose your Assembly Bill 1250, which effectively eliminates almost all contracting services for cities and counties.

*Tasha Boerner Horvath*  
Council Member

Local governments have a long history of addressing service delivery challenges with creativity, self-reliance and innovation. Some cities are full service, but not all cities. The City of Encinitas is actually a contract city, utilizing contracts for landscape maintenance, street paving, refuse collection, street sweeping, building inspection, engineering inspection, and graffiti removal. The City also contracts with the San Diego County Sheriff for law enforcement services.

*Mark Muir*  
Council Member

As amended, AB 1250 places substantial burdens on local agencies by adding onerous, over-prescriptive and unnecessary requirements that impede on local control and have significant impacts on local governance. Specifically AB 1250:

### **Creates Significant Cost and Workload Requirements**

*Joe Mosca*  
Council Member

AB 1250 eliminates local agency hiring discretion by limiting its ability to utilize a contract for the sole purpose of cost savings through salaries and benefits. This creates a significant hurdle as many local agencies continue to struggle financially and have not achieved the same level of economic prosperity compared to pre-2008 recession levels. Unemployment rates remain high in certain areas, agencies are at a near breaking point on their unfunded actuarial liability (UAL) and normal pension costs and some communities remain in significant financial difficulty. Each local agency knows what mix of contract and permanent staff works best.

*Karen P. Brust*  
City Manager

Moreover, AB 1250 requires that the agency provide an orientation to contracted employees. Last year, AB 2835 (Cooper), which mandated that public employers must provide an orientation to their own employees, was estimated to be \$350 million in ongoing costs by the California Department of Finance. Having a local agency provide an additional orientation to non-city employees creates significant cost and logistical concern.

Additionally, there are real and significant privacy concerns about posting full names, job titles and salaries of non-city employees. AB 1250 would require a city to create a new, fully searchable database that must be posted on the city website which will include substantive and sensitive information including the names, job titles, salary of each contracted employee (and subcontractors) and services of the contract, the name of the agency department or division of the city who manages the contract.

**Creates a series of new and burdensome reporting requirements prior to entering or renewing a contract**

AB 1250 would require a city, before entering a contract or renewing a contract, to perform a full economic analysis of the potential impacts of outsourcing, including the impact on local businesses if consumer spending power is reduced, among other factors. AB 1250 mandates that a city conducts a full environmental impact analysis caused by contracting for the services. Further, the measure forces a city to conduct an annual audit of each contract and prohibits a city from renewing or granting a new contract before the report is released and considered by the council.

**Increased Litigation to Local Agencies**

AB 1250 applies joint and several liabilities for employment law violations arising from performance of the contractor. This also applies to torts committed by the contractor or any of its subcontractors in the course of providing services under the contract. This places overly restrictive requirements on cities and potentially opens agencies to litigation.

Cities continue to face difficult budget conditions, which have been compounded by recent state takeaways including the loss of redevelopment funding and expanding pension obligations. This measure compounds existing constitutional limitations on local agencies to raise additional revenue. Thus, local agencies are in no position to have their flexibility further curtailed.

The workload, privacy concerns, costs and litigation created by this measure places an overwhelming and significant burden on nearly every city department and would create a de facto ban on virtually all contracting services.

For these reasons the City of Encinitas **opposes** Assembly Bill 1250.

Sincerely,



Catherine S. Blakespear  
Mayor

cc: Senator Patricia Bates  
Assembly Member Rocky Chavez  
Catherine Hill, League of California Cities, [chill@cacities.org](mailto:chill@cacities.org)  
JGC Government Relations  
[Michael Bolden](#), Chief Consultant, Assembly Committee Public Employees, Retirement, and Social Security  
[Joshua White](#), Consultant, Assembly Republican Caucus  
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City Council