

Local governments pay big to influence Sacramento

By Anthony York, Los Angeles Times

SACRAMENTO – Although many of California’s cities and counties have been struggling financially, putting off road repairs, cutting back library hours and reducing police patrols, there is one way in which they have not held back: hiring Sacramento lobbyists.

Local governments’ spending on advocacy in the Capitol has surged in recent years, topping \$96 million during the two-year legislative session that ended last fall – an increase of nearly 50 percent from a decade ago.

The sum dwarfs the lobbying bills of the state’s largest labor unions, big oil companies and other energy interests combined, according to the California secretary of state’s office. No sector spends nearly as much trying to influence government in California as government.

One reason is more than two decades of term limits. Turnover in the Capitol and in some local offices has weakened relationships between state and local officials. Many lobbyists work in Sacramento for decades, are more knowledgeable about policy details and intricate funding formulas than sitting lawmakers, and have long-standing relationships with Capitol staffers.

Another is the state budget crises of the last decade, which have taken an ever larger bite out of allocations to local governments, putting municipal and state leaders at loggerheads.

With tens of millions of local dollars going to capital insiders “at a time when cities and counties are cutting back

essential services, it's worth asking whether this spending is the best use of taxpayer money," said Phillip Ung, a spokesman for the watchdog group California Common Cause.

Local officials say the lobbying expenses are a small price to pay to protect their share of exponentially larger state dollars. The right advocate can steer some state funds in one direction or another, and these days, a lobbyist's blessing for a policy proposal can carry more weight in the Capitol than a legislator's endorsement.

Lobbyists may be retained as a defensive measure against decisions made in the Capitol that could adversely affect local communities. They may be asked to help secure state contracts or bond money, or to arrange meetings with leaders of the Legislature and other top government officials.

Orange County officials credited their Sacramento lobbyists, Platinum Advisors, for arranging a meeting last summer with Assembly Speaker John Pérez, D-Los Angeles, that led to last-minute legislation restoring \$48 million to the county budget.

The city and county of Los Angeles both have full-time staffs dedicated to monitoring the Capitol, but they seek additional help from several Sacramento-based firms. The two entities paid external lobbyists a combined \$5.3 million over the last two years, according to spending reports filed with the state.

The city of Los Angeles paid the Sacramento firm of Shaw/Yoder/Antwih more than \$251,000 in 2011 and 2012 combined – part of the more than \$3.3 million spent on outside lobbying during those two years. The firm helped secure millions of state bond dollars for city projects and helped defeat legislation that could have required the city to spend as much as \$2 billion to repair damaged sidewalks, said Juan Rodriguez, director of state relations for the city.

Other big spenders include the counties of Alameda, San Bernardino and Orange, which each devote more than \$1 million

annually on outside advocates. But some of the big money comes from small cities.

Anthony Gonsalves, the son of a former assemblyman, runs a lobbying firm with his two sons that specializes in representing cities with populations of 50,000 to 100,000 and budgets to match.

The firm's three Sacramento lobbyists did nearly \$5 million in business during the last two-year session of the Legislature, according to records that lobbyists must file with the state. Most of that business came from the 60 municipalities on its roster.

The cities paid the firm as much as \$8,000 per month, often to lobby on legislation that Gonsalves was being paid to address by other clients as well, according to his firm's state filings. Such fees can be hefty for a small municipality, but the cost of not having such a lobbyist can be much higher, said Alan Kapanicas, city manager of Beaumont in Riverside County, which Gonsalves represents.

Like much municipal funding, most of the city's budget passes through Sacramento, Kapanicas said, and lawmakers have cut those funds deeply over the last decade. The elimination of redevelopment agencies, for example, deducted billions of dollars from city budgets. The governor and Legislature also transferred responsibility for many low-level criminals from prisons to local jails, straining county budgets.

"The state is always coming up with new ways to take money away from us," he said. "We need to have some protection" in Sacramento against those efforts.

The city, with slightly more than 16,000 residents and an annual budget of \$28.7 million, paid Gonsalves more than \$73,000 over the last two years to "be our eyes and ears in Sacramento," Kapanicas said.

Gonsalves said he offers connections that local officials need in the Capitol and may not be able to make through the legislators from their area. "We are a conduit," he said. "We have the relationships."

Many contracts are approved with little or no public scrutiny. Some are arranged by city managers and approved pro forma by council members, without public discussion. Some have come under criticism.

A January report from City Controller Wendy Greuel found that the Los Angeles Department of Water and Power approved four no-bid contracts totaling \$480,000 to Sacramento advocacy firms. None of the contracts had been advertised publicly or required regular updates from the lobbyists on their work.

In Malibu, officials raised concerns about potential conflicts of interest in the way their work was being handled by a firm called California Strategies, which the city has paid \$150,000 a year since 2004 for state government advocacy. The firm simultaneously represented U2 guitarist David Evans, better known as the Edge, in his 2009 quest to build five homes on the bluffs overlooking the Malibu coastline – an effort some members of the City Council opposed.

"It made me uneasy, because the lobbying firm [was] representing something the city may not be happy with," said Jefferson Wagner, who sat on the City Council from 2008 until mid-2012. Wagner was opposed to the development and told the city's advocate, California Strategies' Ted Harris, that the firm's work on the project "made it awkward for me."

Jason Kinney, a spokesman for the firm, said its partners determined there was no conflict in accepting Evans as a client because the necessary permits were dispensed by the California Coastal Commission, not the Malibu City Council. The Coastal Commission ultimately rejected the project.

Sometimes there are personal ties between local governments

and their lobbyists. The Yucaipa Valley Water District paid more than \$110,000 to Platinum Advisors during the last two-year legislative session. One of the firm's lobbyists, Brett Granlund, is the brother of district board member Bruce Granlund and ex-husband of another member, Lonni Granlund.

Joseph Zoba, general manager of the Yucaipa Valley Water District, said the Granlunds recused themselves from the vote on hiring a lobbyist.

"Brett is a former city councilman and assemblyman from Yucaipa. He has a great working knowledge of Yucaipa," Zoba said. "Most people don't even know where we are on the map. Having someone like Brett really helps out."