POLICY WATCH – January 2020

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Welcome to 2020! We lead off this year with endorsements in the upcoming March Primary for local ballot measures and candidates. Please make sure you are registered to vote and exercise your rights. In this issue we look at how to be truly optimistic about the future. A future where we do more than dream, we act to create, implement and sustain it as hopeful people must do. If we want things to be better, we must be the change.

We also look at the fragile economy and its impact on people. A strong economy for the few should not be seen as the best indicator of the general U.S. population's well-being. Please read the article for more data on why there is a big difference between how people are doing and how the stock market is doing. Please check out the upcoming events and the things our amazing NBLC members are doing. We have a lot to do this year -- but together we can get it done.

Best,

Cynthia

Cynthia Munay

NBLC's Ballot Measures Endorsements

SUPPORT: Measure I: SMART Train Sales Tax Extension

In 2008, voters Marin and Sonoma counties had the foresight to create SMART. They voted to build a modern train system to bridge county lines and connect to the ferry in Larkspur. They wanted a green

transportation system, a way to travel without sitting in traffic and fewer cars on Highway 101. SMART has delivered on that promise – despite serious obstacles. When the recession hit in 2009, the floor dropped out of the bond market, slashing the projected \$455 million in revenue to \$298 million over the last 10 years. Despite this setback, SMART still got a world class transportation system up and running by leveraging \$328 million in regional, state and federal matching funds. So far, SMART has carried over 1.7 million passengers, including over



6,300 passengers who require wheelchair access and 164,000 bicyclists.

In December, SMART opened the Larkspur station to connect to the ferry. In January, SMART revamped the commuter schedule to run trains every half hour. Now, SMART is at a crossroads. Measure I is critical to SMART's future. Measure I would extend SMART's ¼ of one cent sales tax with NO TAX INCREASE.

Measure I would ensure SMART's financial survival and allow restructuring of construction debt. This would save \$12.2 million annually, fully funding operations from Larkspur to Windsor for the next 30 years.

Vote YES on Measure I to:

- Take hundreds of thousands of car trips off Highway 101 every year
- Support SMART service to additional cities
- Increase the frequency of SMART trains
- Fund safety enhancements along the rail line
- Add additional parking to SMART stations
- Build more bicycle and walking paths connecting SMART stations

We finally have a modern train system for Marin and Sonoma counties. Please don't let one family with a fat checkbook dictate the future of transportation in the North Bay. Vote "Yes" on Measure I to keep SMART rolling and help reduce greenhouse gas emissions. https://staygreenkeepsmart.org/

SUPPORT: Measure C – Marin Wildfire Prevention Authority

Fire safety improvements are needed as climate change impacts the North Bay. The tax being proposed would amount to 10 cents per building square foot for improved residential and commercial space. An exemption would be provided for low-income seniors. The tax could be increased up to 3% annually to adjust for inflation. Perhaps most vital to its broad support, the tax, which is estimated to bring in \$19.3 million annually, would sunset in 10 years.

Sixty percent of the revenue generated by the tax would be dedicated to core functions such as vegetation management, wildfire detection, evacuation improvements, grants and public education. Twenty percent would be used for annual defensible space and home hardening evaluations, and another 20% would be used for wildfire prevention efforts designed for specific locales. The authority will divide Marin into five zones: Ross Valley, San Rafael, West Marin, Novato and Southern Marin. Its board will consist of a representative from each of the 17 participating agencies. Another provision assures that at least 80% of the revenue generated for vegetation management by each operational zone shall be allocated within the respective zone. The measure's proponents pledged that the authority would utilize an "environmental/climate change lens" while doing its work.

SUPPORT: Measure G – Sonoma County Fire Safety and Emergency Response Improvements

Again, the ability to fight and prevent fires is of tremendous importance in the North Bay. The measure will generate approximately \$51 million annually, which will be distributed across the county's more than 30 fire districts, with the aim of improving alert, warning, and siren systems; vegetation management inspection and mitigation programs; replacement of aging infrastructure and equipment; and the recruitment and retention of firefighters.

"We need more firefighters," Mark Heine, Sonoma County Fire District Fire Chief, told the supervisors. Heine pointed out that there are about 375 firefighters in Sonoma County, but it took a force of about 4,000 firefighters, some coming from as far away as Washington and Arizona, via statewide mutual aid agreements, to stall the Kincade Fire. The new sales tax would provide funding to hire 200 additional full-time personnel across the county, including firefighters and battalion chiefs. The increase in firefighters is a top priority as districts aim for three-person staffing on engines, which is closer to the national standard of four people.

In addition, the tax will provide the funding for the installment of seven new fire inspectors to carry out a more robust vegetation management program throughout the county. Local fire agencies will also receive an influx of funding so their staff can provide vegetation inspection and remediation in their jurisdictions. Additionally, the sales tax will fund a 10- to 12-person regional "fuels crew" to perform vegetation management, reinforce evacuation routes, and construct fuel breaks throughout the county. The home location of the regional crew has not yet been decided.

The resulting funding from the measure will be divided by percentage, based on district size and need. Fire districts that have specific challenges recruiting and retaining full-time firefighters will receive additional funding to help those efforts. A portion of monies raised will go to the county's Department of Emergency Management to improve the county's alert and warning systems, not just for wildfire, but any natural disaster including earthquake, tsunami and flood. Funds will be dedicated to improving digital technologies like the Wireless Emergency Alert system, SoCo Alert, and Nixle notifications, and to construct, operate and maintain a network of emergency sirens.

Overall, the measure would raise funds to build nine new fire stations throughout the county, move the location of eight existing fire stations, and retrofit or remodel another eight existing fire stations.

Current jurisdictional boundaries may also be going away soon. One and one-quarter of the proposed sales tax will provide funding to incentivize fire district consolidation, a move Kenwood, Glen Ellen, Mayacamas and Schell-Vista are currently studying. As long as a district is "working toward consolidation," it will receive funding — although that can be modified after three years.

NBLC's Candidate Endorsements

Marin, Napa and Sonoma Counties have primaries for Board of Supervisors' races in March. NLBC has recommends the candidates below. If the race is uncontested, we are taking no position. If candidates have taking a voting pledge, we have a policy of not endorsing as we fear that means that votes have been promised before hearing from the public. And in some races, we didn't endorse because there was no candidate that reflected NLBC's commitment to supporting fair and balanced voices that support more workforce housing, improved transportation, support for business and economic competitiveness and the

development of a workforce whose skills and talents match the jobs our members are creating.

Napa County:

District 5 - Belia Ramos (Inc.): **Support** Ramos grew up in St. Helena, worked as an attorney and founded Raise The Bar to help prepare applicants for the California Bar Exam. She was elected Supervisor in 2016. Ramos was recently

elected as vice president of the Association of Bay Area Governments which focused on housing issues. During her supervisor term, Ramos has drawn attention to various issues she said are important to her district, among them housing, traffic in the south county and noise heard in American Canyon and other areas from bird-scaring propane canons in vineyards. Ramos said her focus during a second term would continue to be on such things as housing availability and affordability, land use and transportation.

District 4 - Alfredo Pedroza (Inc.): **Support** Pedroza has been a balanced voice on the Napa Board and is a rising star. He is pro-business, against accelerating the minimum wage and didn't sign any union pledges. He is a housing advocate and called for streamlining the approval process and building on surplus County land. He is currently the vice chair of the Metropolitan Transportation Commission. Pedroza is a problem-solver and results-oriented. He used to work for Redwood Credit Union.



Sonoma County:



District 5: Lynda Hopkins (Inc.): **Support** Hopkins has been working hard in her first term and deserves a second one. She is a strong supporter of housing and finding solutions to address homelessness and mental health services. As a small business owner, she supports business and a strong economy. As a parent, she is a great advocate for children, child care and education. Hopkins is balanced, fair and hard-working.

Marin County:

District 3: Stephanie Moulton-Peters: **Support** Moulton-Peters served on the Mill Valley City Council for 2 years and has been chair of the Transportation Authority of Marin (TAM). She supports more housing, currently serving on the Mill Valley Housing Advisory Task Force, and continuous improvement of the transportation infrastructure. Moulton-Peters also is a champion of addressing the impacts of climate change and a healthy economy.



Optimism + Action

A defining factor of well-being is to feel hopeful. As Dr. Martin Seligman, psychologist and former President of the American Psychological Association (Link), says, "Positive human future is not gonna come about by accident, it actually needs hopeful people who plan for it, and make it happen." Seligman says humans are wired for pessimism but can learn to be optimistic. He says, "When you look at pessimistic people, probably the single [most-telling] hallmark is they think that bad events are permanent and that they're unchangeable. So what learned optimism is all about is recognizing that you're saying that to yourself, and then realistically arguing against it."

Seligman's research found that "What distinguishes human beings from all of the other animals is that we're creatures of the future. We're not Homo sapiens—"sapiens" is wisdom and knowledge. I'm not impressed by our wisdom and knowledge. But I am impressed [by] how much of our mental life is about the future. I've come to think of us as Homo prospectus. This is what human beings are good at, and it's why we dominate the planet."

Interestingly, he also discovered that, "There's a big optimism gap between how people feel about their own lives—which is about 6.5 out of 10, on average—and how they feel about the world, which is much more like 4 [out of 10]." Seligman speculates that this gap is because "we know our flaws pretty well, but we know the world through media, and that media tells all the bad things that are happening at a much more rapid rate than the good things that are happening. We're looking at the cavity, and not the good tooth."

Without a doubt, there is a need and reason for hope for our future. But that hope must be rational and reasonable. And when things feel hopeless it is usually a warning of the need to make changes so that the outcome is different. What is disturbing is how many people are now pushing hope as a solution rather than change. There is an effort to turn any bad situation into a hopeful one without the emphasis that the only way that situation will improve is if there is change. I call that Optimism Porn, which means focusing only on the positive without addressing the negative. It's thinking that because things usually work out, it will work out this time, too. Sometimes we need to take off the rose-colored glasses and take action if we really want to be hopeful about the future.

That's why NBLC is supporting Sen. Wiener's SB 50 bill, the MORE Homes Act, which will give us more tools to address the housing crisis by encouraging more housing density near transit, more multi-family dwellings constructed and more jurisdictions doing their fair share to build homes in their communities.

That's why NBLC supports the ballot measures and candidates above. We need to keep SMART and have a green transportation alternative. We need to prevent and be better able to respond to fires. And we need to elect people who will lead and take action to help solve the problems in our region and create new opportunities in the North Bay.

Deaths of Despair

There is a shocking trend that we shouldn't sugar-coat. In <u>Nobel economist: Trump's economy is an absolute disaster for people and the planet</u>, by Joseph Stiglitz (<u>Link</u>), the author shares some startling statistics about the health of our economy. Stiglitz says, "Neither GDP nor the Dow is a good measure of economic performance. Neither tells us what's happening to ordinary citizens' living standards or anything about sustainability. In fact, US economic performance over the past four years is Exhibit A in the indictment against relying on these indicators. The lion's share of the increase in GDP is also going to those at the top."

Stiglitz says, "To get a good reading on a country's economic health, start by looking at the health of its citizens. If they are happy and prosperous, they will be healthy and live longer. Among developed countries, America sits at the bottom in this regard. US life expectancy, already relatively low, fell in each of the first two years of Trump's presidency, and in 2017, midlife mortality reached its highest rate since World War II. This is not a surprise, because no president has worked harder to make sure that more Americans lack health insurance. Millions have lost their coverage, and the uninsured rate has risen, in just two years, from 10.9% to 13.7%."

It gets worse. Stiglitz says, "One reason for declining life expectancy in America is what Anne Case and Nobel laureate economist <u>Angus Deaton</u> call deaths of despair, caused by alcohol, drug overdoses, and suicide. In 2017 (the most recent year for which good data are available), such deaths stood at <u>almost four times their 1999 level</u>. The only time I have seen anything like these declines in health—outside of war or epidemics—was when I was chief economist of the World Bank and found out that mortality and

morbidity data confirmed what our economic indicators suggested about the dismal state of the post-Soviet Russian economy."

Stiglitz points out ways that the only people benefitting from the recent tax reform are the rich. He says, "Given tax cuts that disproportionately benefit the ultrarich and corporations, it should come as no surprise that there was no significant change in the median US household's disposable income between 2017 and 2018 (again, the most recent year with good data). The lion's share of the increase in GDP is also going to those at the top. Real median weekly earnings are just 2.6% above their level when Trump took office. And these increases have not offset long periods of wage stagnation. For example, the median wage of a full-time male worker (and those with full-time jobs are the lucky ones) is still more than 3% below what it was 40 years ago. Nor has there been much progress on reducing racial disparities: in the third quarter of 2019, median weekly earnings for black men working full-time were less than three-quarters the level for white men."

"Making matters worse," says Stiglitz, "the growth that has occurred is not environmentally sustainable – and even less so thanks to the Trump administration's gutting of regulations that have passed stringent cost-benefit analyses. The air will be less breathable, the water less drinkable, and the planet more subject to climate change. In fact, losses related to climate change have already reached new highs in the US, which has suffered more property damage than any other country – reaching some 1.5% of GDP in 2017."

He recounts how the tax cuts didn't spur new investment but created record buying of stock buybacks and "record peacetime deficits (almost \$1 trillion in fiscal 2019) in a country supposedly near full employment. And even with weak investment, the US had to borrow massively abroad: the most recent data show foreign borrowing at nearly \$500 billion a year, with an increase of more than 10% in America's net indebtedness position in one year alone."

Trade wars have not reduced the trade U.S. deficit. The 2018 goods deficit was the <u>largest on record</u>. And despite Trump's vaunted promises to bring manufacturing jobs back to the US, the increase in Stiglitz observes manufacturing employment is still lower than it was under President Obama, and the "unemployment rate, at a 50-year low, masks economic fragility. The *employment* rate for working-age males and females, while rising, has increased less than during the Obama recovery, and is still <u>significantly below</u> that of other developed countries. The pace of job creation is also markedly slower than it was under Obama."

Stiglitz says, "Again, the low employment rate is not a surprise, not least because unhealthy people can't work. Moreover, those on disability benefits, in prison—the US <u>incarceration rate</u> has increased more than sixfold since 1970, with some <u>two million people</u> currently behind bars — or so discouraged that they are not actively seeking jobs are not counted as "unemployed." But, of course, they are not employed. Nor is it a surprise that a country that doesn't provide affordable childcare or guarantee family leave would have lower female employment—adjusted for population, more than ten percentage points lower—than other developed countries."

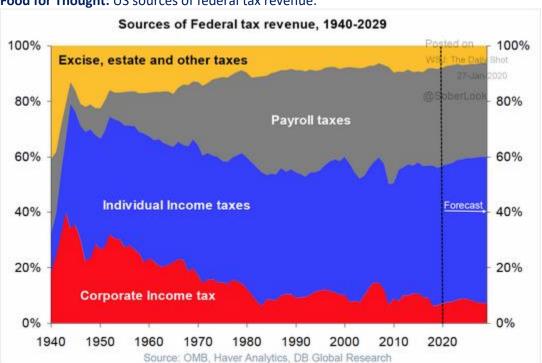
Stiglitz concludes, "Even judging by GDP, the Trump economy falls short. Last quarter's growth was just 2.1%, far less than the 4%, 5%, or even 6% Trump <u>promised</u> to deliver, and even less than the 2.4% average of Obama's second term. That is a remarkably poor performance considering the stimulus provided by the \$1 trillion deficit and ultra-low interest rates. This is not an accident, or just a matter of bad luck: Trump's brand is uncertainty, volatility, and prevarication, whereas trust, stability, and confidence are essential for growth. So is <u>equality</u>, according to the International Monetary Fund."

What are the take-aways from these despairingly sad statistics? We are living in a post-GDP world where we are failing to measure what matters and pinning hopes on data that no longer speaks to the real state of the economic health of our country. A strong economy for the few should not be seen as the best indicator of the general U.S. population's well-being. We can see that in the rise of homelessness and lack of housing, the exodus of people from the Bay Area, the crumbling of our infrastructure and the performance of our schools, and the people who are not getting the healthcare they need.

If we don't look at these factors, and only keep our eyes on the shiny objects of a strong economy and uptick in the stock market, we will not take the actions needed to give people the American Dream that they have the opportunity to pursue. Deaths of despair are preventable if we choose to change what is happening.

Food for Thought as Tax Time Approaches

As the deadline to file taxes approaches, it is interesting to look at how much the different streams of Federal tax revenue have changed in terms of contributing to the overall budget. Note the shrinking of corporate Income tax and excise, estate and other taxes, the growth in personal income taxes and payroll taxes. The individual income taxes are a huge part of the Federal revenue and as we have seen from our State's dependence on this individual income tax, a very volatile source.



Food for Thought: US sources of federal tax revenue:

Source: Deutsche Bank Research

Upcoming Events

Business Edge Breakfast Briefing: March 4, 3030

Is Your Brand Full of Personality? Find Out How to Get Your Brand to the Head of the Pack!

Mission Critical's branding experts will help you determine your brand personality attributes and how to leverage them to your advantage. This interactive presentation will give you new insights into improving your branding by building on what you are doing right without a big investment of time and money.

Learn how to express your brand's personality to infuse your branding with consistency and alignment that makes your brand compelling and memorable. Whether you are a business, nonprofit or entrepreneur, don't miss this new approach to getting your brand right for you!

Presenters:

Hae Yuon Kim, Creative Director and Partner, Mission Critical Creative Leslie Belingheri, Marcom Strategist and Partner, Mission Critical Creative

Date: Wednesday, March 4, 2020

Location: Creekside Room, Dominican Campus **Registration & Breakfast :** 7:30 - 8:00 a.m.

Program: 8:00 - 9:30 a.m.

Ticket Price: \$25.00 (includes breakfast)

Register here: https://www.eventbrite.com/e/is-your-brand-full-of-personality-tickets-90072983719

Save the Date!

NBLC * Signature Event * 2020 State of the North Bay Thursday, June 11, 2020 Sheraton Hotel, Petaluma Open to Public – RSVP required with ticket purchase 7:00-7:30 a.m.: Registration / 7:30-9:00 a.m.: Program

Members in the News

Canine Companions for Independence and Littler

Littler and Canine Companions For Independence®, a non-profit organization that provides highly trained assistance dogs to people with disabilities at no charge, have formed a strategic partnership to address issues related to accommodation requests in the workplace.

SolarCraft Completes Solar Power System at St. Bonaventure Catholic Church

Novato and Sonoma based SolarCraft, a leading North Bay solar installer for over 35 years, recently completed the installation of a 157.6 kW DC solar system at St. Bonaventure Catholic Church in Concord, CA.

North Bay Leadership Council Members Recognized as North Bay's Healthiest Companies of 2019 Congratulations to all of the honorees!

Kaiser Permanente Northern California Mental Health Care Rated Best in State

Kaiser Permanente Northern California is being lauded for achieving the highest possible rating in the state for behavioral and mental health care, and overall quality of medical care in the annual Health Care Quality Report Card from California's Office of the Patient Advocate (OPA).

Kaiser Permanente Makes \$25 Million Pledge to California Governor's Housing Fund

Kaiser Permanente announced it will be a first private sector contributor to California Governor Gavin Newsom's newly announced fund to combat homelessness in the state, committing \$25 million to the effort.

Kaiser Permanente Rebuilding Healthy Communities Together

Since 2017, Kaiser Permanente has invested more than \$13 million dollars as part of its long-term commitment to help rebuild and support wildfire and flood recovery efforts.

Comcast Internet Essentials: A Record-Setting Year

Each year, Comcast strives to make Internet Essentials bigger and better than it was the year before.

Buck Institute for Research on Aging Sets Stage Develop Clinically Relevant, Senescence-Based Biomarkers of Aging

Senescent cells, which stop dividing under stress, are long- recognized drivers of multiple diseases of aging.

Buck Institute for Research on Aging's Role in Moving Science Forward More details on 500% Lifespan Extension

An amazing study with Buck co-authors reporting a nearly 500% increase in lifespan of the nematode C. elegans got a lot of buzz around the web earlier this month.

Sonoma State University's New Business School Dean Jean-Francois Coget

Jean-Francois Coget, Ph.D., was hired last month as the new dean of the School of Business and Economics at Sonoma State University.

Read more online at www.northbayleadership.org/news



Over twenty five years ago, business leaders founded the North Bay Leadership Council on a simple premise: We can accomplish more by working together. Today, the Council includes 54 leading employers in the North Bay. Our members represent a wide variety of businesses, non-profits and educational institutions, with a workforce in excess of 25,000. As business and civic leaders, our goal is to promote sound public policy, innovation and sustainability to make our region a better place to live and work. For more information: Call 707.283.0028 / E-mail info@northbayleadership.org

www.northbayleadership.org