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FOR IMMEDIATE RELEASE

**Governor's Spokesperson Mischaracterizes Cities' Position;
Borrowing Not Acceptable
League of California Cities Reaffirms Opposition to Budget Balanced with
Local Property Tax or Other Revenues**

SACRAMENTO — Gov. Arnold Schwarzenegger's spokesperson Aaron McLear this morning made a completely erroneous statement when he told reporters that California cities are 'okay' with the state borrowing local property taxes to balance its budget. Representing California's 480 cities, the League of California Cities has maintained throughout the past months that it's reckless and irresponsible to balance the budget with borrowing or seizing local funds. It will devastate city services and only "kicks the can down the road."

"Contrary to recent statements from the Governor's office, California cities remain adamantly opposed to the state borrowing local government property taxes. In many cities, critical services have already been cut to the bone as a result of the recession. How would anyone think that cities would support a loan to the state when they are making such deep cuts in vital local public safety and other services? We also were surprised to hear Mr. McLear say last Thursday that borrowing from cities is not 'kicking the can down the road.' Won't the state's structural deficit be worsened by borrowing today and having to repay in four years? The obvious answer is it will," said League Executive Director Chris McKenzie.

For information on how cities are struggling to balance their own budgets and how state raids and loans would devastate their local budgets, see the nearly 550 video testimonials uploaded to www.SaveYourCity.net. To date, more than 250 cities have passed resolutions declaring a state of severe fiscal hardship.

Established in 1898, the League of California Cities is a nonprofit statewide association that advocates for cities with the state and federal governments and provides education and training services to elected and appointed city officials.

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