

CALIFORNIA STATE ASSOCIATION OF COUNTIES
BOARD OF DIRECTORS
June 14, 2007
CSAC Conference Center, Sacramento

M I N U T E S

Presiding: Frank Bigelow, President

1. ROLL CALL

Alameda	absent	Orange	absent
Alpine	Terry Woodrow	Placer	Jim Holmes
Amador	absent	Plumas	Bill Powers
Butte	Curt Josiassen	Riverside	John Tavaglione
Calaveras	Merita Callaway	Sacramento	Roger Dickinson
Colusa	absent	San Benito	Reb Monaco
Contra Costa	Federal Glover	San Bernardino	Paul Biane (via audio)
Del Norte	David Finigan	San Diego	Greg Cox
El Dorado	James Sweeney	San Francisco	absent
Fresno	Henry Perea	San Joaquin	absent
Glenn	Tom McGowan	San Luis Obispo	Harry Ovitt
Humboldt	absent	San Mateo	Richard Gordon
Imperial	Gary Wyatt	Santa Barbara	Joni Gray
Inyo	Susan Cash	Santa Clara	Liz Kniss
Kern	Jon McQuiston	Santa Cruz	absent
Kings	Tony Oliveira	Shasta	absent
Lake	absent	Sierra	absent
Lassen	absent	Siskiyou	absent
Los Angeles	absent	Solano	Barbara Kondylis
Madera	Frank Bigelow	Sonoma	Valerie Brown
Marin	absent	Stanislaus	absent
Mariposa	Dianne Fritz	Sutter	absent
Mendocino	absent	Tehama	Bob Williams
Merced	Mike Nelson	Trinity	absent
Modoc	Mike Dunn	Tulare	Allen Ishida
Mono	Vikki Magee-Bauer	Tuolumne	absent
Monterey	Fernando Armenta	Ventura	Kathy Long
Napa	Brad Wagenknecht	Yolo	Mike McGowan
Nevada	absent	Yuba	absent

The presence of a quorum was noted.

2. APPROVAL OF MINUTES

The minutes of March 29, 2007 were approved as previously mailed.

3. EMINENT DOMAIN EFFORTS/CAMPAIGN

CSAC has been working with a broad range of stakeholders to develop an eminent domain measure that would go to the voters in 2008. The coalition, which includes the League of California Cities, California Redevelopment Association and the California League of Conservation Voters, among others, has been working on a number of fronts to avoid another expensive defense of legitimate government regulation. Staff announced that Assembly Member De La Torre has agreed to author two bills that comprise the eminent domain reform package – ACA 8 and AB 887. The language of both bills was distributed to the Board of Directors. Staff also distributed the Legislative Analyst's Office (LAO) analysis on the two versions of the coalition's initiatives that are currently before the Attorney General awaiting title and summary. The Howard Jarvis Taxpayers Association has decided not to support the coalition's efforts and will be sponsoring their own eminent domain initiative, most likely in June of 2008.

Since January, the coalition has been advised by a team of legal and political advisors, all of which were involved in the "No on Prop. 90" campaign. Staff outlined the cost plan for CSAC's share of funding the consultants' fees through August of 2007. CSAC's share will be \$180,000, plus forgiveness of a \$9,935 loan to the "No on Prop. 90" campaign account. Other coalition partners will also be sharing in the costs. Staff pointed out that there will be additional costs as the campaign moves forward. However, those costs are unknown at this time since it is not yet clear whether the coalition will be supporting a legislative initiative or one that requires voters' signatures to put on the ballot.

The Executive Committee approved the expenditure plan during their May meeting and recommended adoption by the Board of Directors.

Motion and second to adopt eminent domain expenditure plan as outlined on page 10 of briefing materials. Motion carried unanimously.

4. ADMINISTRATION OF JUSTICE POLICY COMMITTEE REPORT

The CSAC Administration of Justice policy committee met on June 6. Two action items were brought forward for Board of Directors' consideration. The first was a request from the Contra Costa County Board of Supervisors to support the establishment of a Sentencing Commission. There are currently two legislative proposals that would create a Sentencing Commission – AB 160 and SB 110. John Pointer, President of the California District Attorneys Association and Steve Szalay, Executive Director of the California State Sheriffs Association, spoke in opposition to these bills. Both organizations support the concept of a sentencing commission, but do not support elements of the proposed legislation. The policy committee recommended that the Board of Directors support establishment and funding of a Sentencing Commission and express this support to the Governor and Legislature.

Motion and second to take a Watch position until further information is received and then bring back to Board of Directors for reconsideration. Motion failed.

Motion and second to conceptually support establishment and funding of an independent and advisory Sentencing Commission and express this conceptual support to the Governor and Legislature.

Substitute motion and second to approve policy committee recommendation as printed in handout as follows: support establishment and funding of a Sentencing Commission and express this support to the Governor and Legislature. Motion failed.

President Bigelow asked for a vote on the original motion - conceptually support establishment and funding of an independent and advisory Sentencing Commission and express this conceptual support to the Governor and Legislature. Motion carried (19 in favor/10 opposed).

Staff reported that Senator Machado, Chair of the Senate Budget and Fiscal Review Subcommittee, has developed an alternative proposal to the Governor's Juvenile Justice Realignment proposal and requested CSAC support. Staff outlined components of this alternative proposal which appears to reflect the Senator's primary interest in developing a seamless juvenile justice system – a continuum of services that blurs the lines between state and local commitments and seeks to focus on identifying youthful offenders' needs and risks and subsequently connecting services based on those assessments.

The policy committee recommended that the Board of Directors take action to authorize staff to continue pursuing efforts to ensure maximum operational and fiscal feasibility of the juvenile justice realignment proposal now before the Legislative Budget Conference Committee. Also, direct staff to continue evaluation of the alternative proposal and communicate specific feedback to Senator Machado.

Motion and second to approve policy committee recommendation as noted above. Motion carried unanimously.

Staff reported that 22 counties have transferred one or more trial court facilities to the state. June 30 is the deadline for all counties to complete that transfer. SB 145 was introduced in the Legislature to extend that deadline and the Assembly Speaker is expected to seek the following amendments:

Require counties to fund an "inflationary cost factor" for facilities that transfer to the state after June 30, 2007. This factor would be applied to the County Facility Payment (CFP) agreed upon for the facility transferring after June 30.

The inflationary cost factor was 2.7% for 2007-08 and would apply to court facilities for two years after the date of transfer. The State Appropriation Limit (SAL) factor funded by the state General Fund goes into effect after two years.

After the SAL takes effect, counties would continue to pay their base CFP.

The requirement is not retroactive and would not impact CFPs for facilities transferred prior to June 30, 2007.

Staff will provide a status report as this bill moves through the Legislature.

5. AGRICULTURE AND NATURAL RESOURCES POLICY COMMITTEE REPORT

Supervisor Mike Nelson, Vice chair of the Agriculture and Natural Resources policy committee, presented the committee report from the meeting held on June 13. The committee received reports from UC Cooperative Extension, the Western Institute for Food Safety and Security, and the Western Plant Health Association. The committee also discussed forming a coalition to oppose Williamson Act subvention funding cuts.

CSAC held a Climate Change Working Group meeting on June 8. The focus of the working group was to consider and identify areas where CSAC could develop climate change policy

statements that would be utilized by CSAC staff as a foundation for lobbying efforts on behalf of counties. The meeting was attended by a diverse group of county representatives. Staff is in the process of drafting the group's comments into policy statements which will be brought back to the working group at its follow-up meeting on June 29.

6. APPOINTMENTS TO CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

The California Statewide Communities Development Authority (CSCDA) is a JPA established in 1987 by CSAC and the League of California Cities to promote economic development through the provision of financial services to local governments. It is the entity through which the CSAC Finance Corporation conducts all pooled financing programs. CSCDA is governed by a seventeen-person commission. Four members are appointed by CSAC. Three of the four appointees are Steve Keil, Norma Lammers, and Paul Hahn, Deputy County Executive of Sacramento County. The fourth member has always been the CSAC Executive Director. The CSAC Board of Directors took action on March 29 to appoint Jean Hurst on an interim basis until a new CSAC Executive Director was appointed.

It was recommended that Paul McIntosh be appointed as a member of the Commission effective upon his starting date and that Jean Hurst serve as alternate member, effective the same date.

Motion and second to appoint Paul McIntosh to serve as a member and Jean Hurst as alternate on the CSCDA Commission. Motion carried unanimously.

7. NATIONAL ASSOCIATION OF COUNTIES REPORT

Supervisor Valerie Brown, NACo 2nd Vice President, distributed a report recently produced by NACo called "Emerging Issues in County Based Health Care" which addresses issues such as cost of retiree health care, inmate and immigrant health care, Medicaid and uncompensated care. She also urged all counties to register for the NACo annual conference, scheduled for July 13 – 17 in Richmond, Virginia.

8. INSTITUTE FOR LOCAL GOVERNMENT REPORT

JoAnne Speers, Director of the Institute for Local Government (ILG), reported that ILG recently launched the California Communities Climate Action Program which will provide quality information on a variety of strategies that can be applied in individual communities to make a difference on climate change issues. The program will also include recognition for local agencies implementing climate action best practices in their own operations. Approximately \$150,000 in grants has been received and more is expected.

Yolo County Administrator Sharon Jensen joined the ILG Board in May, and newly appointed CSAC Executive Director Paul McIntosh, will serve effective upon his start date.

9. CSAC CONSTITUTION REVISION TASK FORCE REPORT

Supervisor Rich Gordon, Chair of the CSAC Constitution Revision Task Force, reported that the task force held its final meeting today. Draft amendments to the CSAC Constitution and Policy and Procedures manual will go to the Executive Committee for consideration and then to the full Board of Directors for adoption in November.

10. CSAC FINANCE CORPORATION REPORT

Customized reports were distributed to all Board of Directors members showing the level of each county's participation in the various Finance Corporation programs. Also, the Finance Corporation will be hosting seminars on "green" purchasing throughout the state. Details have not yet been finalized.

11. HEALTH REFORM UPDATE

The Governor's health care reform proposal contains a number of components including: an individual mandate to purchase health insurance; employer mandate to spend 4 percent of payroll on health insurance for employees or pay into a pool; health market reforms, including guaranteed issue; expansion of Healthy Families Program to all children up to 300% of the federal poverty level; expansion of Medi-Cal to adults, including childless adults; creation of a subsidized purchasing pool for low-income Californians; fees on providers (2%) and hospitals (4%); and a \$1 billion county contribution. A chart outlining each county's contribution under the Governor's plan was contained in the briefing materials.

The Governor's office hosted meetings with stakeholders earlier this year regarding his health care reform proposal, but the plan has not yet been put into legislative bill form. Assembly Speaker Nunez and Senate President Pro Tempore Perata have both introduced their own legislative health care proposals (AB 8 and SB 48). The proposals contain many elements similar to the Governor's proposal including: employer mandate to spend 7.5 percent of payroll on health insurance for employees or pay into a pool; health market reforms, including guaranteed issue; expansion of Health Families Program; and creation of a subsidized purchasing pool for low-income Californians. At this point, the main difference between the two measures is that Senator Perata's proposal includes a modified individual mandate.

12. PROPOSITION 42/SPILLOVER PROPOSAL AND PROPOSITION 1B

Staff announced that an Assembly Budget Subcommittee placed into conference a very contentious proposal related to the Governor's cuts to transit funding. The objective of the proposal – to seek a permanent fix for protection of the transit revenues referred to as "spillover" – is not a problem, but the approach poses a number of issues. The Assembly proposal captures the spillover under Proposition 42, but also revises the current split between the STIP, counties, cities and transit by reducing the counties' share by 25%. Further, spillover revenue has proven to be very erratic over time and also lacks the constitutional protection granted Prop. 42 revenues with the passage of Proposition 1A in November.

Staff recommended that the Board of Directors support the position to retain the current Proposition 42 split of 40% STIP, 20% cities, 20% counties and 20% transit. Also, authorize staff to pursue options for protecting spillover revenues for transportation purposes, including stabilizing these revenues for transit purposes.

Motion and second to adopt staff recommendation as noted above. Motion carried unanimously.

There are currently two competing bills to implement the \$1 billion State-Local Partnership Program contained in Proposition 1B. They are SB 748 (Corbett) and AB 1351 (Levine).

Staff recommended that the Board of Directors affirm CSAC policy to support an approach for implementation of the State-Local Partnership that includes both sales taxes and uniform developer fees as an eligible match. Also, staff recommended support for a program that is flexible and recognizes differences in communities throughout the state (i.e. multiple project types including state, local and transit projects, lower project costs, competitive rather than formula driven, etc.).

Motion and second to approve staff recommendation as noted above. Motion carried.

13. STATE BUDGET/LEGISLATIVE UPDATE

Staff distributed the most recent *Budget Action Bulletin*, which contained information on county issues being considered as part of the State Budget negotiations. The Legislative Budget Conference Committee began its work earlier this week and extended its own deadline for a final budget package from June 15 to June 30. The Department of Finance reported that May revenue receipts are down significantly, which has presented a challenge to finalizing the state budget.

14. OTHER ITEMS

Supervisor Gary Wyatt won the 5th annual Corporate Associates Bocce Ball tournament held last night.

President Bigelow congratulated Paul McIntosh on his appointment as the new CSAC Executive Director and Norma Lammers on her retirement from the CSAC Finance Corporation.

Meeting adjourned.