

CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE

August 19, 2010
AVIA Hotel, Long Beach, Los Angeles County, CA

MINUTES

Presiding: John Tavaglione, First Vice President

1. ROLL CALL

John Tavaglione, 1st Vice Pres.

Mike McGowan, 2nd Vice Pres.

Gary Wyatt, Immed. Past Pres.

Greg Cox, San Diego

Roger Dickinson, Sacramento

Federal Glover, Contra Costa

Don Knabe, Los Angeles

Liz Kniss, Santa Clara

Kathy Long, Ventura

Richard Gordon, San Mateo (alternate)

Susan Adams, Marin

Henry Perea, Fresno – audio

Steve Worthley, Tulare – audio

Joni Gray, Santa Barbara (alternate)

Merita Callaway, Calaveras

Robert Williams, Tehama

Lyle Turpin, Mariposa – audio (alternate)

Ex Officio Members

Valerie Brown, NACo Past Pres. - audio

Susan Cash, CSAC Treasurer

Advisor

Steven Woodside, Sonoma Co. Counsel

2. APPROVAL OF MINUTES

The minutes of April 22, 2010 were approved as previously mailed.

3. PRESENTATION BY SUPERVISOR DON KNABE

Supervisor Don Knabe provided an update on the **10,000 Jobs Initiative**, a highly successful program developed as a result of the Governor's proposal to eliminate the CalWORKS program. The program is funded by federal Temporary Assistance for Needy Family (TANF) and Workforce Investment Act funds.

The Transitional Subsidized Employment Program offers an 80% subsidy to participating employers. Workers are available countywide to public, private and nonprofit businesses at little or no cost for up to one year. The Summer Youth Employment Program offers work experience opportunities to low-income youth, and the Adult and Dislocated Workers Program offers occupational training with classroom and work-based on-the-job training programs.

Since March 2009, Los Angeles County has created more than 20,000 subsidized jobs, both for adults and youth, at 2000 worksites across the county.

Supervisor Knabe noted that under current federal law, the TANF Emergency Contingency Fund (ECF) will expire on September 30, 2010. This means that Los Angeles County will not be able to subsidize the current positions beyond that time unless Congress takes action to extend the funding for another year. Supervisor Knabe urged Executive Committee members to contact their Congressional delegation in support of legislation to extend the TANF ECF. He also provided talking points regarding the issue.

4. NOVEMBER 2010 BALLOT INITIATIVES

Proposition 19. The *Regulate, Control and Tax Cannabis Act of 2010* would legalize the personal consumption, cultivation, and sale of cannabis (marijuana) in California, and allow adults 21 and older to possess up to one ounce. The Act would authorize cities and counties to adopt ordinances to regulate the possession, transportation, cultivation, processing, and sale of marijuana, and to impose fees and taxes on it.

The initial staff recommendation was to 'oppose' Proposition 19. The CSAC Administration of Justice policy committee met recently to consider the initiative and also voted to 'oppose' it. Given that the burden of regulation and implementation would fall to local governments, the policy committee was concerned about the extensive difficulties law enforcement would face due to likely disparate regulations among cities and counties. Members of the Executive Committee were concerned about inconsistencies with the way the measure is written as well as legal questions.

Motion and second to 'Oppose' Proposition 19. Motion carried (8 in favor/6 opposed).

Proposition 21. The *State Parks and Wildlife Conservation Trust fund Act of 2010* would establish an \$18 annual state vehicle license surcharge for non-commercial vehicles and grant free admission to all state parks for surcharged vehicles. Funds from the surcharge would be placed in a trust fund dedicated specifically to state parks and wildlife conservation.

The initial staff recommendation on Proposition 21 was 'neutral'. The Agriculture & Natural Resources policy committee met recently and also voted to take a 'neutral' position. While there was general support for the state parks system, there was concern among the policy committee members that an \$18 surcharge on the VLF was too high a price for the average citizen. The Executive Committee expressed similar sentiments.

Motion and second to take a 'Neutral' position on Proposition 21. Motion failed (5 in favor).

Motion and second to 'Support' Proposition 21. Motion failed (8/8 tie).

Motion and second to 'Oppose' Proposition 21. Motion failed (8/8 tie).

Since the Executive Committee was unable to reach a consensus, the policy committee recommendation to take a 'neutral' position on Proposition 21 will be forwarded to the Board of Directors for consideration.

Proposition 23. This measure would suspend Assembly 32 until the unemployment rate in California is 5.5% or less for four consecutive calendar quarters. The measure also states that no state agency shall propose or adopt any regulation implementing AB 32 until the unemployment rate criteria is met.

The staff recommendation on Proposition 23 was 'Neutral.' The Agriculture & Natural Resources policy committee met recently and also voted to take a 'neutral' position on the initiative. Policy committee concerns included potential increased costs of regulations on small business owners and the intent to put the price of energy and interest of large corporations above the greater public health benefits of curbing pollution and reducing greenhouse gas emissions.

Motion and second to take a 'Neutral' position on Proposition 23. Motion failed. (7/7 tie).

Motion and second to 'Oppose' Proposition 23. Motion carried (8 in favor/6 opposed).

Proposition 26. Stop Hidden Taxes. This measure would change the definition of "taxes" to include some charges that are now considered fees. In doing so, it would raise the hurdles to enact them at both the state and local level. The measure would also change the Constitutional language that specifies when a revenue measure requires a two-thirds legislative vote to pass.

The staff recommendation on Proposition 26 was to 'oppose.' The Government Finance & Operations policy committee also considered the initiative and recommended an 'oppose' position. Policy committee members expressed concerns about how the measure would "handcuff" counties further than Proposition 218 already has. Additionally, they were concerned with the effect the initiative would have on the state budget, since it would undo the recent gas tax swap and therefore create an extra \$1 billion hole in the General Fund.

Motion and second to 'Oppose' Proposition 26. Motion carried (9 in favor/5 opposed).

It was noted that during the votes on Proposition 19 and 21, some ineligible alternates were voting. However, since some members who had been participating telephonically were no longer on the phone and the agenda item had already run longer than expected, Supervisor Tavaglione determined that

voting would not be revisited. The Board of Directors will take final positions on the ballot initiatives at the September 9 meeting.

5. SELECTION OF FUTURE ANNUAL MEETING SITES

Staff researched sites for the 2012, 2013 and 2014 CSAC annual meetings and presented recommendations to the Executive Committee based on site availability, conference/hotel space requirements, cost, and past popularity/success of venue. In addition, CSAC has followed a north/south state rotation. The following recommendations follow that rotation:

2012 – Long Beach, Los Angeles County

2013 – San Jose, Santa Clara County

2014 – Anaheim (Disneyland), Orange County

Staff noted that the 2010 annual meeting will take place in Riverside County and the 2011 annual meeting will be held in San Francisco.

Motion and second to approve staff recommendations to hold CSAC annual meetings as follows: 2012 in Los Angeles County, 2013 in Santa Clara County, and 2014 in Orange County. Motion carried unanimously.

6. AMENDMENT TO CSAC ARTICLES OF INCORPORATION

Staff reported that the US Internal Revenue has been reviewing the tax status of not-for-profit agencies and associations. Since CSAC is a not-for-profit corporation under Section 501©(4) of the IRS code, counsel advised that it would be advantageous to amend the current Articles of Incorporation to provide that, upon dissolution of the association, all assets and holdings of the association would revert back to the member counties, proportionate to their share of dues. This would reinforce the fact that CSAC is a not-for-profit organization which does not contemplate any gain or profit to its members, and is indeed an instrument of its members to accomplish specific objectives.

Motion and second to approve amendment to CSAC Articles of Incorporation as indicated above. Motion carried unanimously.

Counsel will draft an amendment to be filed with the Secretary of State.

7. CSAC REALIGNMENT WORKING GROUP RECOMMENDATIONS

The CSAC Realignment Working Group has been meeting since mid-June to develop a response to various discussions in the Legislature regarding realignment of “restructuring” of state and local program responsibility. The Senate Democrats unveiled a proposal which would transfer \$4 billion worth of program responsibility to counties with the revenue to fund that transfer. The Realignment Working Group has focused on the Senate proposal.

Staff reported that no action was needed on this item since the Executive Committee approved the working group recommendations at the August 5 special meeting which were as follows:

- **Approved the CSAC 2010 Realignment Principles.** CSAC's Realignment Principles were developed in 2003 and updated in 2005 to guide CSAC's advocacy efforts on new realignment or restructuring concepts. The Working Group updated the principles to reflect current county and program conditions.
- **Approved general response to the Senate Democrats' Restructuring Proposal.** The Working Group developed a programmatic risk assessment to focus restructuring conversations on programs that appear to be the most feasible for restructuring/realignment.
- **Approved outline of recommended protections for counties that would be necessary for any restructuring proposal.** The County Counsels' Association Cost Shift Committee assisted the Realignment Working Group by outlining measures that could provide protections for counties under a restructuring model.
- **Approved authority to endorse extension of the 0.50 Vehicle License Fee increase as contemplated in the Senate Democrats' Restructuring Proposal.** Among the revenue options outlines in the Senate Democrats' Restructuring Proposal is the extension of the 0.50 Vehicle License Fee to fund county costs associated with new program responsibilities. Specifically, the Senate Democrats' proposal uses this revenue to fund activities associated with public safety and alcohol and drug treatment.

8. REQUEST FOR CSAC AFFILIATION FROM THE CALIFORNIA CITY-COUNTY STREET LIGHT ASSOCIATION (CAL-SLA)

The California City-County Street Light Association has requested to become an affiliate member of CSAC. CAL-SLA was organized in 1981 to represent California cities and counties before the California Public Utilities Commission on street light rates and to provide information to cities and counties on lighting issues.

Motion and second to approve CSAC affiliate status of CAL-SLA. Motion carried unanimously.

9. FEDERAL LANDS INTO TRUST

Supervisor McGowan provided an update on the Federal lands into trust issue. The acquisition of land in trust on behalf of tribes has substantially expanded and become increasingly controversial in recent years. From the perspective of state and local governments, the process now takes land out of local, county and state jurisdiction and deprives them of a tax base, while maintaining

responsibility for increased service demands and costs associated with the developed land. The lack of opportunity for reform changed in early 2009, when the U.S. Supreme Court (*Carcieri v. Salazar*) cast significant doubt on the authority to acquire land in trust for tribes that were not recognized as of 1934, when the Indian Reorganization Act (IRA) was passed. Tribes have been attempting to push legislation to “fix” the statutory language in the IRA to expand the scope. CSAC has led the effort to organize a coalition of states to develop a legislative proposal and to educate Congressional supporters about this issue through a contract with the firm of Perkins Coie in Washington, D.C. Idaho and New York have also provided financial support for this effort.

Congress is expected to vote on an amendment that would allow all recognized tribes to take land into trust, not just those recognized prior to 1934. Supervisor McGowan urged Executive Committee members to contact House Appropriations members in order to have that amendment stripped from the bill.

Staff was directed to e-mail Executive Committee members the list of House Appropriations Committee members and contact information for each. Staff was further directed to develop talking points on this issue.

10. NATIONAL ASSOCIATION OF COUNTIES UPDATE

Supervisor Valerie Brown reported that California is well-positioned this year with appointments to leadership positions in NACo steering committees and other committees and task forces.

11. PUBLIC COMPENSATION DISCLOSURE ACT OF 2010

Staff provided an update on activities related to the City of Bell issue. The League of Cities formed a task force of City Managers to review best practices and prepare guidelines for the review and setting of salaries for senior managers. CSAC is participating in this task force. The League has drafted legislation they would propose be adopted to provide for transparency in the setting of senior management salaries. The Legislature has also introduced several pieces of legislation in response to this issue.

Staff was directed to send Executive Committee members the explanation of how CSAC spends public funds.

12. STATE/FEDERAL BUDGET UPDATE

Staff distributed a chart that compares the Governor’s Budget with the Democrats’ California Jobs Budget in the areas of General Government, Administration of Justice, and Health & Human Services.

Staff was asked to consider advocating for statewide authority for boards of supervisors to appoint local chief probation officers. Currently, only some counties have that authority. Judges make that appointment in the majority of counties.

13. OTHER ITEMS

Paul McIntosh reported that CSAC is conducting a feasibility study on creating a Health Care Benefits pool within the association.

Staff announced that registration is now open for the 2010 CSAC annual meeting in Riverside County.

Supervisor Callaway discussed the proposed reconfiguration of Local Emergency Medical Services Agencies (LEMSAs) by the Emergency Medical Services Authority (EMSA). She serves on her local LEMSA. The plan to redraw the boundaries into seven areas and to re-work the funding formula is of concern to counties. CSAC has requested that counties be given the opportunity to provide input on the reconfigurations plan and timeline.

Meeting adjourned.