

CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE

January 31, 2008
CSAC Conference Center, Sacramento

M I N U T E S

Presiding: Richard Gordon, President

1. ROLL CALL

Richard Gordon, President	Susan Adams, Marin
Gary Wyatt, 1 st Vice President	Mike Nelson, Merced
Michael Delbar, 2 nd Vice President	Joni Gray, Santa Barbara
Frank Bigelow, Immed. Past President	Mike McGowan, Yolo (alternate)
John Tavaglione, Riverside	
Roger Dickinson, Sacramento	
Kathy Long, Ventura	
Liz Kniss, Santa Clara (alternate) – via audio	

2. APPROVAL OF MINUTES

The minutes of September 27-28, 2007 were approved as previously mailed.

3. REPORT ON GOVERNOR'S BUDGET FOR 2008-09

Mike Genest, Director of the California Department of Finance, presented an overview of the Governor's proposed Budget for 2008-09. The major focus of this year's budget is reforming the state budget process. The Governor has proposed a constitutional amendment called the "Budget Stabilization Act" which includes two significant provisions.

The first provision would require that revenues in excess of a long-term average rate of growth be deposited in a Revenue Stabilization Fund. In years of below-average rates of revenue growth, funds would be transferred from that fund to the General Fund in an amount not to exceed the shortfall. If the Revenue Stabilization Fund exceeds an amount equal to 10 percent of General fund revenues in a given year, the excess will be available for one-time spending for schools providing one-time tax rebates, investing in one-time infrastructure projects, or paying off debt. The second component would allow for automatic reductions in state spending when a deficit has been determined.

The Governor is also proposing that all state spending be reduced by 10%, including state departments' staff.

Following Mr. Genest's presentation, concern was expressed regarding the tone of his presentation and subsequent responses to questions posed by Executive Committee members. The Officers were directed to send a letter to the Governor emphasizing CSAC's pledge to continue its positive partnership with the state in developing approaches to help solve the funding deficit.

4. APPOINTMENT OF CSAC TREASURER, NACo BOARD OF DIRECTORS AND WESTERN INTERSTATE REGION REPRESENTATIVES

The Executive Committee made the following appointments for 2008:

CSAC Treasurer

Joni Gray, Santa Barbara County

NACo Board of Directors

Connie Conway, Tulare

Greg Cox, San Diego

Keith Carson, Alameda

NACo Western Interstate Region Board

Rose Comstock, Plumas

Brian Dahle, Lassen

5. APPOINTMENT OF CSAC POLICY COMMITTEE CHAIRS AND VICE CHAIRS FOR 2008

The CSAC Officers recommended the following policy committee appointments for 2008:

Administration of Justice

Ronn Dominici, Madera, Chair

Federal Glover, Contra Costa, Vice Chair

Agriculture & Natural Resources

Mike Nelson, Merced, Chair

John Vasquez, Solano Vice Chair

Government Finance & Operations

Steven Worthley, Tulare, Chair

Bruce Gibson, San Luis Obispo, Vice Chair

Health & Human Services

Helen Thomson, Yolo, Chair

Liz Kniss, Santa Clara, Vice Chair

Housing, Land Use & Transportation

Mike McGowan, Yolo, Chair

(Vice Chair to be named)

President Gordon indicated that no appointments would be made this year to the Economic Development policy committee due, in part, to the creation of the Climate Change Task Force. He also asked for authority to name a vice chair for Housing, Land Use & Transportation at a later date.

Motion and second to appoint CSAC policy committee chairs and vice chairs as listed above and grant authority to the CSAC President to appoint a vice chair for Housing, Land Use & Transportation policy committee. Motion carried unanimously.

6. APPOINTMENTS TO CALIFORNIA COUNTIES FOUNDATION BOARD OF DIRECTORS

The California Counties foundation was organized and Incorporated on October 26, 1983 under the Nonprofit Public Benefit Corporation Law and is operated exclusively for charitable purposes. The Foundation was initially established to accommodate tax-deductible contributions from corporations and foundations to fund the activities of California's Public-Private Partnership Project. It cannot be used for engaging in influencing legislation or participating in political campaigns. It can, however, conduct citizen education and research in areas of interest to California counties. Some Corporate Associates members have expressed interest in contributing to CSAC activities through this type of foundation. However, the Foundation has not met since 1998 and all Board members' terms have expired.

Staff recommended that the Executive Committee appoint three supervisors to join the Foundation board and ratify the CAOAC appointment of Sutter County Administrative Officer Larry Combs.

Motion and second to ratify the appointment of Larry Combs and authorize CSAC Officers to appoint three supervisors to serve on the California Counties Foundation Board of Directors. Motion carried unanimously.

7. CSAC/NACo DUES TASK FORCE

During the September 2007 Executive Committee meeting, staff proposed that NACo dues be incorporated into CSAC dues so that both are paid directly to CSAC. CSAC would, in turn, pay the dues to NACo. This was proposed to ensure maximum participation in NACo. The Executive Committee requested that a task force be established to review the CSAC dues structure, including the concept of including NACo dues.

Staff recommended that the Executive Committee form and appoint a Task Force to review the CSAC dues structure and also determine whether or not it is desirable to incorporate NACo dues into the CSAC structure.

Motion and second to approve the CSAC/NACo Dues Task Force and authorize CSAC Officers to appoint members. Motion carried unanimously.

8. STATE AND FEDERAL LEGISLATIVE PRIORITIES FOR 2008

Staff outlined the draft 2008 State Legislative Priorities as contained in the briefing materials. It was suggested that pension issues and Other Post Employments Benefits (OPEBs) be added to the list of state priorities.

Motion and second to approve 2008 State Legislative Priorities with the addition of pension issues and OPEBs. Motion carried unanimously.

Staff outlined the draft 2008 Federal Legislative Priorities as contained in the briefing materials. The Executive Committee requested that two issues be

moved from “CSAC Internal Monitoring” to the list of priorities – Climate Change and Farm Bill Reauthorization. In addition, it was requested that immigration be added to the Internal Monitoring section.

Motion and second to approve the 2008 Federal Legislative Priorities as amended. Motion carried unanimously.

9. REVISION TO ANNUAL MEETING SITE SELECTION POLICY

Under current policy, CSAC annual meetings are rotated between Northern and Southern California sites. At the Officers Retreat in December, CSAC officers reviewed potential Northern California locations for the 2011 annual meeting. Some of the potential sites, such as San Francisco and El Dorado Counties, present fiscal and weather-related challenges to CSAC and our members. The officers directed staff to bring back more information regarding 2011 sites.

Staff requested that the Executive Committee consider whether we should continue with the current rotation policy or move to a policy that allows for the Executive Committee to select a future site each year based on what best serves member needs in terms of location, venue and cost. It was also noted that under current rotation the first session of the New Supervisors Institute is always held in Southern California and is a hardship for some Northern California rural county supervisors.

Staff was directed to explore additional venues, especially within the Central Valley.

10. CSAC CASH RESERVE POLICY

At the September Executive Committee retreat, staff was given direction to bring back a proposed cash reserve policy for consideration.

The proposal calls for cash reserves in the amount of 15% of CSAC's annual expense budget be set aside to cover unexpected expenses or serve as a cushion if revenues are not received as expected. As of the end of FY 2007 CSAC's unrestricted reserves amounted to 10.9% of the 2008 expense budget. CSAC will also track the income and expenses adequately to ensure the reserves are all non-public funds.

11. EMINENT DOMAIN UPDATE

Staff reported that both eminent domain measures have now qualified for the June 2008 ballot. The Howard Jarvis Taxpayers Association's measure will be Proposition 98 and the coalition-sponsored measure will be Proposition 99.

The coalition has requested that CSAC make an additional contribution of non-public funds to assist in meeting current financial obligations. To date, CSAC has contributed \$730,000 to the campaign. Staff noted that additional expenditures will not be without some consequences to the CSAC budget and suggested that any additional contribution be a fixed amount through the end of the campaign period. Another option would be to loan the campaign additional funds to be repaid at the end of the campaign with available funds.

Motion and second to approve up to \$500,000 in non-public CSAC funds with the provision that other stakeholders be strongly encouraged to provide matching funds. Motion carried unanimously.

12. FUNDING FUTURE INITIATIVE CAMPAIGNS

At the September 2007 Executive Committee retreat, staff was directed to provide information on the formation of a political action committee (PAC) for the purpose of funding participation in issue campaigns.

Staff outlined the steps necessary to form a political action committee (PAC) and noted that additional staff would be needed to oversee administration of the PAC as well as fundraising. Staff also advised that additional issues would need to be considered such as increased scrutiny of CSAC's use of non-public funds and the impact on CSAC's reputation as a non-partisan advocacy association.

It was determined that this is an issue that warrants continued discussion so President Gordon announced the creation of a task force to further study this issue. Supervisor Gary Wyatt was named Chair and Supervisors McGowan and Tavaglione volunteered to serve on the task force.

13. STATE BUDGET/LEGISLATIVE REPORT

Staff provided updates on health care reform and the Governor's proposal to defer payments to counties for gas tax disbursements, Medi-Cal and other social service programs. Staff has been attempting to gather data in order to analyze the impacts the deferrals will have on counties to use in negotiations with the Legislature. Executive Committee members were urged to make sure their county has submitted information to CSAC. The CAOAC will also be assisting in this effort to gather data.

14. CCS PARTNERSHIP REPORT

Connie Busse, Director of the Cities, Counties, Schools (CCS) Partnership, presented an update on Partnership activities. She announced that a "two-day collaboration event" is scheduled for June 12 & 13, 2008 in Burlingame. The first day will be a roundtable discussion titled *Building California's Economic Future: The Role of Cities, Counties and Schools in Improving Academic Outcomes*. A joint board meeting of CSAC, California School Boards Association and the League of California Cities will be held on the second day. Ms. Busse also urged Executive Committee members to participation on the Conditions of Children Task Force which will be focusing on foster youth this year. President Gordon indicated that he would be sending out a memo to all counties requesting participation on various committees and task forces and would include a request for the Conditions of Children Task Force.

15. NATIONAL ASSOCIATION OF COUNTIES (NACo) REPORT

Supervisor Valerie Brown, 1st Vice President of NACo, provided a handout regarding actions taken during the recent NACo Board of Directors meeting. She also encouraged Executive Committee members to attend the NACo Legislative Conference on March 1 – 5, in Washington, DC. Supervisor Brown also announced that NACo has created a task force to look at voting procedures

in light of the controversy that occurred during last year's vote for NACo 2nd Vice President. In addition, she requested a \$5,000 contribution from CSAC to support the 2008 NACo Annual Conference in Kansas City, as well as assistance in securing Governor Schwarzenegger as a speaker during the conference.

President Gordon announced that a discussion would take place during the March CSAC Board of Directors meeting regarding endorsing NACo candidates.

16. UPDATE ON CLIMATE CHANGE RELATED ISSUES/ACTIVITIES

The CSAC Climate Change Task Force was recently created to respond to initiatives associated with local government and climate change and to act as a sounding board for potential legislative and regulatory measures. Supervisors Jeff Morris and Diane Dillon will serve as co-chairs.

The briefing materials contained detailed updates on: AB 32 implementation; Land Use Subcommittee of the Climate Action Team (LUSCAT); SB 375 – Transportation Planning, Travel Demand Models; and the California transportation Commission's Regional Transportation Plan Guidelines.

17. HUMAN SERVICES FUNDING DEFICIT WORK GROUP REPORT

Supervisor Roger Dickinson, chair of the Human Services Funding Deficit (HSFD) Work Group, provided an update. Membership includes a select list of supervisors, county administrators, county counsels, welfare directors, and affiliate staff. The group's purpose is to develop multiple strategies for building support within the Legislature and Administration to resolve the problem. The group has met five times and engaged in discussions ranging from how to frame the issue effectively within four main areas – political, media, grassroots, and legal – to identifying opportunities and approaches for future efforts. The HSFD group will also explore the ramifications of the Governor's proposed 2008-09 budget on county administrative funding for human services programs. An educational outreach package for all county supervisors to use locally is currently being developed.

18. TRIAL COURT FACILITY TRANSFERS UPDATE

Efforts to secure an extension of the Trial court Facilities Act of 2002 during the 2007 year were unsuccessful. As a result, there is presently no statutory authority to transfer either responsibility or title for court facilities from the counties to the state. CSAC and the Judicial Council have begun a new effort in the 2008 legislative session to secure statutory authority to extend the transfer. Assembly Member Dave Jones, Chair of the Assembly Judiciary Committee, is authoring legislation that would secure the needed authority to permit the transfer program to continue (AB 1491) and is committed to moving the measure on an expedited basis.

19. CSAC FINANCE CORPORATION REPORT

With the success of the 2007 "Green Purchasing Seminars," the CSAC Finance Corporation will be sponsoring three more seminars in February to provide training and education to procurement professionals in the area of purchasing

environmentally friendly products and services for public entities. The seminars are scheduled for February 19 in Orange County, February 20 in San Diego and February 22 in Riverside County. The CalTrust program continues to grow and, as of January 15 the assets under management were \$586 million. The first issue of a new financing for transportation maintenance and road repair will be coming to market in early March.

20. CORPORATE ASSOCIATES REPORT

The CSAC Corporate Associates Steering Committee held a retreat earlier this month. A summary of that meeting was distributed to Executive Committee members. Paul McIntosh announced that CSAC will be developing a continuing education program to provide professional development opportunities for supervisors and county staff and discussed how corporate participation would benefit both CSAC and corporate members. Stuart Wells was elected the 2008 Corporate Associates President.

21. 2008 MEETING SCHEDULE

A list of 2008 CSAC Executive Committee and Board of Directors meeting was contained in the briefing materials. Staff noted that the April 10 Executive Committee meeting will take place in Los Angeles County.

22. EXECUTIVE COMMITTEE RESOURCE GUIDE

The 2008 Executive Committee Resource Guide was distributed to all members. The guide contains contact information for Executive Committee members and CSAC staff as well as a list of policy committees, CSAC programs and publications.

The meeting was adjourned in memory of Supervisor Michael Delbar's father who recently passed away.