

CALIFORNIA STATE ASSOCIATION OF COUNTIES
BOARD OF DIRECTORS
Thursday, September 6, 2018
Capitol Event Center

MINUTES

Presiding: Leticia Perez, President

1. Roll Call

OFFICERS

Leticia Perez, *President*
Virginia Bass, *1st Vice President*
Lisa Bartlett, *2nd Vice President*
Keith Carson, *Past President *R**

CSAC STAFF

Graham Knaus, *Executive Director*
Darby Kernan, *Deputy Executive Director, Legislative Services*
Manuel Rivas, Jr., *Deputy Executive Director, Operations & Member Services*

ADVISORS

Bruce Goldstein, *County Counsels Association President, Sonoma County*

Alameda	–	absent	Orange	–	Lisa Bartlett
Alpine	–	Terry Woodrow	Placer	–	Jim Holmes
Amador	–	Richard Forster	Plumas	–	Lori Simpson (remote)
Butte	–	Bill Connelly	Riverside	–	absent
Calaveras	–	Michael Oliveira	Sacramento	–	Susan Peters
Colusa	–	Denise Carter	San Benito	–	absent
Contra Costa	–	John Gioia	San Bernardino	–	James Ramos (remote)
Del Norte	–	Chris Howard	San Diego	–	Greg Cox
El Dorado	–	Sue Novasel	San Francisco	–	Malia Cohen (remote)
Fresno	–	Buddy Mendes (remote)	San Joaquin	–	Bob Elliott(remote)
Glenn	–	John Viegas (remote)	San Luis Obispo	–	Lynn Compton (remote)
Humboldt	–	Estelle Fennell	San Mateo	–	Carole Groom (remote)
Inyo	–	Jeff Griffiths	Santa Barbara	–	Das Williams (remote)
Kern	–	Zack Scrivner	Santa Clara	–	Ken Yeager
Kings	–	Craig Pedersen	Santa Cruz	–	absent
Lake	–	Jim Steele	Shasta	–	Leonard Moty
Lassen	–	absent	Sierra	–	Lee Adams
Los Angeles	–	Mark Ridley-Thomas (remote)	Siskiyou	–	Ed Valenzuela
Madera	–	Tom Wheeler (remote)	Solano	–	Erin Hannigan
Marin	–	Damon Connolly (remote)	Sonoma	–	James Gore
Mariposa	–	Marshall Long	Stanislaus	–	Vito Chiesa (remote)
Mendocino	–	Carre Brown (remote)	Sutter	–	Dan Flores
Merced	–	Lee Lor	Tehama	–	Robert Williams (remote)
Modoc	–	Patricia Cullins (remote)	Trinity	–	Judy Morris (remote)
Mono	–	John Peters (remote)	Tulare	–	Steve Worthley
Monterey	–	Luis Alejo (remote)	Ventura	–	Jim Provenza
Napa	–	Diane Dillon (remote)	Yolo	–	absent
Nevada	–	Ed Scofield	Yuba	–	Doug Lofton

The presence of a quorum was noted.

2. Approval of Minutes from May 17, 2018

A minor correction has been made to the minutes from May 17. Section 7 noted that David Koenig from the California Housing Consortium and David Wolfe from the Howard Jarvis Taxpayers Association spoke in support & opposition (respectively) of SB 3. The two individuals were not in attendance at the Board Meeting. The minutes were approved as previously mailed with a majority vote. Yuba and Placer Counties Abstained

3. Wildfire Liability Outcomes

Staff presented on the wildfire liability issue, which has been CSAC's main focus in front of the state Legislature in the recent months. The coalition successfully defeated any changes to inverse condemnation, allowing for communities to focus on rebuilding after devastation, rather than spending time on litigation. At the end of the legislative session, SB 901 was agreed upon by the many parties involved and was signed by the legislature. The bill includes \$1 billion over the next 5 years out of the Greenhouse Tax Fund for forest management and fire prevention. The funding will also allow for infrastructure hardening for investors, effectively increasing safety by implementing de-energizing policies during severe wind and other predictable weather events. A party independent of the PUC will be put in place to audit and evaluate utility safety plans to ascertain that safety standards are met. The bill includes funding for enhanced mutual aid so that firefighters can pre-position their equipment and personnel to help when they predict a potentially catastrophic event. Utilities will be allowed to securitize a portion of their 2017 debt through the PUC, ensuring that bankruptcy does not occur. The current bill has the potential for utilities to pass down their costs to users if the PUC determines that they acted prudently. The bill prevents utilities from passing on their executive compensation to rate payers and ensures that bonuses and salaries can only come from their shareholders. Overall, CSAC has helped take changes to inverse condemnation off of the table for the time being and communities will be protected from utility negligence. The bill will establish a commission on wildfire recovery appointed by the governor and legislative leadership, which will focus on socializing the cost of wildfires. CSAC continues to advocate on counties' and fire victim's behalf to establish a reasonable solution to the problems generated by wildfire disasters.

4. Proposition 2 (No Place Like Home) | Support

Health and Human Services Policy Committee staff presented on Proposition 2, the No Place Like Home (NPLH) Act of 2018, and recommended that the Board take a support position for the Proposition, which will appear on the November ballot. CSAC worked in 2016 to support the legislation for the NPLH program, which was designed to divert up to \$140 million per year from the Mental Health Services Act (MHSA) revenue to a grant program that counties can apply for to build permanent supportive housing for those living with severe mental illness. California has a shortage of this type of housing and staff has worked hard to develop the grant program, which would ensure that all counties can participate and access the funds. The grant totals \$1.8 billion in bonds, including technical assistance money, a non-competitive pot that will allow counties to receive funds once they apply, a competitive pot, and 8% set aside for rural counties, ensuring that they are insulated from larger populations. A lawsuit was brought against the state on the NPLH program, stating that any changes in diversion of funding from MHSA needs to be decided by voters. As a result, Proposition 2 was placed on the statewide ballot and currently has no registered opposition. The Executive Committee has forwarded a support recommendation to the Board of Directors.

A motion to support Proposition 2 made by Supervisor Worthley; second by Supervisor Steele. San Joaquin and Colusa counties abstained. Motion carried with a majority vote.

5. Proposition 3 (Water Bond) | Support

Staff and Matteo Crow from the Yes on Proposition 3 Campaign recommended support for the Water Bond Measure, which will be on the November 2018 ballot. Proposition 3, an \$8 million general obligation water bond, is a follow up to Proposition 1 from 2014, which has been almost fully allocated. Proposition 3 went through the initiative process as an independent measure after efforts were made to combine it with Proposition 68. Proposition 68 was a Parks & Water Bond Measure, but based on the legislature’s caps and restrictions, there wasn’t much space in the \$4 billion budget for water-related improvements. This bond was created after the Governor’s Water Action Plan and addresses many different priorities concerning water. A coalition led by groups such as the Water Agency, Special Districts Representatives, Ag Council, Farm Bureau, Nature Conservancy, National Wildlife Federation, and many others organized to place Proposition 3 on the ballot. Water has been a major priority for a considerable number of groups, even those not in the environmental sector. Proposition 3 would fund a variety of water supply and water quality programs, such as waste water recycling, safe drinking water, storm water management and treatment, water conservation, flood control, water shed restoration, ground water, dam repairs and fisheries restoration. There is no registered opposition for the proposition. Staff recommends a support position as this measure would open up development of local water projects for communities.

A motion to support Proposition 3 made by Supervisor Worthley; second by Supervisor Carter. A roll-call vote was taken and motion carried with majority vote.

Roll Call Vote:

Aye (31)		Abstain (3)	Nay (10)
President Leticia Perez	Mono County	Modoc County	Siskiyou County
1 st VP Virginia Bass	Napa County	Nevada County	Tehama County
2 nd VP Lisa Bartlett	Orange County	San Joaquin County	Ventura County
Past Pres. Keith Carson	Placer County		Amador County
Alameda County	San Bernardino County		Butte County
Alpine County	San Diego County		Colusa County
Colusa County	San Luis Obispo County		Calaveras County
Contra Costa County	Santa Clara County		Del Norte County
El Dorado County	Shasta County		Lake County
Fresno County	Sierra County		Mariposa County
Glenn County	Solano County		
Humboldt County	Sonoma County		
Inyo County	Stanislaus County		
Kern County	Sutter County		
Kings County	Trinity County		
Marin County	Tulare County		
Mendocino County	Yuba County		
Merced County			

6. Proposition 5 (Property Tax Transfer) | Financial Contribution to Oppose

Staff discussed Proposition 5, the Realtor’s Property Tax Transfer Initiative, which the Board of Directors has already taken an oppose position to earlier this year. Current law already allows seniors over the age of 55 and people with extreme disabilities to make a one-time move within their county (or participating neighboring counties) to a home of equal or lesser value while holding on to their current property tax. If passed, this proposition would allow an unlimited amount of transfers to any home within any county in California. The non-partisan Legislative

Analyst has estimated that this would result in approximately a \$1 billion loss of property tax to counties, which would affect schools, public safety and other public services provided by local government, causing severe financial harm to counties. Staff proposed a financial contribution of up to \$500,000 to the opposition campaign to help defeat Proposition 5, which needs a 2/3 vote of the entire Board of Directors to pass (at least 41 yes votes). The CSAC Executive Committee has supported a financial contribution so that staff can battle the proposition along with the rest of the opposition coalition. The coalition includes members from public safety, sheriffs, firefighters, labor, special districts, education, SEIU, Community Colleges, Health Care Districts and many others. The one group that supports the proposition is the Realtors Association, who would be the only true beneficiaries if Prop 5 passes. The campaign is professionally managed by Kaufmann Campaigns with a strong coalition, but needs a well-organized and well-funded opposition to defeat the proposition. Staff assured the Board that the financial contribution would come from the CSAC reserves and that no public money would be touched.

A motion to approve a financial contribution to oppose Proposition 5 with a cap of up to \$500,000 made by Supervisor Gioia; second by Supervisor Worthley. A roll-call vote was taken and the motion carried with a 2/3 majority vote.

Roll Call Vote:

Aye (49)		Abstain (3)	Nay (1)
President Leticia Perez	Mono County	2 nd VP Lisa Bartlett	San Luis Obispo County
1 st VP Virginia Bass	Monterey County	San Bernardino County	
Past Pres. Keith Carson	Napa County	San Joaquin County	
Alpine County	Nevada County		
Amador County	Placer County		
Butte County	Plumas County		
Colusa County	Riverside County		
Contra Costa County	Sacramento County		
Calaveras County	San Francisco County		
Del Norte County	San Mateo County		
El Dorado County	Santa Barbara County		
Fresno County	Santa Clara County		
Glenn County	Shasta County		
Humboldt County	Sierra County		
Inyo County	Siskiyou County		
Kern County	Solano County		
Kings County	Sonoma County		
Lake County	Stanislaus County		
Los Angeles County	Sutter County		
Madera County	Tehama County		
Marin County	Trinity County		
Mariposa County	Tulare County		
Mendocino County	Ventura County		
Merced County	Yuba County		
Modoc County			

7. CalPERS Reciprocity Changes & Adoption of Related Board Resolutions

The retirement program, CalPERS, has changed their requirements related to reciprocity, affecting any retiring employees that formerly held a CalPERS retirement account prior to working for CSAC. Specific actions need to be taken by CSAC to ensure that requirements are met

and that former employees can access all of their retirement benefits. CSAC has provided the Board with staff pay schedules, job descriptions, and a resolution that would allow the publication of this information in order to meet all CalPERS requirements. No changes will be made to the budget.

A motion to allow CSAC to take necessary steps to achieve CalPERS reciprocity made by Supervisor Moty; second by Supervisor Gore. Motion carried unanimously.

8. Proposition 6 Update

Staff presented on Proposition 6, which is the initiative that would repeal SB 1 and has qualified for the November General Election ballot. CSAC has played a critical role in opposing the proposition and continues to co-chair the efforts to implement the proper strategy to defeat the initiative. Counties are encouraged to share vital information on how the proposition would impact the road and transportation system in their communities with their constituents. Staff has prepared a toolkit of facts to help county leaders educate their communities at the local level. After extensive research, CSAC feels confident that Proposition 6 would set the price-based excise tax rate (the rate of revenue counties get from 2010 transportation tax swap that replaced Proposition 42 sales tax on gas since 2002) at an all-time low of 9.8 cents. Under SB 1, the rate would have been reset to 17.3 cents and counties would start to receive a more historic amount of revenue from the stream. Estimates state that this would cause another \$11 billion hit from transportation. CSAC will provide a revised impact analysis to counties so they can see a more comprehensive picture of what their communities stand to lose. This report will include projects that would get canceled, layoffs, etc., so that constituents can have a better understanding of the detriments that would come with the passing of Proposition 6. CSAC's comprehensive research concludes that counties would be far worse off than originally perceived.

9. Legislative Update

Staff reflected on the end of the legislative session, which started in January 2017. CSAC has worked alongside broad coalitions of lobbyists, groups, and agencies on numerous issues throughout the session. These partnerships have proven effective and successful in defeating bills that could have potentially had adverse impacts on counties. At the beginning of the session, CSAC teamed up with different lobbyists to defeat AB 1250, and more recently, with a variety of groups to stop any changes to inverse condemnation in the wildfire issue. Staff has kept close watch and made tremendous progress on issues such as homelessness, bail reform and batter intervention programs. CSAC pushed an extension on a cannabis bill that will allow more time for permitting. The successes that came throughout the session were in large part thanks to the many different relationships that CSAC formed and will maintain. CSAC will continue to push the bar, step out of comfort zones and aggressively advocate top issues on behalf of counties, ensuring that the incoming administration does not overlook the importance of local government. Staff is looking past what has been passed and is working on implementation and steps that will need to be taken come January.

10. Finance Corporation Update

CSAC FC President, Supervisor Leonard Moty and CEO, Alan Fernandes reported on recent changes with the CSAC Finance Corporation. The Corporation has increased their contribution to CSAC from \$3.9 million to \$4.1 million annually. Another development was the recent US Communities buyout, for which funds have already been received and set aside. CSAC FC was a national sponsor of US Communities since its inception. The team is brainstorming ideas for how to best utilize the funds and will bring those ideas forward to the Executive Committee. The CSAC Finance Corporation is launching a number of new programs in the fall to help counties deliver

better services and lower costs. One of these programs is Easy Smart Pay (ESP), which is the property tax payment system. After extensive research, a need was found to improve efficiency for tax payers by lowering transaction fees and allowing for customization. ESP hopes to solve that need. The program is currently in a pilot stage, being tested in a small community in San Luis Obispo County. Upon its projected success, ESP can potentially branch out to other counties. Another program is the California Cannabis Authority, which currently has 5 counties and continues to grow. The purpose of this JPA program is to help counties regulate and tax cannabis to collect financial data that is essential to properly administering licensing. A third program under the CSAC FC looks to connect the unconnected. The 211 California Project is working hard to establish connections and provide a better structure for organizations to connect with counties. CSAC FC has a business development application tool and encourages the Board to submit any new ideas for new programs on the horizon. The corporation intends on being strategically aggressive in planning for future investments to maintain long-term success of the corporation.

Tien Phan and Paul Brunetta from Sutter Health | Aetna delivered a presentation as Platinum Corporate Partners of CSAC. The company has observed the intricate function that CSAC serves in the state of California and in turn has decided to become a double partner. Sutter Health | Aetna has invested interest in the healthcare of the state, with hopes to deliver answers on how to provide excellent benefits to employees with low out of pocket costs. The partnership will continue to seek new mergers and work with counties to help deliver efficient healthcare models and improve healthcare costs for county employees.

11. California Counties Foundation Update

The Foundation Operations Manager updated the Board on new developments concerning the CSAC Foundation. The Orange County campus will open next week and there are already 43 participants looking to gain their credentials. The Shasta-Tehama County campus is nearing its close and will be starting its second year in January. CSAC will host the New Supervisors Institute during the Annual Meeting in November. The Institute will also be celebrating its 10 year anniversary at the Annual Meeting.

12. Operations & Member Services Update

The Operations and Member Services team relayed that as CSAC becomes more aggressive at the Capitol, the communications team is there to support the efforts of the Leadership Team, Member Services and the Advocacy team. The Communications department has been present on every issue, assisting and leveraging the different tools we have in order to help us tell the county story. The Director of Public Affairs has started conducting trainings in different counties for on-camera and social media coaching. CSAC has a strong social media presence and counties are invited to utilize this resource for their needs. A Regional Meeting focusing on behavioral health will be held in Napa on September 27th, centering on the substantial changes that California's behavioral health system is experiencing. The Regional Meeting will look at driving that change and evolving behavioral health to be the center point that connects multiple parts of county services and responsibilities. The Board is encouraged to join the meeting.

13. Challenge Awards

CSAC received 267 entries from 36 counties for the 2018 Challenge Awards. The judging panel was able to trim the entries down to 56 finalists, eventually landing on 13 counties that will be honored with 17 awards. There are 2 counties that will receive the California Counties Innovation Award for their programs that stood out amongst all population categories and policy areas:

Santa Barbara County for their data-driven mapping on debris flow and Yuba County for their temporary housing program for the homeless. Counties that will be receiving 2018 Challenge Awards are Alameda (3), Placer (2), San Diego (2), Inyo, Kern, Madera, Mendocino, Nevada, Orange, Sacramento, and Shasta. The CSAC Leadership Team will travel to the winning counties in the coming months to award the recipients.

14. CACE 2018 Distinguished Service Award

Counties are asked to recognize any outstanding CAO within their county. Submissions are due to Terry Schutten by October 13. The recipients will be recognized following the CAO Annual Conference at the end of October.

15. Other Items (No Presentation)

The White House Director of Intergovernmental Affairs, Brit Carter, will be sending out an invitation to California County officials for a White House hosted event, providing an opportunity to connect directly with the VP, cabinet members, and key agencies. They want to hear from California's leaders about ways they can assist in the partnership with counties. The event will take place on October 23 in Washington D.C. and an invitation will come directly from White House officials. NACo will host a dinner the night before, along with a briefing on federal issues actively being worked on. CSAC will send out more information on the agenda and specifics.

16. Public Comment

There was no Public Comment.

Meeting was adjourned. The next Board of Directors meeting will be on November 29, 2018 in San Diego.