

CALIFORNIA STATE ASSOCIATION OF COUNTIES
BOARD OF DIRECTORS
Thursday, February 23, 2012
CSAC Conference Center, Sacramento

MINUTES

Presiding: Mike McGowan, President

1. ROLL CALL

Alameda	Keith Carson	Plumas	Jon Kennedy
Alpine	Terry Woodrow	Riverside	John Benoit
Amador	absent	Sacramento	Susan Peters
Butte	Steve Lambert	San Benito	Margie Barrios
Calaveras	Merita Callaway	San Bernardino	Brad Mitzefeld (audio)
Colusa	Kim Dolbow Vann	San Diego	Greg Cox
Contra Costa	Gioia/Glover	San Francisco	Eric Mar
Del Norte	Sullivan/Finigan	San Joaquin	Larry Ruhstaller
El Dorado	Norma Santiago	San Luis Obispo	Bruce Gibson
Fresno	Henry Perea	San Mateo	Carole Groom
Glenn	John Viegas (audio)	Santa Barbara	Joni Gray
Humboldt	Mark Lovelace	Santa Clara	Liz Kniss
Imperial	Gary Wyatt	Santa Cruz	Mark Stone (audio)
Inyo	Susan Cash	Shasta	absent
Kern	Jon McQuiston	Sierra	Lee Adams
Kings	Dour Verboon (audio)	Siskiyou	Jim Cook
Lake	absent	Solano	Mike Reagan
Lassen	absent	Sonoma	Valerie Brown
Los Angeles	Don Knabe (audio)	Stanislaus	Vito Chiesa (audio)
Madera	Frank Bigelow (audio)	Sutter	Larry Munger
Marin	Susan Adams (audio)	Tehama	Robert Williams
Mariposa	Lee Stetson	Trinity	absent
Mendocino	Carre Brown	Tulare	Steve Worthley
Merced	Hub Walsh (audio)	Tuolumne	Richard Pland (audio)
Modoc	Jeff Bullock (audio)	Ventura	Kathy Long (audio)
Mono	"Hap" Hazard	Yolo	McGowan/Provenza
Monterey	Fernando Armenta	Yuba	Roger Abe
Napa	Keith Caldwell	Advisors:	Matthew Hymel & Charles McKee
Nevada	Ted Owens		
Orange	John Moorlach		
Placer	absent		

The presence of a quorum was noted.

2. APPROVAL OF MINUTES

The minutes of December 1, 2011 and January 5, 2012 were approved as previously mailed.

3. POSITION ON SCHOOLS AND LOCAL PUBLIC SAFETY PROTECTION ACT OF 2012

Paul McIntosh described the previous action taken by the Board of Directors at the special meeting held on January 5, which was to reaffirm that obtaining a constitutional guarantee of revenues to support the 2011 realigned programs, as well as protecting counties from costs associated with future changes to those programs, remained the top priority of the Association. The Board also voted to suspend all efforts by CSAC to qualify an independent ballot measure. No action was taken on the Governor's measure at that time. On January 19, the CSAC Executive Committee voted to recommend that the Board of Directors support the Governor's ballot measure.

Staff distributed a memo outlining recent activity regarding the Governor's initiative which included a list of organizations that have made financial contributions to the Governor's initiative campaign. Also, a new poll conducted last week found that if the Governor is unsuccessful in "clearing the field" of the other two tax measures currently on the ballot, all three measures stand a strong chance of failure.

Sheriff Mark Pazin, current president of the California State Sheriffs Association (CSSA), spoke in favor of the Governor's initiative and noted that CSSA has taken a formal position in support. Linda Penner, Fresno County Chief Probation Officer, also spoke in favor of the Governor's initiative and indicated that the Chief Probation Officers Association voted to support it.

Motion and second to support the Schools and Local Public Safety Protection Act of 2012. Motion carried (31 in favor).

4. STATE AND FEDERAL LEGISLATIVE PRIORITIES FOR 2012

Staff presented the draft State and Federal Legislative Priorities for 2012 as contained in the briefing materials. Staff has identified 2012 as the "Year of Reform" and it is anticipated that state advocacy efforts will be primarily focused on: Gaining constitutional protections for 2011 Realignment; Pension Reform; and Regulatory Reform. In addition, there are several issues within each of the five policy areas that were outlined in the briefing materials.

On the Federal side, the following eight issues were deemed significant in 2012 following consideration by the Officers and Executive Committee:

New Authorization of Surface Transportation Law (SAFETEA-LU)
State Criminal Alien Assistance Program
Property Assessed Clean Energy/Renewable Energy Policy
Native American Affairs
Temporary Assistance for Needy Families Reauthorization
Secure Rural Schools Reauthorization
Clean Water Act
Levee Vegetation Management

In addition, the following federal issues have been identified for internal monitoring:

National Health Care Reform	Farm Bill Reauthorization
Transient Occupancy Tax	Waters of the U.S.
Federal Geothermal Royalties	FEMA Mapping
Community Development Block Grant	Pension Tier Changes (conflicts with IRS)
Child Welfare Financing Reform	Medical and Long-Term Care Premiums

Byrne Grant Funding
Cooperative Endangered Species Conservation Fund
2-1-1 Statewide
State's Water Crisis
Payments-in-Lieu-of-Taxes (PILT)

Concerns were raised regarding the Federal Clean Air Act and EPA's state implementation plan. Staff was directed to add the Clean Air Act to the federal internal monitoring list.

Motion and second to approve the State and Federal Legislative Priorities for 2012. Motion carried unanimously.

5. CSAC GUIDING PRINCIPLES FOR PENSION REFORM

Supervisor Bruce Gibson, Chair of the CSAC Government Finance & Operations policy committee, presented the revised CSAC Guiding Principles on Pension Reform as contained in the briefing materials. The principles were developed by the CAOAC Pension Reform Task Force along with CSAC staff, and approved by the Government Finance & Operations policy committee.

The three main principles are: Ensure Sustainability; Improve Counties' Ability to Recruit and Retain the Best Talent; and Eliminate Abuse. Staff was directed to amend the language in the second sentence under "Ensure Sustainability" as follows: ~~Market losses in 2008 have for the first time raised the specter~~ **and increased benefits granted over time have increased the risk** of unsustainability, with retirement funds dipping to their lowest historical funding ratios ...

Motion and second to adopt 2012 CSAC Guiding Principles on Pension Reform as amended. Motion carried unanimously.

6. LETTER REGARDING POST OFFICE CLOSURES

The US Postal Service has proposed closing 3,653 local post office locations nationwide as part of a restructuring plan to save \$20 billion by 2015. The proposal includes the closure of 111 California post office locations in 37 counties over the next three years. The public comment deadline and a decision regarding the closures is May 15.

The CSAC Rural Caucus considered this issue during its November 30 meeting and is recommending that the Board of Directors approve a draft public comment letter outlining county concerns as contained in the briefing materials. Members of the rural caucus expressed concerns about the economic, social, and environmental impacts of post office closures in small rural communities.

Staff was directed to add the Regional Council of Rural Counties as a co-signer to the letter. In addition, staff was directed to include the Clerks of the Board Association concerns regarding how California voters will be affected if post offices are closed.

Motion and second to approve the public comment letter to US Postal Service outlining county concerns. Motion carried.

7. CSAC COUNTY EMPLOYEE HEALTH BENEFIT COOPERATIVE UPDATE

Last summer, the Board of Directors authorized the pursuit of an analysis of the feasibility of establishing an Employee Health Benefits pool within CSAC to provide an opportunity for California counties to better manage and contain employee health care costs. A consultant was chosen to conduct a focus group discussion and prepared a survey to gauge the interest of counties. Staff reported that there does not appear to be a level of interest on the part of California counties to overcome the potential hurdles of setting

up an employee health insurance pool. There remain, however, other opportunities such as developing a model for wellness programs and partnering with other pools, such as the Excess Insurance Authority. CSAC will continue to seek such opportunities, but will not further pursue establishing a stand-alone employee health insurance pool.

8. CSAC AGRICULTURE & NATURAL RESOURCES POLICY COMMITTEE REPORT

Supervisor Kim Vann, Vice-chair of the CSAC Agriculture & Natural Resources policy committee, presented a report from the meeting held on February 15. The policy committee had a lengthy discussion on the Governor's Regional Water Quality Control Board budget proposal. They also received reports on the proposed National Flood Insurance Program federal legislation and Farm Bill Reauthorization. No action items were brought forward for consideration. The next policy committee meeting will take place during the CSAC Legislative Conference in May.

Staff was directed to send a letter to the Agriculture Commissioners Association urging them to coordinate with CSAC on legislative positions.

9. UPDATE ON REDEVELOPMENT AGENCIES

On December 29, 2011, the California Supreme Court ruled in CRA v. Matosantos, upholding AB 26X which eliminated community redevelopment agencies, but striking down AB 27X, the companion measure that would have allowed the agencies to continue to operate if they made specified payments to the state. The Supreme Court's decision requires that community redevelopment agencies be dissolved by February 1, 2012.

Counties have a variety of responsibilities associated with the dissolution of redevelopment agencies, including:

- Acting as successor agency to county-sponsored former redevelopment agencies
- Appointing members to the oversight boards of successor agencies
- Administering the allocation of property taxes to successor agencies for purposes of meeting enforceable obligations; auditing successor agencies to determine the agency's assets and liabilities, pass-through obligations, and existing indebtedness; allocating residual property taxes to other affected taxing entities.

The briefing materials contained specific duties of counties required by AB 26X. Staff reported that stakeholder meetings have been taking place to work on technical issues regarding the dissolution process. In addition, a group of county counsel and CSAC staff have been meeting to discuss issues related to oversight committees and encumbered money.

10. INFORMATIONAL REPORTS

The briefing materials contained reports on: CSAC Corporate Associates Program; Institute for Local Government; CSAC Finance Corporation; and the CSAC Litigation Coordination program, but no presentations were made.

11. OTHER ITEMS

John Samartzis was introduced as the new CSAC Director of Corporate Relations. Board members were urged to attend the upcoming NACo Legislative Conference in Washington, DC and participate in the California Caucus and reception.

Meeting adjourned.