

CALIFORNIA STATE ASSOCIATION OF COUNTIES  
BOARD OF DIRECTORS  
May 18, 2017  
Hyatt Regency Hotel, Sacramento

M I N U T E S

Presiding: Keith Carson, President

1. ROLL CALL

|              |                      |                 |                                    |
|--------------|----------------------|-----------------|------------------------------------|
| Alameda      | Carson/Haggerty      | Placer          | Jim Holmes                         |
| Alpine       | Terry Woodrow        | Plumas          | Lori Simpson                       |
| Amador       | Richard Forster      | Riverside       | Chuck Washington                   |
| Butte        | absent               | Sacramento      | Susan Peters                       |
| Calaveras    | Michael Oliveira     | San Benito      | Jaime De La Cruz (audio)           |
| Colusa       | Denise Carter        | San Bernardino  | James Ramos                        |
| Contra Costa | John Gioia           | San Diego       | Greg Cox                           |
| Del Norte    | Chris Howard         | San Francisco   | Malia Cohen                        |
| El Dorado    | Sue Novasel          | San Joaquin     | Bob Elliott                        |
| Fresno       | absent               | San Luis Obispo | John Preschong                     |
| Glenn        | John Viegas          | San Mateo       | Carole Groom                       |
| Humboldt     | Bass/Fennell         | Santa Barbara   | Das Williams                       |
| Imperial     | absent               | Santa Clara     | Ken Yeager                         |
| Inyo         | Jeff Griffiths       | Santa Cruz      | Bruce McPherson                    |
| Kern         | Leticia Perez        | Shasta          | Leonard Moty                       |
| Kings        | Doug Verboon (audio) | Sierra          | Lee Adams                          |
| Lake         | Jim Steele           | Siskiyou        | Ed Valenzuela                      |
| Lassen       | Chris Gallagher      | Solano          | Erin Hannigan                      |
| Los Angeles  | absent               | Sonoma          | James Gore                         |
| Madera       | absent               | Stanislaus      | Vito Chiesa (audio)                |
| Marin        | Damon Connolly       | Sutter          | absent                             |
| Mariposa     | Marshall Long        | Tehama          | Robert Williams                    |
| Mendocino    | Carre Brown          | Trinity         | Judy Morris                        |
| Merced       | Lee Lor (audio)      | Tulare          | Steve Worthley                     |
| Modoc        | Patricia Cullins     | Tuolumne        | Sherri Brennan                     |
| Mono         | Larry Johnston       | Ventura         | Kelly Long                         |
| Monterey     | Luis Alejo           | Yolo            | Jim Provenza                       |
| Napa         | Diane Dillon         | Yuba            | Gary Bradford                      |
| Nevada       | Ed Scofield          | Advisors:       | Bruce Alpert & Helen Robbins-Meyer |
| Orange       | Lisa Bartlett        |                 |                                    |

The presence of a quorum was noted.

2. APPROVAL OF MINUTES

The minutes of February 17, 2017 were approved as previously mailed. The counties of El Dorado, Lassen, Mendocino, San Benito and Yuba abstained.

3. HOUSING AFFORDABILITY AND FINANCING REPORT

Tia Boatman and Tony Sertich from the California Housing Finance Agency (CalHFA) provided a report on programs currently being offered. The CALHFA Acquisition and Rehabilitation Loan Program provides competitive interest rates through its partnership with HUD and the US Treasury for the acquisition, rehabilitation and permanent loan financing for housing developments in order to preserve and/or increase the affordability of existing multifamily housing developments.

CalHFA also operates the Local Government Special Needs Housing Program (SNHP) on behalf of mental health agencies throughout California. SNHP allows local governments to use Mental Health Services Act and other local funds to provide financing to developers for the creation of permanent supportive rental housing that includes units dedicated for individuals with serious mental illness, who are homeless or at risk of homelessness. SNHP was created to replace the MHSA Housing Program as an option for local governments to continue to serve MHSA-eligible persons.

CalHFA's new Local Partnership Program is a unique option for affordable housing, where they team up with local governments to better leverage state housing resources. This program is designed to prevent displacement during gentrification of neighborhoods, by placing long-term affordability restrictions on the development.

4. CSAC CORPORATE PARTNER REMARKS

Diane Bruining from Argyle Security presented a report on detention facility contracting services the company provides. Argyle offers design, engineering, installation and integrated security products and solutions to government, justice and correctional markets. In addition to new construction, the maintenance team can assess current facility needs and offer cost saving repairs or replacement solutions.

5. GOVERNOR'S MAY REVISION OF THE 2017-18 STATE BUDGET

Diane Cummins, Special Advisor to the Governor, provided an overview of the Governor's May Revise. Some highlights include: partially mitigating impacts of the in-Home Supportive Services (IHSS) costs with appropriations to counties; school funding increase through the Local Control Formula by \$1.4b; restoring the \$500m child care package; and paying down \$6b for unfunded pension liability to CalPERS.

Ms. Cummins noted that negotiations regarding the In-Home Supportive Services (IHSS) program have been taking place with county stakeholders. As a result of these efforts, the May Revise includes \$1.1b in state general fund contributions over the next four years to mitigate the \$595m cost shift to counties in year one and future years. It also contains a commitment going forward to review the costs of the program within the structure of 1991 Realignment and the impact of the inflation factor. This is an improvement over the January budget that contained an approximate \$600m shift to counties beginning July 1, 2017. She indicated that this is an opportunity for counties and the state to revisit the way IHSS is administered. Caseload growth and minimum wage increases are seen as the biggest factors that will increase IHSS costs in the future. It was suggested that CSAC form an Ad Hoc working group to begin discussions in the fall with the Governor's Office regarding the future of IHSS program. President Carson indicated that once the CSAC Officers and Executive Committee consider future steps, the issue will be brought back to the Board of Directors.

6. CSAC REPORT ON GOVERNOR'S MAY REVISION

CSAC staff produced an analysis of the Governor's May Revise that was sent to all counties on May 11. Staff also distributed a county-by-county funding chart for SB 1 transportation funds. A summary of that

legislation was contained in the briefing materials. Staff also provided an overview of the In-Home Supportive Services (IHSS) MOE.

7. CSAC POLICY COMMITTEE REPORTS

**Administration of Justice.** Staff provided a report from the CSAC Administration of Justice Policy Committee meeting held on May 17. The meeting focused on bail reform issues and no action items were brought forward to the Board of Directors.

Motion and second to accept report from the Administration of Justice committee.  
Motion carried unanimously.

**Agriculture, Environment & Natural Resources.** Supervisor Bruce Gibson, Chair of the policy committee, reported that the committee heard informational reports on the future of the Williamson Act and Sustainable Groundwater Management Act during the meeting held May 18. The committee also took action to approve a CSAC Cannabis Policy and requested adoption by the Board of Directors. A copy of the draft policy was contained in the briefing materials and policy committee revisions were distributed at the meeting.

Motion and second to adopt a CSAC Cannabis Policy with the removal of the word “incentivize” in Section II, #1. Motion carried with one ‘no’ vote and one abstention.

**Government Finance & Administration.** Supervisor Erin Hannigan, Chair of the policy committee, provided a report from the meeting held May 18. The committee brought forward two action items for consideration by the Board of Directors. The first item was AB 274, which proposes to expand the application of sales tax to also include candy and processed snack foods. The policy committee recommended a ‘support’ position on this bill.

Motion and second to Support AB 274. Motion carried with two ‘no’ votes and one abstention.

In addition, the policy committee recommended that the Board of Directors approve the formation of a working group that would be tasked with establishing further policies on sales tax reform efforts.

Motion and second to approve recommendation for form a working group on sales tax reform efforts. Motion carried.

The second item was regarding divestment for CalPERS and other retirement systems in which counties participate. The policy committee recommended that the Board of Directors take an ‘oppose’ position on legislative efforts to mandate that CalPERS divest from certain industries; thereby endangering the sustainability of the Public Employees’ Retirement Fund.

Motion and second to approve recommendation to Oppose legislative efforts regarding CalPERS divestment mandates. Motion carried with one abstention.

**Health & Human Services.** Supervisor Ken Yeager, Chair of the policy committee, presented a report from the meeting held May 18. The policy committee took action to ‘support’ the In-Home Supportive Services (IHSS) proposal contained in the May Revision and recommended approval by the Board of Directors. Details of the proposal are:

- Direct State General Fund dollars, \$400m in the first year and \$1.1b over four years – toward IHSS program costs.
- Create a new county IHSS maintenance of effort (MOE).
- In year one (2017-18), the MOE inflation rate would be 0%. It would rise to 5% in year two (2018-19), and then 7% in year three (2019-20) and beyond.

- Redirect all 1991 Realignment sales tax and Vehicle License Fee (VLF) growth funding over the next three years, and then half of these revenues in years four and five, to further offset IHSS costs.
- Institute an annually adjusted cap on funding for local IHSS Administration (IHSS social workers) and activities related to determining eligibility for the program.
- Return wage and benefit bargaining for IHSS providers to all counties, with adjustments to local bargaining that include increases to the current state participation cap on wages and benefits of \$12.10 and language to allow an appeal to the Public Employees Relations Board in any county without a completed bargaining agreement within nine months.

It was noted that there are numerous provisions and complexities within the proposal. However, the result of this plan would be a significantly reduced overall county contribution for IHSS costs in 2017-18 and 2018-19 compared to the January budget. It also protects county general funds to the greatest extent possible during the first two years.

Motion and second to approve the recommendation to 'Support' the IHSS proposal contained in the May Revise. Motion carried unanimously.

As directed by the Board of Directors at its February meeting, the policy committee reconsidered the proposed draft CSAC Platform language related to 'Child Near Fatality Incidents.' The version approved by the policy committee in February was contained in the briefing materials. A version submitted by Supervisor Rexroad was also brought back to the policy committee for consideration at the May 18 meeting. Supervisor Yeager reported that the policy committee deadlocked on Supervisor Rexroad's proposed language and took no action on the committee-recommended language. Therefore, this item will be brought back to the Board of Directors at a future meeting.

**Housing, Land Use & Transportation.** Supervisor Lisa Bartlett, Co-Vice Chair of the policy committee presented a report from the meeting held on May 18. The committee heard informational reports on SB 1, the Road User Charge Pilot Program, and a legislative update. No action items were brought forward.

Motion and second to accept the policy committee report. Motion carried unanimously.

8. PROPOSED CSAC BUDGET FOR FY 2017-18

Supervisor Valenzuela, CSAC Treasurer, presented the proposed CSAC Budget for FY 2017-18, as contained in the briefing materials. He noted that all building debt has been eliminated and that the six-month reserve remains in place. In addition, a Capital Improvement Program fund in the amount of \$500,000 is included in the proposed budget. This fund is designated for major repairs that may be needed in the coming years, such as heating/air, roof or other items in the aging building. The budget also includes an additional staff position in the communications unit. The proposed budget was approved by the Executive Committee in April and is recommended for adoption by the Board of Directors.

Motion and second to adopt the proposed CSAC Budget for FY 2017-18 as presented. Motion carried unanimously.

9. UPDATED FINANCIAL POLICIES

Staff presented revised CSAC Financial Policies, Operating Reserve Policy, and a Capital Improvement Program policy, as contained in the briefing materials. These policies are intended to strengthen the fiscal operations of CSAC and manage its capital assets. The Executive Committee previously approved the policies.

Motion and second to approve financial policies as presented. Motion carried unanimously.

10. CSAC FINANCE CORPORATION REPORT

Supervisor Leonard Moty, President and Alan Fernandes, Executive Vice President of the CSAC Finance Corporation, presented an update on Finance Corporation activities. It was noted that expenses were lower than budgeted and program performance was strong so the contribution to CSAC will be increased by \$400,000. The Finance Corporation Board recently approved an updated agreement with CSAC that provides for the flexibility to realign the Corporate Partnership Program with the Finance Corporation should such realignment be consistent with the priorities of both organizations in the future. The Finance Corporation is working with the State Treasurer's Cannabis Banking Working Group to develop solutions to the challenges associated with tax collection and cannabis banking. The approach will be to offer a joint powers authority on behalf of county government to assist with ensuring the safety of county workers regarding cash collection and ensuring that those regulated entities comply with the many requirements of state and local law.

11. CSAC OPERANDS AND MEMBERS SERVICES UPDATE

The CSAC Corporate Partnership Program has continued to grow this year. A Leadership Forum was held in San Diego in February. CSAC held a regional meeting in March in Kern County which focused on water issues. The next regional meeting is scheduled for June in Humboldt County and will focus on cannabis regulation. Staff produced videos highlighting the 2016 CSAC Challenge Award winning programs. The CSAC Institute continues to be very successful and now offers courses at satellite campuses in Contra Costa, Merced and Riverside counties.

12. INFORMATION ITEMS

The briefing materials contained a Litigation Coordination Program report, and Institute for Local Government (ILG) report, a copy of IRS Form 990, and a CSAC Financial Statement for July 2016-March 2017.

Meeting adjourned.