

CALIFORNIA STATE ASSOCIATION OF COUNTIES  
EXECUTIVE COMMITTEE  
August 6, 2015  
Capitol Event Center, Sacramento

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M I N U T E S

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1. Roll Call

Vito Chiesa, President	Bruce Gibson, San Luis Obispo
Richard Forster, 1 <sup>st</sup> Vice Pres.	Leonard Moty, Shasta
Dave Roberts, 2 <sup>nd</sup> Vice Pres.	Henry Perea, Fresno
John Gioia, Immed. Past Pres.	Linda Seifert, Solano, alternate
Keith Carson, Alameda (via audio)	Virginia Bass, Humboldt
Carole Groom, San Mateo	Ed Valenzuela, Siskiyou
Susan Peters, Sacramento	Judy Morris, Trinity, Treasurer
Ken Yeager, Santa Clara	Charles McKee, Co. Counsel Advisor
Kathy Long, Ventura, alternate (via audio)	

2. Approval of Minutes

The minutes of April 9, 2015 were approved as previously mailed.

3. CSAC Corporate Partners Report

Mike Fleming, Chief Executive Officer of the CSAC Excess Insurance Authority (CSAC-EIA), discussed the numerous insurance programs they provide to 55 of the 58 counties, including workers compensation, liability and property. They recently launched a new program for construction projects that wraps all the various insurance policies into one to make it easier for public entities to manage their construction projects.

Matt Cate noted that CSAC and CSAC-EIA recently formed a partnership and CSAC will begin providing lobbying services for CSAC-EIA, on insurance-related legislation.

4. Appointment of Auditor-Controller to CSAC Finance Corporation Board

The CSAC Finance Corporation Board currently has a vacant seat due to the retirement of Alameda County Auditor-Controller Pat O'Connell, and recommended that the Executive Committee appoint either Robert Campbell, Contra Costa County Auditor-Controller or James Erb, San Luis Obispo County Auditor -Controller.

Both candidates discussed their interest in and qualifications for the position. A discussion ensued among Executive Committee members regarding the two candidates, and it was determined that both were qualified, but James Erb would provide geographic diversity.

Motion and second to select James Erb to serve as the Auditor-Controller representative on the CSAC Finance Corporation Board. Motion carried unanimously.

5. CSAC Finance Corporation Program Update

A recruitment is underway for a new Finance Corp. Executive Director to replace Nancy Parrish who resigned at the end of May. The deadline to submit resumes is this week. The Finance Corporation will interview candidates on August 18.

The California Statewide Communities Development Authority (CSCDA) completed its transition to a new program administrator, Bridge Strategic Partners, on July 1. Under the new arrangement there is potential for increased revenue as the fee splits are more favorable.

Kings County Administrative Officer Larry Spikes resigned from the CSAC Finance Corporation Board in June, so there is currently a CAO vacancy on the Board. Nominees will be forwarded to the Executive Committee at a later date.

6. Special Session Legislative Update

Staff announced that the Legislature will return on August 17 for one month. There are many issues to deal with during that time such as medical marijuana, climate change, affordable housing and transportation.

Since the Governor called the transportation and infrastructure special session in June, both houses of the Legislature have formed special session committees and held informational hearings on transportation funding needs. Several transportation bills have been introduced and were listed in the briefing materials. Staff outlined CSAC's existing transportation policy principles which were also contained in the briefing materials. CSAC staff is working on in-district legislative meetings, grassroots activities, and local media events over the summer recess and beyond. Supervisors will be contacted to participate in these events as they are scheduled.

The Governor also declared a special session on health care financing issues in June for the purpose of acting upon legislation necessary to enact permanent and sustainable funding from a new managed care organization tax and/or alternative fund sources. He is seeking at least \$1.1b in funding to stabilize the state's General Fund costs for Medi-Cal. The top priority for the Governor and Legislature is to authorize a new Managed Care Organization (MCO) tax to help fund Medi-Cal. The health special session bills that have been introduced were listed in the briefing materials.

7. Report on Split Roll Property Tax Ballot Initiative  
Staff provided an update on a split roll property tax ballot initiative proposal currently in the Legislature. It has not yet qualified to be placed on a ballot. This is the latest effort to reform post-Proposition 13 property tax assessment of commercial properties. The proponents estimate an additional \$9b in property taxes would flow to state and local agencies statewide if commercial and industrial properties were being assessed and taxed based on their true value. Staff will continue to monitor this and other legislative or ballot initiative efforts proposing to alter commercial property tax assessments to determine potential impact on counties.

8. Proposition 218 Update  
Last year, a coalition of statewide organizations came together to develop a Constitutional Amendment and ballot measure to fund stormwater services. Currently, the California Constitution (Prop. 218)) requires stormwater agencies to receive voter approval to establish or increase rates to fund capital and operational needs.

The coalition has expanded its efforts to provide funding flexibility for stormwater services to include conservation rates and lifeline rates, which would require amending Proposition 218. This new legislative scope requires a different approach which is being led by a subset of the larger coalition which includes the executive directors and staff from CSAC, League of California Cities, Association of California Water Agencies, and the California Water Foundation. This smaller coalition contracted with a marketing research firm to conduct a survey of California voters to assess voter receptivity to amending Proposition 218.

Brandon Castillo presented a PowerPoint regarding the results of a feasibility survey on the proposed "California Stormwater" ballot measure. The conclusions of the survey indicated that:

Voters are concerned about the problem of stormwater, and the potential for it contaminating critical water supplies;

There is a strong desire to fund projects to treat and capture stormwater to protect water quality and increase water supplies;

Voters strongly favor allowing local governments to implement conservation pricing to promote conservation, and also favor subsidies for low-income consumers;

There is considerable opposition to eliminating Prop. 218's vote requirement to raise fees for stormwater capture and treatment.

Executive Committee members expressed concern regarding the vote requirement provision and potential opposition by taxpayer groups. Staff indicated that, given the results of the survey, the coalition is now considering an alternative method of funding water and sewer services, including stormwater and flood protection, that would not involve a direct challenge of Proposition 218. Staff will provide further details at the September Board of Directors meeting.

9. CSAC Operations Update

Staff announced that new accounting procedures have been implemented to ensure fiscal stability and provide an internal control system. The procedures were reviewed by an outside auditor. Supervisor Judy Morris, CSAC Treasurer, noted that a CSAC Reserve Policy to provide for six-months of operating reserves has also been implemented.

Staff noted that CSAC's social media efforts have been very effective in reaching CSAC members and the general public. Staff visited Lake County yesterday to shoot footage of the Rocky Fire. A video highlighting emergency operations response and firefighters will be released tomorrow.

The CSAC Institute will soon be expanding with a satellite campus in Merced.

Staff outlined a draft CSAC Vision, Mission and Values Statement and requested input from the Executive Committee. Suggestions were noted and will be incorporated into an updated draft to be presented at the Executive Committee retreat in October.

10. National Association of Counties (NACo) Report

President Chiesa reported that approximately 100 California county officials and staff attended the NACo conference last month in Charlotte, NC. The conference showcased key issues impacting counties across the country, including transportation and infrastructure funding, criminal justice system reform and economic development. The new NACo leadership team was elected on the final day of the conference. Commissioner Roy Brooks from Tarrant County, Texas was elected as 2<sup>nd</sup> Vice President. California has the largest number of votes of any state and cast the majority of its votes for Commissioner Brooks which led to his successful election. NACo President Sallie Clark announced her committee chair and vice chair appointments. A list of California county officials who received appointments was contained in the briefing materials.

11. CSAC Litigation Coordination Program Report

The August Litigation Coordination Program update was contained in the briefing materials. No verbal report was given.

Meeting adjourned.