

CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE

October 9 – 10, 2008
Oceano Hotel, Half Moon Bay
Santa Clara County, CA

M I N U T E S

Presiding: Richard Gordon, President

1. DISCUSSION WITH CSAC FINANCE CORP. BOARD OF DIRECTORS

Tom Ford, President of the CSAC Finance Corporation, discussed the status of current programs being offered to CSAC members. Copies of the new marketing brochure were distributed to Executive Committee members. He noted that the U.S. Communities Purchasing Program recently added a new vendor for artificial turf products.

Les Brown, Treasurer of the CSAC Finance Corporation, outlined the Revenue History as contained in the Finance Corporation briefing materials. He also reviewed the current Finance Corporation budget.

A discussion ensued regarding marketing strategies and potential issues in which the Finance Corporation could partner with counties to provide assistance.

2. ROLL CALL

Richard Gordon, President
Gary Wyatt, 1st Vice President
Frank Bigelow, Immed. Past President
John Tavaglione, Riverside
Roger Dickinson, Sacramento
Paul Biane, San Bernardino
Kathy Long, Ventura

Liz Kniss, Santa Clara (alternate)
Susan Adams, Marin
Mike Nelson, Merced
Joni Gray, Santa Barbara
Mike McGowan, Yolo
Terry Woodrow, Alpine
Valerie Brown, Sonoma
Dee Tatum, CEO advisor

3. APPROVAL OF MINUTES

The minutes of August 7, 2008 were corrected to reflect that Supervisors Terry Woodrow and Joni Gray were in attendance.

Motion and second to approve minutes of August 7, 2008 as corrected.
Motion carried unanimously.

4. **DISTINGUISHED SERVICE AND PRESIDENTS' AWARD RECIPIENTS**
Staff requested direction from the Executive Committee in selecting the 2008 recipient(s) of the CSAC Distinguished Service Award. This award is given to persons who have made the greatest contribution to the improvement of government in California. Staff recommended the following three nominees for consideration:

Diane Cummins, Chief Fiscal Policy Advisor, Office of Senate President Pro Tempore

California counties will lose a tremendous advocate when Diane Cummins retires after a lengthy career in public service in October 2008. Most recently, Diane served as Chief Fiscal Policy Advisor for the past two Presidents pro tempore of the California Senate. In this capacity, she served as the Senate's key budget staff person and advisor to the President pro tempore on issues related to health and human services, revenue and taxation, and local government. Diane's unparalleled expertise is the result of many years at the State Department of Finance, including serving as Chief Deputy Director, Budgets and Deputy Director, Legislation. She also served as the Program Budget manager for the Health and Human Services and Local Government units. At the Department of Finance, Diane was directly involved in a number of major initiatives of considerable significance to counties, including welfare reform, foster care reform, and trial court funding.

Casey Kaneko, Executive Director, Urban Counties Caucus

Casey Kaneko has been the executive director of the Urban Counties Caucus since 1995. In that capacity she grew the Urban Counties Caucus – a coalition of 12 of California's largest counties – into the organization it is today. She is an integral part of the county family in Sacramento and works closely with CSAC on furthering county interests in the Capitol and within the Administration. Casey has a storied career in local government – lobbying for the county of Santa Barbara, working as the chief consultant to Assembly Local Government Committee, and serving Governors Brown and Deukmejian. Casey is retiring from the Urban Counties Caucus at the end of 2008 and will be sorely missed.

Senator Darrell Steinberg, President Pro Tem

Senator Darrell Steinberg has worked diligently with CSAC for nearly two years to address our concerns with his SB 375, a comprehensive measure to address greenhouse gas (GHG) emissions from the transportation sector. He often led the countless meetings and negotiations in person bringing together various different perspectives on controversial issues. In March of 2008, CSAC presented Senator Steinberg with a list of 12 significant amendments needed in order for CSAC to be able to support his legislation. Just five months later, all of CSAC's amendment requests had been met and SB 375 now recognizes the need to rely upon member cities and counties within regions to develop the growth strategies to strive towards accomplishing the voluntary regional GHG targets.

Motion and second to accept the three nominees for the 2008 Distinguished Service Award as listed above. Motion carried unanimously.

President Gordon discussed his preference to give the Presidents' Award to Governor Schwarzenegger and requested input from the Executive Committee. It was agreed that the 2008 recipient of the CSAC Presidents' Award would be governor Schwarzenegger.

5. **CIRCLE OF SERVICE AWARD**

Staff requested direction in selecting recipients for the 2008 Circle of Service awards. The award was created to recognize county officials, department directors, employees, corporate Associates and other CSAC members whose service to CSAC and counties sets them apart. Staff recommended the following twelve nominees for consideration:

Jeff Morris, Trinity County Supervisor

Jeff Morris is finishing his fourth term as Trinity County Supervisor, District 2. Jeff has been an active member of the county family and has been a tremendous asset to CSAC. In addition to serving as co-chair of the CSAC Climate Change Task Force in 2007, he was vice-chair of the CSAC Agriculture and Natural Resources (ANR) Policy Committee in 2006 and chair of ANR in 2007, and represented rural counties on the CSAC Executive Committee in 2007. He also represented California county interests at the National Association of Counties Climate Protection Forum in Washington, D.C and in meetings with Senator Feinstein and other members of Congress regarding the reauthorization and funding of the Secure Rural Schools and Communities Self Determination Act of 2000. Jeff is seeking the CD-2 congressional seat this November.

Connie Conway, Tulare County Supervisor and former CSAC President

Tulare County Supervisor Connie Conway served as CSAC's 2005-06 President. Supervisor Conway is retiring from the Tulare County Board of Supervisors after nearly two terms to serve as a member of the California State Assembly, representing the 34th District.

Harry Ovitt, San Luis Obispo County Supervisor and former CSAC President

San Luis Obispo County Supervisor Harry Ovitt served as CSAC's 1996-97 President. Supervisor Ovitt is retiring from the San Luis Obispo County Board of Supervisors after five terms.

Tim Smith, Sonoma County Supervisor and former CSAC President

Sonoma County Supervisor Tim Smith served as CSAC's 2002-03 President. Supervisor Smith is retiring from the Sonoma County Board of Supervisors after five terms.

Matt Rexroad, Yolo County Supervisor

Matt Rexroad's term as Yolo County Supervisor began in 2007. While in county government only a short time, he has already been instrumental to CSAC by serving as chair of the Working Group on Sex Offender Management this year. He successfully led the group in its work to develop CSAC policy on sex offender management, which was adopted by the CSAC Board of Directors in May 2008. In addition, Supervisor Rexroad participated in CSAC's Human Services Funding

Deficit Working Group. Furthermore, he started his county's first free Yolo County 101 course to its residents, which continues to be offered county-wide.

John Tavaglione, Riverside County Supervisor

John Tavaglione was elected to the Riverside County Board of Supervisors in 1994. He has been active in CSAC over the years, serving as a member of the CSAC Board of Directors, on the CSAC Executive Committee, and as CSAC Treasurer. This year Supervisor Tavaglione was called on — and served willingly and actively — in a variety of leadership roles involving several high-profile policy issues. He served as Chair of the CSAC Task Force on Parole Realignment, bringing the task force to a consensus recommendation. Further, he is presently serving as the county representative to the Court Facility Dispute Resolution Committee and has taken leadership initiative to facilitate the court facility transfer process statewide. Supervisor Tavaglione has made himself available for a variety of activities — meeting with legislators, working with judicial branch leaders, and volunteering to serve as an advisor to other counties to advance the overall objectives of the court facility transfer process.

Diane Dillon, Napa County Supervisor

Supervisor Dillon has played a key role as a member of the Governing Council for the CSAC Institute for Excellence in County Government, which is set to begin offering courses in early 2009. Supervisor Dillon also continues to serve as co-chair of the CSAC Climate Change Task Force.

John Gioia, Contra Costa County Supervisor

Supervisor Gioia has served as the chair of the Governing Council for the CSAC Institute for Excellence in County Government, which is currently in the planning stages. As chair, he has played an integral role in the development of the Institute, a significant new member service to be offered by CSAC beginning in early 2009.

John Silva, Solano County Supervisor

Supervisor Silva has served as the chair of the CSAC Administration of Justice policy committee for a number of years. He also served as one of the county representatives on the Governor's Task Force on Juvenile Justice in 2003. Supervisor Silva has enjoyed a lengthy career in public service, including 12 years on the Solano County Board of Supervisors, two terms on the Benicia City Council, and deputy chief of the Benicia Police Department. Supervisor Silva will be retiring from the Solano County Board of Supervisors this year.

Stephen L. Weir, Contra Costa County Clerk-Recorder

Stephen Weir has been the Contra Costa County Clerk-Recorder for 19 years, and was a member the Concord City Council for nine years prior, including two as mayor (1984-85). He served as president of the California Association of Clerks and Election Officials for the 2006-2008 term, and in that time worked tremendously to secure the sooner-than-expected \$85 million reimbursement for the cost of the February 2008 Presidential Primary. Doing so required coordinating detailed cost surveys from all 58 counties and convincing a somewhat unwilling Legislature to include the funding in a famously tight budget. He also led the county election officials through the aftermath of the Secretary of State's decertification of electronic voting systems.

Michele Vercoutere, Court Facility Transfer Coordinator, Los Angeles County Chief Executive Office

Michele Vercoutere is a long-time employee of the Los Angeles County Chief Executive Office. In her current assignment, Michele serves as the county's transfer coordinator in the court facility transfer process — a task involving more than 50 facilities containing over 600 courtrooms. Michele has taken a leadership role in seeking transfer process improvements for the benefit of all counties; devoted extensive time to a working group effort dedicated to developing a seismic risk pool for court facilities; and has chaired a regional county group on court facility transfer issues. Most importantly, Michele continues to volunteer her time and significant technical expertise to aid other counties in problem solving and strategizing successful approaches to the court facility transfer process. She has emerged as a county leader and a rich resource in a very complex and difficult policy area.

Stuart Wells, Franchise & Fees Manager, The Gas Company/SDG&E Sempra Energy Utilities

Stuart has been involved with the CSAC Corporate Associates program since 2005, and served as president of the program during 2008. Additionally, The Gas Company/SDG&E Sempra Energy Utilities has been a major supporter and member of the Corporate Associates program since its inception.

The Executive Committee requested the addition of the following three recipients: Andy Morgan of Vanir Construction Management, for his work on AB 900; Michael Rattigan, Santa Clara County lobbyist, for his leadership as chair of the County Caucus; and Greg Norton, Executive Director of Regional Council of Rural Counties (RCRC), for his leadership role with California's rural counties and the strong partnership he has developed between CSAC and RCRC.

Motion and second to accept all twelve staff recommendations plus the three additional nominees. Motion carried unanimously.

6. AUDITED FINANCIAL STATEMENTS FOR FY 2007

CSAC Treasurer Joni Gray presented the audited financial statements for FY 2007. CSAC was able to add \$200,000 to its cash reserves this year, as well as pay down the mortgages by an additional \$500,000.

Motion and second to accept the audited financial report for FY 2007. Motion carried unanimously.

7. CSAC DUES TASK FORCE REPORT

The CSAC Dues Task Force, chaired by Supervisor Greg Cox, was formed following the end of the five-year implementation of a dues restructuring. The task force held two meetings to consider an increase in CSAC dues and the concept of incorporating NACo dues into the annual CSAC dues structure. Given the budget plight of most counties, the task force recommended that

CSAC not increase dues in 2009. In addition, the task force recommended that NACo dues not be incorporated into the CSAC dues structure at this time. Staff conducted a survey of other state associations and found that no other state incorporates NACo dues. Some state associations indicated the reason they did not incorporate NACo dues was because of accounting problems caused by the fact that NACo dues are paid on a calendar-year basis, while many state associations (including CSAC), collect dues on a fiscal year basis.

Motion and second to accept the recommendation for no CSAC dues increase in FY 2009-10 and to not incorporate NACo dues into the CSAC dues structure. Motion carried unanimously.

The task force was directed to meet with the Regional Council of Rural Counties to discuss the possibility of assisting counties who are unable to pay their NACo dues this year. In addition, the task force may be considering an incentive approach for the US Communities program that would provide a reduction in CSAC dues if counties are participating in the pooled-purchasing program. Staff is reviewing the reimbursement structure to see if it is feasible. The task force will remain in place to look at next year's dues issues.

8. CSAC PAC TASK FORCE REPORT

The CSAC PAC Task Force, chaired by Supervisor Gary Wyatt, recommended Executive Committee consideration of an amendment to the CSAC Policy and Procedure Manual regarding financial participation in issue campaigns. The language was contained in the briefing materials as follows: *Recognizing that there is an increasing trend toward resolving public policy issues at the ballot in California, CSAC is prepared to participate financially in campaigns for or against those measures that have a direct impact on counties' authority, function, or fiscal health. Staff recommendation for such participation will be presented to CSAC officers, who may then direct staff to bring the issue to the Executive committee. The Executive Committee will evaluate the issue and make a recommendation for action to the Board of Directors based on existing CSAC Legislative Platform principles, or in the absence of clear existing policy, based upon direct impact, if any, to county government. Staff may also recommend options for financial participation in a campaign, such as the formation of a political action committee (PAC) for purposes of fundraising for such activities or other means of financial participation.*

If the Board of Directors, with a 2/3 vote of the membership approving, approves financial participation for purposes of financially supporting or opposing a given issue, staff will establish a financial participation plan for approval. CSAC will abide by all state laws governing political reporting and use of funds and will rely upon legal counsel opinion and analysis to ensure that funds are identified and segregated in accordance with such laws and regulations. At no time will public funds be utilized in any manner in support of an issue campaign. CSAC shall segregate and account for public and private funds accordingly, ensuring that at no time will public funds be

utilized for campaign-related activities, including overheard and other administrative costs. If the formation of a PAC is approved, the PAC will function to support CSAC activities related to the issue and will be discontinued upon resolution of the issue.

Following a lengthy discussion regarding the advantages and disadvantages for forming a PAC, the Executive Committee agreed with the task force recommendation to form an issue-specific PAC and requested that the last sentence of the proposed language be amended as follows: *If the formation of a PAC is approved, the PAC will function to support CSAC activities related to the **specific** issue and **may** be discontinued upon resolution of the issue **by a majority vote of the Board of Directors.***

Motion and second to approve the PAC Task Force recommended language as amended and forward item to Board of Directors for adoption. Motion carried unanimously.

9. CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (CSCDA) APPOINTMENTS

The California Statewide Communities Development Authority (CSCDA) is a joint powers authority sponsored by CSAC and the League of California Cities. Its mission is to provide local governments and private entities access to low-cost, tax exempt financing for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California.

Currently, staff of CSAC and the League sit as board members and alternates to the CSCDA Board. Discussions around marketing and use of CSCDA programs, though, revealed a lack of understanding and broad-based knowledge of CSCDA. It was determined, through these discussions, that it would be better for the Board of CSCDA to be comprised of public or former public officials from around the state. CSAC and league staff would continue to participate in CSCDA activities in an advisory role pursuant to the existing administrative agreements between CSAC, the League and CSCDA.

It was recommended that the following individuals be appointed to represent CSAC on the CSCDA Board following adoption of amendments to US Communities bylaws and upon written resignation of each of the current representatives to the CSCDA Board:

- Larry Combs, Sutter County Administrative Officer
- Larry Parrish, retired Riverside County Executive Officer and former CSAC Finance Corporation Board member
- Brent Wallace, former Inyo, Siskiyou and Tuolumne County Administrative Officer, former CAOAC Executive Director and currently Senior Project Manager with Vanir Corporation

- Steve Keil, former CSAC Legislative Director, former CSCDA Board member and currently Sacramento County Labor Relations Manager

These members would replace Paul McIntosh, Tom Sweet, Jean Hurst and Steve O'Brien.

Motion and second to appoint Larry Combs, Larry Parrish, Brent Wallace and Steve Keil to serve on the CSCDA Board. Motion carried unanimously.

10. NATIONAL ASSOCIATION OF COUNTIES ISSUES

The Executive Committee discussed the timing and process for endorsing NACo 2nd vice presidential candidates. Typically, CSAC has endorsed a candidate at the California Caucus held during the NACo annual conference each July. However, in 2008, the CSAC Board of Directors endorsed candidate Judge Glen Whitley during its May meeting, prior to the NACo annual conference.

Motion and second to endorse the 2009 candidate during the California Caucus at the NACo annual conference in July, but reserve the right to endorse future candidates at a different time depending on circumstances. Motion carried unanimously.

Staff was directed to invite the two current candidates, Lou Magazzu and Lenny Eliason, to attend the 2008 CSAC annual meeting. Further, staff was directed to arrange for interviews with the candidates during the May 2009 Board of Directors meeting.

Supervisor Valerie Brown will be installed as NACo President during the 2009 annual conference in Nashville, Tennessee. CSAC has been asked to contribute financially and solicit corporate donations for the inaugural event and related hospitality. The amount of the contribution is unknown at this time.

Motion and second to direct staff to develop a budget for financially supporting Supervisor Brown's inauguration and related hospitality in Nashville. Motion carried unanimously.

11. CSAC LITIGATION COORDINATION PROGRAM

Jennifer Henning, CSAC's Litigation Coordinator and Executive Director of the County Counsels' Association of California, provided an overview of the CSAC Litigation Coordination program which was created in 1987 to provide coordination and support in multi-county litigation and amicus support to counties in cases of general interest. The program is governed by a

resolution adopted by the County Counsels' Association Board of Directors which sets forth the procedures for coordinated litigation and amicus support.

A Litigation Overview Committee (LOC), comprised of county counsels from all geographic regions of the state, oversees the program. Cases are referred to the LOC from interested parties or brought to the LOC by the Litigation Coordinator. The LOC meets monthly to consider amicus requests and makes its determination on CSAC participation based on a number of factors including: whether the case raises an issue of statewide concern; whether there are divergent views among counties as to the appropriate position to take in the litigation or an appeal; and the importance of the issues raised to counties generally. If the LOC's recommendation is that CSAC participate in the matter, the recommendation is forwarded to the CSAC Executive Director for final approval. If the CSAC Executive Director accepts the recommendation, the Litigation Coordinator is then authorized to file documents with the court on CSAC's behalf as CSAC's litigation counsel.

The Executive Committee expressed interest in being given an opportunity to comment and/or respond to the case memos prior to approval by the CSAC Executive Director. Staff was directed to transmit the case memos to the Executive Committee for comment prior to approval. CSAC officers will then discuss the case memos during their weekly conference calls and give appropriate direction to the CSAC Executive Director. Further, staff was directed to provide a list of filed cases in Executive Committee and Board of Directors briefing materials.

12. CSAC ANNUAL MEETING PROGRAM

President Gordon reminded the Executive Committee that this year's schedule was moved to a Monday – Wednesday format, followed by the New Supervisors Institute on Thursday and Friday. An orientation for first-time attendees was added this year since the New Supervisors Institute is being held at the end of the conference instead of the beginning, as was the practice in past years.

President Gordon also described events that have taken place surrounding the boycott of the Manchester Grand Hyatt in San Diego due to union issues and the controversy over Mr. Manchester's contribution to the 'Yes on Proposition 8' campaign. CSAC is working with all parties to resolve the issues. Some Executive Committee members raised concerns regarding the possibility of union picketers in front of the hotel. Staff was directed to notify all CSAC members of the current dispute and include a list of alternative accommodations in the event some members to choose to stay at another hotel during the annual meeting.

13. ACHIEVEMENT REPORT

Paul McIntosh presented a report outlining CSAC's legislative and administrative achievements during the past year. Staff discussed legislative strategy for the coming year, including continuing to protect Propositions 1A and 42 funds and focusing on building coalitions with county affiliate organizations, especially health and human services affiliates. Staff also outlined the process for the transfer of presidential power from President Bush to his successor, as well as a preliminary strategy for working with incoming White House and agency officials.

President Gordon announced that staff would be drafting a list of 2009 State and Federal legislative priorities which will be brought to the Officers for review prior to consideration by the Executive Committee and Board of Directors.

The Executive Committee adjourned to a closed session with the CSAC Executive Director to discuss the CSAC Compensation Analysis report and conduct the annual evaluation of the CSAC Executive Director.