

CALIFORNIA STATE ASSOCIATION OF COUNTIES

EXECUTIVE COMMITTEE

October 4, 2018

The InterContinental, The Clement, Monterey

750 Cannery Row, Monterey, CA 93940

MINUTES

1. SPECIAL SESSION – CSAC Finance Corporation Program Update / Revenue Strategy

Supervisor Leonard Moty, president of the CSAC Finance Corporation, and Alan Fernandes, CEO, discussed the background, goals, and mission of the Finance Corporation, along with the many changes and improvements that have been made. The Corporation shares an intricate relationship with CSAC and will ask the Executive Committee to appoint upcoming Board positions as they become available. Together, the two organizations strive to create and manage programs that benefit our members and improve public services for counties and their constituents. CSAC FC provides financial support to CSAC, creates and maintains innovative public services and products, collaborates with complementary national and state organizations, and maintains strong relationships with service providers to achieve its goals. The Finance Corporation discussed the many corporate partnership programs and ventures that contribute to the revenue stream and provide benefits to CSAC members.

One of these programs is CSCDA, which is the Public Benefit Finance Program and the largest revenue stream for the CSAC Finance Corporation. This Joint Powers Authority (JPA), comprised of 57 counties and over 400 cities, provides financing for affordable housing programs and nonprofit organizations with a public service. CalTRUST is another pooled investment trust JPA of short term cash investments for treasurer tax collectors, as an alternative to LAIF (Local Agency Investment Fund). It provides the same safety as LAIF, with more liquidity and freedom for fund selections for finance directors. CSAC FC also participates in the Nationwide Deferred Compensation program, and continues to motivate more counties to participate. Coast2Coast, the discount prescription service remains a long-standing partner with the Finance Corporation. Easy Smart Pay, the property tax payment system, is a new program that is currently being piloted in San Luis Obispo County. The ultimate goal of the program is to save constituents money on transaction fees and to create a more efficient process for property tax payments. 211 California looks to connect the unconnected and CSAC FC is in the process of managing the organization. California Cannabis Authority is another JPA currently made up of 5 counties. This is a data repository for the cannabis industry which counties are motivated to join in order to obtain the financial and tax data collected from the regulation of cannabis entities.

CSAC FC was a long-standing national sponsor of U.S. Communities, the pooled purchasing system that was recently bought out by a competing entity. The CSAC FC and CSAC were able to negotiate 7 years of annual revenue that would have come from U.S. Communities. The buyout agreement was approximately \$10.6 million, which is being invested and saved for future use. CSAC FC will analyze ways to use the funds to plan for the future annual revenue loss from the buyout. A portion of the funds will be used to invest in opportunities and new programs that will replace and replenish the lost revenue stream.

2. Roll Call

OFFICERS

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

ADVISORS

Bruce Goldstein *County Counsels Association President, Sonoma County*

SUPERVISORS

Lee Adams, *Sierra County*
James Gore, *Sonoma County*
Carole Groom, *San Mateo County*
Scott Haggerty, *Alameda County*
Kelly Long, *Ventura County*
Buddy Mendes, *Fresno County*
Bruce McPherson, *Santa Cruz County*
Leonard Moty, *Shasta County*
Craig Pedersen, *Kings County*
Ed Scofield, *Nevada County*
Steve Worthley, *Tulare County*
Ed Valenzuela, *Treasurer, Siskiyou County (ex officio)*

CSAC EXECUTIVE STAFF

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

3. Approval of Minutes from July 27, 2018 Special EC Call

A motion to approve the minutes made by Supervisor Groom; second by Supervisor Moty. The motion carried unanimously and minutes were approved.

4. Consideration of Distinguished Service Award Nominees

Staff presented a list of nominees for the 2018 CSAC Distinguished Service Award, which is meant to recognize those that go above and beyond in their contributions to the improvement of government in California. The nominees this year were instrumental in driving the homelessness and wildfire legislature priorities this year.

The following individuals were recommended for this award:

Senator Holly Mitchell
Senator Bill Dodd
Assembly Member Jim Wood
Assembly Member Brian Dahle
Mark Ghilarducci | Director, California Governor's Office of Emergency Services

A motion to approve the nominated Distinguished Service Award Recipients made by Supervisor Long; second by Supervisor Gore. The motion carried unanimously.

5. Consideration of Circle of Service Award Nominees

Staff presented the Executive Committee with a list of recommended nominees for the CSAC Circle of Service Award. This award is more internally focused and was created to recognize county officials such as Supervisors, CAOs, department directors, staff and others whose service to their county and to CSAC have set them apart.

The following individuals were recommended for this award:

Supervisor James Gore | Sonoma County

Supervisor Diane Dillon | Napa County
Supervisor Oscar Villegas | Yolo County
Bruce Goldstein | Past President, Sonoma County Counsel
Jill Abel | Yuba County Human Resources Director
Phil Ansell | Los Angeles County Director, Homelessness Initiative
Larry Lees | Shasta County CEO
Mike Powers | Ventura County CEO
Supervisor Ken Yeager | Santa Clara County
Supervisor Steve Worthley | Tulare County
Supervisor John Tavaglione | Riverside County

A motion to approve the nominated Circle of Service Award Recipients made by Supervisor Long; second by Supervisor Scofield. Motion carried unanimously.

6. Review of 2017 – 2018 Financial Statements (CSAC Budget / Audit)

An annual audit review is conducted on CSAC's financial records. This year's review is not yet final as CSAC Finance Corporation and CSAC Foundation are still being audited. CSAC Treasurer, Supervisor Ed Valenzuela, and Manuel Rivas discussed the preliminary findings, which are clean and signify a good financial outlook at this time. An increase in membership dues was discussed and the team noted that CSAC has not had an increase in 6 years. At this time, CSAC is considering different structural changes regarding dues and will provide a formal presentation during the January Executive Committee meeting to consider a vote on how to proceed. Staff will have a comprehensive audit report for Executive Committee approval once CSAC FC and Foundation audit findings are available.

7. CSAC 2018 Legislative Achievements Report

A video outlining CSAC's achievements throughout the year was presented. Staff attributed much of the year's success to the collaboration of coalitions and the amazing teams behind every bill and measure lobbied against throughout the many transitions CSAC experienced. Along with the successful legislative issues undertaken this year, including tackling the homelessness issue and stopping changes to inverse condemnation, relationship-building has been a strong focus for CSAC. Staff has leveraged the cross-functionality within CSAC to aggressively fight for counties in a cohesive manner to implement policies. CSAC has taken over the Results-First Initiative from Pew-McArthur and continues to expand the program to more counties, providing counties with technical assistance. Staff will continue to find the delicate balance of strategic targeted aggression to fulfill the needs of counties at the state level.

8. CSAC 2018 Operations & Member Services Operations Achievement

The CSAC team has experienced multiple staff transitions this year, greatly impacting the Operations side of the company. CSAC has transitioned to a new Executive Director, acquired a Deputy Executive Director of Operations, Executive Assistant, and Accounting Team. Staff outlined the program changes and the new fiscal process that allows for less spending with more capacity and expertise. CSAC staff took pride in working through the many transitions while succeeding in the year's advocacy achievements. The Foundation continues to grow as the

Institute becomes more prominent each year with a rotating satellite model, providing more access to county staff, giving CSAC the opportunity to develop the bench.

Staff presented on the new methods the Communications and Member Services team has adopted to benefit the advocacy issues that CSAC works on. CSAC has become more open to being aggressive on key issues, allowing the legislative strategy to drive the communication strategy. As the value of communication rises in the eyes of the public, CSAC has become a vital source for the media, receiving more inquiries than ever before. The CSAC Twitter feed receives an average of 250,000 – 300,000 daily views. The video department has been an effective tool and continues to record webinars, regional meetings, power minutes, promotion for events and best practices. The Challenge Awards program received 267 entries this year, strongly indicating the success of the program. The Communications team will be hiring a new Communications Coordinator and is looking forward to being more aggressive next year.

9. Creative Economy Presentation

Los Angeles County Supervisor Mark Ridley-Thomas and Managing Director of Micronomics, Roy Weinstein presented on the idea of Creative Economies and how counties can use them to improve the well-being of their respective constituents. Creative Economies are recurring events centralized around sports, culture, entertainment, or the arts, that generate cash flow into communities. Research has shown that one in ten jobs in California are in the Creative Economy and that these events can cause direct, indirect, and induced benefits on the community. Counties are encouraged to formulate their own annual events, which will draw crowds into their districts and provide widespread benefits throughout the state.

10. CSAC Strategic Plan

Staff provided an outline of the CSAC Strategic Plan, which was built upon and discussed throughout the day. The Committee was asked to think about the current Political Landscape and CSAC's approach related to advocacy and how it can continue to evolve with the incoming administration. Staff revisited the opposition campaigns on Propositions 5 and 6, for which the Board of Directors has already approved financial contributions of up to \$500,000 each. After extensive evaluation of the No on Proposition 5 Campaign, staff is convinced that the campaign will not need the full contribution amount that was approved. The Governor has requested that CSAC increase their contribution for the No on Proposition 6 Campaign. Staff recommendation is for Board of Directors consideration on flexibility to move the funding between campaigns as strategically needed. The contribution would require a majority vote Board action.

A motion to bring a recommendation to the Board of Directors to add funds to the No on 6 Campaign made by Supervisor Haqqerty; second by Supervisor Groom. Motion carried unanimously.

The meeting was adjourned. The next Executive Committee meeting will be on January 17, 2019 in Sacramento, CA.