

CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE

April 17, 2014
CSAC Conference Center, Sacramento

MINUTES

Presiding: John Gioia, President

1. ROLL CALL

John Gioia, President	Susan Adams, Marin
Vito Chiesa, 1 st Vice Pres.	Bruce Gibson, San Luis Obispo
Richard Forster, 2 nd Vice Pres.	Henry Perea, Fresno
David Finigan, Immed. Past Pres.	Linda Seifert, Solano
Federal Glover, Contra Costa	Virginia Bass, Humboldt
Kathy Long, Ventura	Robert Williams, Tehama
John Moorlach, Orange (via audio)	Kim Vann, Colusa, CSAC Treasurer
John Tavaglione, Riverside (via audio)	David Twa, CAOAC Advisor
Ken Yeager, Santa Clara	James Fincher, Co. Counsel Advisor
Keith Carson, Alameda	

2. APPROVAL OF MINUTES

The minutes of January 16, 2014 were approved as previously mailed.

3. PROPOSED CSAC BUDGET FOR FY 2014-15

Supervisor Vann, CSAC Treasurer, outlined revenues and expenses included in the draft CSAC Budget for FY 2014-15, as contained in the briefing materials. Revenue highlights include: additional \$100,000 in Corporate Associates program; additional \$18,000 in expansion of CSAC Institute; and \$45,000 increase in Annual Meeting revenue due to venue. Expense highlights include: \$250,000 in Ransohoff Building tenant improvements; \$170,000 reduction in Annual Meeting expenses; addition of videographer position; no staff salary increases; \$50,000 reduction in support of local government educational grants; and \$15,000 reduction in legislative bill service.

Motion and second to approve the proposed CSAC Budget for FY 2014-15 and recommend adoption by the CSAC Board of Directors. Motion carried unanimously.

4. PROPOSED LITIGATION COORDINATION PROGRAM BUDGET FOR FY 2014-15

Jennifer Henning, Executive Director of the County Counsels Association, presented the proposed CSAC Litigation Coordination Program budget for FY 2014-15, as contained in the briefing materials. She noted that the proposed budget contains a 9.5% increase to cover costs associated with a new part-time attorney, increased health insurance and retirement costs, and a 2% salary increase.

Motion and second to approve the Litigation Coordination Program budget for FY 2014-15. Motion carried unanimously.

5. SB 1129 (Steinberg): REDEVELOPMENT SUCCESSOR AGENCIES

Senator Steinberg has introduced SB 1129, a measure that seeks to address a number of concerns about the process of dissolving redevelopment agencies. Staff outlined three

components contained in the bill that will have consequences for all affected taxing entities. They are: use of 2011 bond proceeds; long range property management plans and compensation agreements; and enforceable obligations. Staff noted that this is a very costly bill for counties.

Motion and second to Oppose SB 1129. Motion carried unanimously.

6. CSAC ADMINISTRATION OF JUSTICE POLICY COMMITTEE REPORT

Supervisor Glover, Chair of the CSAC Administration of Justice policy committee, presented a report from the meeting held on April 11. Representatives from the California Victim Compensation and Government Claims Board addressed the policy committee about partnering with county stakeholders on the issue of victim restitution in a post-realignment world. They will be working with CSAC staff on the implementation of a survey to gather data and report back to the policy committee on the results at a future meeting. The Attorney General's office made a presentation highlighting findings and recommendations from a number of recent Department of Justice (DOJ) reports including *The State of Human Trafficking in California*, the 2013 *In School and On Track* report, and *Gangs Beyond Borders*. In addition, they provided an update on the work of the DOJ's Division of Recidivism Reduction and Reentry which is currently partnering with California's police chiefs and district attorneys to develop a statewide definition of recidivism and advance innovative evidence-based approaches to recidivism reduction in California.

7. REALIGNMENT ALLOCATION COMMITTEE UPDATE

David Twa, CAOAC President, presented an update on recent work of the Realignment Allocation Committee (RAC). The committee met on March 28 to continue its deliberations on developing an AB 109 distribution formula that would be effective beginning in 2014-15, and again on April 16, to discuss setting a base for each county. It was reported that the programmatic funding base will be 7% less in 2014-15 than in the current year, based on the state's assumption that those exiting state prison onto a county probation caseload would decline as counties house more felons locally. CSAC is pursuing advocacy strategies to secure additional funding to mitigate the drop in allocation, including a meeting between the CSAC Officers and the Governor held last week.

8. CSAC PRIORITIES AND THE MAY REVISE

Staff reported that the state's tax revenue surplus is now at \$7.2 billion. CSAC is advocating for some of those funds to enhance AB 109 funding to counties (\$87m) and paying down mandate reimbursements associated with pre-2004 claims. Details on these proposals were contained in the briefing materials. It was also reported that the Governor has convened a special session to address his Rainy Day fund proposal.

9. CSAC LEGISLATIVE UPDATE

CSAC staff is currently tracking approximately 100 legislative bills dealing with counties. It was reported that 1.4 million people have enrolled in Covered California and enrollment targets were reached. Two bills have been introduced related to siting medical marijuana facilities. There are currently five proposals circulating regarding the Groundwater issue, including one introduced by the Association of California Water Agencies (ACWA). Tomorrow's CSAC Bulletin will contain details on all five proposals. Senator Steinberg has introduced another Cap & Trade proposal which the Housing, Land Use & Transportation policy committee will discuss at its May meeting.

10. CSAC CORPORATE PARTNERS PROGRAM UPDATE

The CSAC Corporate Partnership Program will be hosting three mini-summits throughout the state this year. The first will be held in Tehama County on May 1, the second is in Fresno County on June 19 and the third will be in San Francisco on October 2. Details will be sent to all county supervisors.

11. OTHER ITEMS

There were no miscellaneous items to report.

12. OVERVIEW OF CSAC FINANCE CORPORATION PROGRAMS

Mark Saladino, President of the CSAC Finance Corporation and Los Angeles County Treasurer/Tax Collector, introduced the Finance Corp. Board members in attendance. They were: Larry Spikes, Vice President and Kings County Administrative Officer; Les Brown, Secretary/Treasurer; Robert Bendorf, Yuba County Administrative Officer; Pat O'Connell, Alameda County Auditor-Controller; Mike Johnson, retired Solano County Administrative Officer; Greg Cox, San Diego County Supervisor; and Steve Juarez, Associate Vice Pres. & Director, UC State Governmental Relations.

Saladino reviewed background materials related to the Finance Corporation that were distributed to Executive Committee members. The materials included an historical overview and highlights of the various CSAC Finance Corporation programs, structure and contributions to CSAC.

13. DISCUSSION AND POTENTIAL ACTION ON FUTURE OF CSAC & CSAC FINANCE CORP. RELATIONSHIP

President Gioia reported that the Executive Committee had directed Matt Cate to explore the strength of the relationship between the Finance Corp. and CSAC and to retain a firm to provide legal advice and guidance with regard to the governance structure. CSAC then requested a legal opinion from a top non-profit corporation law firm. The opinion received advises that there is no tax or legal advantage to the current structure and that there may be significant advantage to a new structure that would draw the CSAC Finance Corp. closer to CSAC.

The Executive Committee requested that the Finance Corp. take the following actions: 1) enter into a licensing agreement with CSAC, agreeing to guarantee that Finance Corp. profits go to CSAC in exchange for the use of the CSAC brand and logo; 2) add two additional supervisors to the Finance Corp. Board, specifically the sitting CSAC Treasurer and an at-large supervisor selected by the Executive Committee; and 3) amend the Finance Corp. Bylaws to give the CSAC Executive Committee appointment power over all Finance Corp. Board appointments. President Gioia indicated that the two main principles driving this request are the security of the revenue stream from the Finance Corp. to CSAC and accountability of the governance structure.

Following a lengthy discussion, President Saladino indicated that the Finance Corp. Board will be meeting next week and will add the request to the meeting agenda.

Meeting adjourned.