

CALIFORNIA STATE ASSOCIATION OF CALIFORNIA
EXECUTIVE COMMITTEE

October 12, 2012
Balboa Bay Club, Newport Beach, Orange County, CA

MINUTES

Presiding: Mike McGowan, President

1. ROLL CALL

Mike McGowan, President	Valerie Brown, Sonoma
David Finigan, 1 st Vice President	Joni Gray, Santa Barbara
John Gioia, 2 nd Vice President	Henry Perea, Fresno
John Tavaglione, Immed. Past Pres.	Bruce Gibson, San Luis Obispo, alternate
Federal Glover, Contra Costa	John Viegas, Glenn
John Moorlach, Orange	Terry Woodrow, Alpine
Liz Kniss, Santa Clara	Susan Cash, Inyo, alternate
Kathy Long, Ventura	Charles McKee, advisor
Greg Cox, San Diego, alternate	

2. APPROVAL OF MINUTES

The minutes of August 2, 2012 were approved as previously mailed.

3. UPDATE ON CSAC FINANCE CORPORTION PROGRAMS

Mark Saladino, President of the CSAC Finance Corporation and Los Angeles County Treasurer-Tax Collector, presented a status report on Finance Corporation programs.

A discussion ensued regarding California Statewide Communities Development Authority (CSCDA), which is a joint powers authority between 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. Recently the California State Auditor conducted an audit of CSCDA, as requested by the Joint Legislative Audit Committee. One of the key findings was that CSCDA relies wholly upon a private consulting firm to act as staff whose duties involve reviewing and making recommendations regarding bond issuances. The firm received a percentage of fees associated with each conduit revenue bond issued by the JPA, thereby raising concerns under the State's conflict-of-interest laws. CSCDA has been using the same consulting firm, HB Capital, since its inception.

Staff was directed to request that CSCDA ask HB Capital to make public its employee compensation data pertaining to work performed for CSCDA. In addition, President McGowan directed the Executive Committee's legal advisor to draft a letter to the Attorney General requesting an opinion regarding whether the fee payments to HB Capital are consistent with current statutory provisions.

CSAC, through the National Association of Counties (NACo), sponsors a Deferred Compensation Program which is offered to county employees by Nationwide Retirement Solutions (NRS). Due to recent changes in federal law, the structure of the program has changed to only include Section 457 plans, which means a

revenue loss to CSAC in fees paid through the program. The CSAC Finance Corporation has formed a Deferred Compensation Task Force to look into this issue and develop recommendations.

Staff reported that the Coast 2 Coast discount drug program is currently generating about \$17,000 per month in revenues. The Finance Corporation is looking into offering new programs in the areas of retiree health, on-site medical clinics for county employees, and solar.

4. Distinguished Service and President Awards

Staff recommended that Jacob Appelsmith, Senior Advisor to the Governor, receive the 2012 CSAC Distinguished Service award for his work regarding tribal gaming. This award is given to persons who have made the greatest contribution to the improvement of government in California, particularly as it relates to county government.

It was suggested that this year's Distinguished Service Award be given to Supervisor Valerie Brown.

Motion and second to select Supervisor Valerie Brown as the recipient of the 2012 CSAC Distinguished Service Award. Motion carried unanimously.

President McGowan did not announce the recipient of this year's President's Award.

5. Circle of Service Award Nominees

Staff recommended the following list of nominees to receive the 2012 Circle of Service Award, which was created to recognize county officials, department directors, and other CSAC members whose service to CSAC and counties sets them apart. They are:

- Patrick Blacklock, Yolo County Administrative Officer
- Veronica Ferguson, Sonoma County Administrative Officer
- Walt Ekard, San Diego County Chief Administrative Officer
- Susan Adams, Marin County Supervisor
- Tim Snellings, Butte County Department of Development Services
- Jennifer Henning, County Counsels Assoc. Executive Director
- William McClure, Los Angeles County Retiree
- Mike Penrose, Sacramento County Director of Transportation
- Howard Dashiell, Mendocino County Director of Transportation
- Jeanette Ishii, Premier Corporate Partner, PG&E

It was suggested that Supervisors Susan Cash and Liz Kniss be added to the list of recipients as well as Steve Keil, CSAC's Interim Executive Director. In addition, it was suggested that Jeanette Ishii be removed from the list of nominees.

Motion and second to approve the list of Circle of Service Award nominees with the addition of Supervisor Cash, Supervisor Kniss and Steve Keil, and the removal of Jeanette Ishii. Motion carried unanimously.

6. Audited Financial Statements for FY 2011-12

Staff presented the CSAC Audited Financial Statements for FY 2011-12 as contained in the briefing materials. The auditor's report noted that, effective July 1, 2011, CSAC implemented a supplemental defined benefit pension plan covering

one employee – the former Executive Director, Paul McIntosh. The plan provides an annual accrued benefit of \$10,000 for life with survivorship benefits. This plan is subject to approval by the IRS. A determination letter has been requested from the IRS, but has not yet been received.

Concerns were expressed regarding implementation of this plan and action was requested to ensure no other CSAC employees are able to utilize the supplemental defined benefit pension plan.

Motion and second to direct that no other CSAC employees be added to the newly-created supplemental defined benefit pension plan without specific Executive Committee approval. Motion carried unanimously.

Motion and second to receive the audited financial statements for FY 2011-12 as presented. Motion carried unanimously.

7. Request to Form a CSAC Latino Caucus

A request was made by Sacramento County Supervisor Phil Serna to establish a CSAC Latino Caucus. The purpose would be to: identify issues and concerns important to counties' Latino populations and develop solutions, including legislative intervention; promote diversity and inclusiveness in governmental decision-making processes; nurture leadership development with and among groups that reflect California's changing demographics; and be a resource to CSAC and its members in such areas as policy development, implementation and service delivery. The proposal also includes a provision that each member must pay dues to the organization.

A discussion ensued regarding the type of model that could be used to form the organization, such as a regional association or affiliate. Concerns were expressed about using the CSAC name since the Latino Caucus would have its own dues structure.

Motion and second to forward the proposal to the CSAC Board of Directors for consideration with the recommendation that CSAC's name not be used. Motion carried (1 'no' vote).

Staff was directed to meet with Supervisor Serna and report Executive Committee action as well as clarify his proposal.

8. CSAC Achievement Report for 2012

Staff presented the 2012 CSAC Achievement Report as contained in the briefing materials. The report outlines the efforts of CSAC staff over the past year in legislative and administrative areas, as well as challenges facing the organization in the near future.

The need to develop a legislative action plan was discussed, especially as it relates to post-Proposition 30. CSAC Officers and staff will develop a draft plan to present to the Executive Committee and Board of Directors.

Meeting adjourned.