

CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE

January 29, 2009
CSAC Conference Center, Sacramento

MINUTES

Presiding: Gary Wyatt, President

1. INTRODUCTION OF NEW EXECUTIVE COMMITTEE MEMBERS & STAFF

President Wyatt welcomed new Executive Committee members for 2009 which were: Supervisors Phil Cox, Merita Callaway, Susan Cash and Robert Williams. He also introduced Executive Committee Advisors Susan Muranishi, CAOAC President and Silvano Marchesi, Contra Costa County Counsel. Mr. Marchesi attended in place of Orange County Counsel Benjamin De Mayo who recently retired. Mr. De Mayo's permanent replacement for 2009 will be Sonoma County Counsel Steven Woodside.

Paul McIntosh noted that the briefing materials contained biographies for the CSAC lobbyists as well as a complete staff roster.

2. ROLL CALL

Gary Wyatt, President
Tony Oliveira, 1st Vice President
John Tavaglione, 2nd Vice President
Richard Gordon, Immed. Past Pres.
Greg Cox, San Diego
Roger Dickinson, Sacramento
Federal Glover, Contra Costa
Liz Kniss, Santa Clara
Kathy Long, Ventura
Paul Biane, San Bernardino (alternate)
Phil Cox, Tulare
Mike Nelson, Merced
Mike McGowan, Yolo (alternate)
Merita Callaway, Calaveras
Robert Williams, Tehama
Susan Cash, Inyo – via audio (alternate)

Ex Officio Members
Valerie Brown, Sonoma
Brian Dahle, Lassen
Joni Gray, CSAC Treasurer

Advisors
Susan Muranishi, CAOAC Pres.
Silvano Marchesi, Contra Costa
County Counsel

3. APPROVAL OF MINUTES

The minutes of October 9 – 10, 2008, were corrected to reflect that Supervisor Jeff Morris was actually a "first" term supervisor, not a "fourth" term supervisor as listed under item #5.

Motion and second to approve minutes as corrected. Motion carried unanimously.

4. REPORT ON GOVERNOR'S BUDGET FOR 2009-10

Staff distributed and outlined several documents related to the state budget, including talking points and letters to the Governor regarding proposed payment deferrals to counties, opposition to the proposed extension of redevelopment time limits, and the human services funding deficit.

A discussion ensued regarding what type of strategy should be undertaken to engage the public, the media, and Legislature in the current fiscal crisis facing California counties.

Motion and second to recommend that all 58 counties take the following three actions: 1) convene regional county forums with their legislative delegations to discuss the local impacts of a delayed state budget and deferrals of state payments to counties; 2) consider a position of not backfilling state programs with county general fund revenues if the state withholds payments to counties; and 3) support exploring the concept of a Constitutional Convention in the context of restructuring the state budget process and the state-local government relationship. Motion carried unanimously.

Staff was directed to gather and distribute details on the Constitutional Convention. Staff was also directed to work with the County Counsel's Cost Shift Committee to look at legal ramifications of potential county actions in response to budget cuts.

Mike Genest, Director of the State Department of Finance, outlined the current State Budget package being considered. It includes \$17 billion in program cuts, \$15 billion in tax increases and \$10 billion worth of bonds and borrowing from other state funds. The State Controller is planning to withhold \$3.7 billion worth of payments to counties, state vendors and contractors that would normally be paid in February. Mr. Genest indicated that when state funds become available, the first priority for repayment will be to schools, second priority is state salaries and third is debt service. He also stated that the package includes a \$1.8 billion, 7-month plan for deferrals of payments to counties. He pledged to work with CSAC on the deferral issue.

5. CSAC/League of Cities' Local Streets and Roads Needs Assessment

Pat DeChellis, Deputy Director of the Los Angeles County Department of Public Works, presented the results of a survey conducted in order to produce a 10-year needs assessment of the state's transportation system, that included the unfunded rehabilitation and operations needs for state highways, local streets and roads, the state's intercity rail programs, and urban, commuter and regional transit systems. All 58 counties and 478 cities were surveyed and data was collected on more than 93% of the state's local streets and roads. Mr. DeChellis indicated that an additional \$52 billion to \$61 billion of additional funding will be needed to improve the roadway condition to a level where roads will need preventative maintenance treatments that have the least impact to the public and are more environmentally friendly compared to rehabilitation and reconstruction. Proposition 1B only provided 20% of the funding needed to maintain local streets and roads. CSAC and the League of Cities will be developing a media strategy on this issue.

The Executive Committee accepted the report by consensus.

6. Appointment of CSAC Treasurer, NACo Board of Directors and WIR Representatives

The CSAC Officers recommended the following appointments:

CSAC Treasurer

Supervisor Joni Gray, Santa Barbara

NACo Board of Directors

Supervisor Frank Bigelow, Madera County (replacing Connie Conway)

Supervisor Keith Carson, Alameda County

Supervisor Greg Cox, San Diego County

NACo Western Interstate Region

Supervisor Brian Dahle, Lassen County

Supervisor David Finigan, Del Norte County (replacing Rose Comstock)

The Executive Committee approved the appointments on consent.

7. Appointment of CSAC Policy Committee Chairs and Vice Chairs for 2009

The CSAC officers recommended the following list of policy committee chairs and vice chairs for 2009:

ADMINISTRATION OF JUSTICE

Ronn Dominici, Madera, Chair

Federal Glover, Contra Costa, Vice Chair

AGRICULTURE AND NATURAL RESOURCES

Mike Nelson, Merced, Chair

John Vasquez, Solano, Vice Chair

GOVERNMENT FINANCE & OPERATIONS

Steve Worthley, Tulare, Chair

Bruce Gibson, San Luis Obispo, Vice Chair

HEALTH & HUMAN SERVICES

Liz Kniss, Santa Clara, Chair

Terry Woodrow, Alpine, Vice Chair

HOUSING, LAND USE AND TRANSPORTATION

Mike McGowan, Yolo, Chair

Paul Biane, San Bernardino, Vice Chair

The Executive Committee approved the appointments on consent.

8. State and Federal Legislative Priorities for 2009

Staff presented draft CSAC State and Federal Legislative Priorities for 2009 as contained in the briefing materials.

Motion and second to approve CSAC Legislative Priorities for 2009 as presented. Motion carried unanimously.

Staff was directed to correct references to President Obama. The current draft of federal priorities lists him as "President-Elect" instead of President.

9. Williamson Act Reform Legislative Proposal

The Legislature and Governor are considering elimination of subventions for the Williamson Act program. Enacted in 1965, the Williamson Act is a voluntary program that provides lower property taxes to agricultural landowners in exchange for contractual commitments with participating counties to keep their land in agricultural or open space uses for at least ten years.

Yolo County has requested CSAC's co-sponsorship of a Williamson Act Reform legislative proposal, as contained in the briefing materials. The CSAC Agriculture and Natural Resources (ANR) policy committee considered the proposal at its January 28 meeting and recommended inclusion of two additional points as follows:

1. *Suspension/termination of county responsibilities with regard to the Williamson Act. The ANR committee supports inclusion of language in a Williamson Act reform proposal that would suspend any new state requirements for counties to perform functions with respect to the Williamson Act for any year during which state Williamson Act subventions are reduced or suspended and to terminate all such requirements if state Williamson Act funding is terminated.*
2. *The ANR committee supports the inclusion of language to allow counties to terminate future Williamson Act contracts (contracts entered into after the bill is enacted) immediately if Williamson Act subventions are reduced or terminated. The language should mandate that such language be included in all future Williamson Act contracts so that all parties to the contract will be aware of and agree to the potential for automatic termination of the contract under certain circumstances.*

The policy committee recommended that CSAC "support in concept" Yolo County's legislative proposal as amended.

Motion and second to accept the policy committee recommendation to "support in concept" the Yolo County Williamson Act Reform legislative proposal as amended. Motion carried unanimously.

10. NACo Governance Task Force Recommendations

Supervisor Greg Cox, Chair of the NACo Governance Task Force, outlined the preliminary task force report and recommendations as contained in the briefing materials. The recommendations will be brought to the NACo Board of Directors in March for consideration. Executive Committee members were urged to contact Supervisor Cox with any suggested changes to the preliminary report.

The task force was appointed by NACo President Don Stapley to focus on three major areas: leadership selection, leadership authority and organizational issues. It is comprised of 27 members from 21 states.

11. Request to Fund Institute for Local Government Climate Change Program
The Institute for Local Government (ILG) has developed the California Climate Change Action Network (CCAN) Best Practices Framework which offers ten policy areas that counties may choose from to reduce greenhouse gas emissions. The ten policy areas are: land use, transportation, energy conservation and efficiency, waste reduction and recycling, water conservation and efficiency, procurement, storing and offsetting carbon emissions, green building, renewable and low carbon fuels, and community engagement. The CCAN Best Practices Framework also includes a recognition program for local governments.

ILG has requested that CSAC support its CCAN Best Practices Framework and recognition program in the amount of \$100,000.

The Executive Committee approved the allocation of \$100,000 to ILG's Climate Change Network program on consent.

12. State Budget/Legislative Report
Staff reported that the Public Policy Institute of California (PPIC) is conducting a survey regarding the state budget. CSAC is helping to fund the study.

CSAC will be conducting an educational forum for new legislators in conjunction with the Urban Counties Caucus (UCC) and the Regional Council of Rural Counties (RCRC) on February 18 and 19.

Staff distributed a roster of members of the Regional Targets Advisory Committee, which is comprised of SB 375 stakeholders. The first task of the Committee will be to assist in implementation of SB 375, a measure to address Greenhouse Gas emissions from the transportation sector.

Prior to and following the passage of the Trial court Funding Act, some counties have opted to pay supplemental benefits to local judges. Staff reported that a taxpayer recently sued the County of Los Angeles over this issue, challenging the validity of the benefits. Last fall, a state appellate court overturned the trial court decision, which had initially found in favor of the county, and ruled that the provision of benefits by the county is unconstitutional. The Supreme Court has opted not to review the appellate court decision.

To address this matter, the Judicial Council and the California Judges Association have developed bill language that they are seeking to incorporate into the state budget package. Staff outlined the provisions of the proposed legislation which are: 1) obligate any county that was providing supplemental judicial benefits as of 7/1/08 to sustain the same level of benefits that were effective on that date for the tenure of the judge; 2) allow counties to terminate future obligations by giving the Administrative office of the Courts a 6-month termination notice; 3) establish a statewide benefits program (funded by the Judicial Council) to extend to judicial officers supplemental benefits of up to 20 to equalize compensation statewide; and 4) give immunity to entities that are providing judicial benefits.

Staff will be seeking further analysis of the proposal from the County Counsel Cost Shift Committee and send additional information to all counties when it becomes available.

13. CSAC Fiscal Reform Task Force Report

At its December 3, 2008 meeting, the CSAC Board of directors voted to create a CSAC Fiscal Reform Task Force. The purpose of the task force is to deliberate and formulate CSAC policy for moving forward with budget reform as it relates to California's counties. A list of current members was contained in the briefing materials. It is expected that the task force will begin meeting soon and a subgroup will also meet with representatives from the cities and schools as part of the CCS Partnership Fiscal Reform Task Force to ensure coordination of efforts.

Supervisors Greg Cox, Michael Kobseff and Susan Cash expressed interest in participating on the task force. In addition, Supervisor Cox nominated San Diego County Administrative Officer Walt Ekard to serve.

14. Federal Economic Stimulus Package Update

A summary of the Federal Economic Stimulus package was contained in the briefing materials. Staff outlined some of the provisions that affect California. CSAC has been working with regional transportation authorities to reach an agreement regarding distribution of transportation funds to local governments. So far, we have been unsuccessful in the negotiations. It is anticipated that the President will sign the proposed package.

15. CSAC Finance Corporation Report

California Communities will soon be offering a new solar panels financing program. This is in response to recent legislation allowing for the formation of county-wide assessment districts. CalTRUST, a public agency investment pool, currently has 63 active participants and current assets exceed \$530 million.

16. CSAC Corporate Associates Program

The Corporate Associates Steering Committee held their annual planning meeting earlier this month. Bob Fisher of Employee Relations, Inc., was selected as the 2009 President. The Steering Committee discussed creating a "tiered membership" program during these difficult economic times.

17. CSAC Litigation Coordination Program Update

A memorandum containing information on the CSAC Litigation Coordination program's most recent activities was contained in the briefing materials. As directed by the Executive Committee last October, regular updates will be provided at each Executive Committee meeting.

18. 2009 Meeting Schedule

The schedule of Executive Committee and Board of Directors meetings for 2009 was contained in the briefing materials. It was noted that the August 20 Executive Committee meeting will take place in Los Angeles County.

19. Other Items

The first CSAC Institute for Excellence in County Government continuing education program has been scheduled for February 19, in Sacramento. It is titled *The Art and Practice of Elected Leadership*. So far, 18 county officials have signed up for this session.

Susan Muranishi, President of the County Administrative Officers Association of California (CAOAC), announced that CAO liaisons were selected during a recent CAOAC meeting to serve on each CSAC policy committee and assist county supervisors as they make policy decisions.

Supervisor Tony Oliveira, CalPERS Board member, volunteered to visit any county to meet with supervisors who would like to know more about the "volatility index" and CalPERS county employer contributions.

Meeting adjourned.

DRAFT