

CALIFORNIA STATE ASSOCIATION OF COUNTIES  
BOARD OF DIRECTORS  
September 10, 2009  
CSAC Conference Center, Sacramento

M I N U T E S

Presiding: Tony Oliveira, 1<sup>st</sup> Vice President

1. ROLL CALL

Alameda	Keith Carson	Placer	Jim Holmes
Alpine	Terry Woodrow	Plumas	Sherrie Thrall
Amador	Louis Boitano	Riverside	John Tavaglione
Butte	Bill Connelly	Sacramento	absent
Calaveras	Tom Tryon	San Benito	Jaime De La Cruz
Colusa	absent	San Bernardino	absent
Contra Costa	Federal Glover	San Diego	Greg Cox
Del Norte	David Finigan	San Francisco	absent
El Dorado	absent	San Joaquin	absent
Fresno	Henry Perea	San Luis Obispo	Bruce Gibson (audio)
Glenn	John Viegas	San Mateo	Rose Jacobs Gibson
Humboldt	Mark Lovelace (audio)	Santa Barbara	Joni Gray
Imperial	absent	Santa Clara	Liz Kniss
Inyo	Susan Cash	Santa Cruz	Tony Campos (audio)
Kern	Jon McQuiston	Shasta	absent
Kings	Tony Oliveira	Sierra	Lee Adams
Lake	Anthony Farrington	Siskiyou	absent
Lassen	absent	Solano	Mike Reagan
Los Angeles	absent	Sonoma	Mike Kerns (audio)
Madera	Ronn Dominici (audio)	Stanislaus	Vito Chiesa
Marin	Susan Adams	Sutter	Larry Munger
Mariposa	Lyle Turpin	Tehama	Robert Williams
Mendocino	Carre Brown	Trinity	Judy Pflueger
Merced	Mike Nelson	Tulare	Phil Cox
Modoc	Jeff Bullock (audio)	Tuolumne	Richard Pland
Mono	"Hap" Hazard	Ventura	Kathy Long
Monterey	Fernando Armenta	Yolo	Mike McGowan
Napa	Brad Wagenknecht	Yuba	Roger Abe
Nevada	Ted Owens	Advisor:	Susan Muranishi
Orange	John Moorlach (audio)		

The presence of a quorum was noted.

2. APPROVAL OF MINUTES

The minutes of May 28, 2009 were approved as previously mailed.

3. PRESENTATION BY CDCR SECRETARY MATTHEW CATE

California Department of Corrections and Rehabilitation Secretary Matthew Cate addressed the Board regarding current legislative proposals being considered regarding prison reform as well as the latest developments in the three-judge panel proceedings. The proposed Alternative Custody Program is of particular interest to counties. This program would create a new custody status in the community for three eligible populations: 1) those with less than 12 months left on sentences; 2) those aged 60 or older; and 3) the medically infirm/incapacitated. Participants in the alternative custody program would be on home arrest, GPS, or some other type of enhanced monitoring. Concerns were raised regarding the added costs to counties for this program.

Secretary Cate encouraged counties to site re-entry facilities in their communities, as outlined in AB 900, to assist parolees in transitioning back into society.

4. WILLIAMSON ACT CONTRACT NON-RENEWAL PROPOSAL

The CSAC Agriculture & Natural Resources policy committee recommended that CSAC not pursue a Williamson Act contract non-renewal proposal that would provide local governments with the ability to accelerate gradual re-inflation upon non-renewal of a contract immediately, as opposed to waiting four years in the event of a landowner protest. Currently, when a Williamson Act contract is non-renewed, the property taxes gradually re-inflate from their Williamson Act value to their unrestricted value. Following the Governor's action to eliminate Williamson Act subventions from this year's State Budget, CSAC received inquiries from counties regarding the handling of existing Williamson Act contracts, and this option surfaced.

Policy committee members were reluctant to support the proposal because it was thought that this would facilitate non-renewal and potentially reduce the pressure to restore funding for the Williamson Act program. The CSAC Executive Committee considered the proposal at their August 20 meeting and chose to refer the policy committee recommendation to the Board of Directors for final action given the importance of the Williamson Act to all participating counties.

Motion and second to support the policy committee recommendation to not pursue a Williamson Act contract non-renewal proposal. Motion carried unanimously.

5. PROPOSITION 1A SECURITIZATION UPDATE

In July 2009, the California Legislature adopted a series of bills to resolve a \$24 billion deficit in the 2009-10 state budget. The package of bills included legislation to suspend the constitutional protection of local property taxes by the state and set up a mechanism whereby the state would borrow 8% of the prior year's property tax allocations from local agencies. The state estimated that approximately \$1.9 billion in property taxes would be borrowed. Under the legislation, the state must repay the money borrowed within three years, including interest. This requirement creates a receivable. The legislation authorizes a joint powers authority to purchase those receivables from local agencies, thereby holding them harmless from the property tax loss. The state will then pay the joint powers agency the cost of the receivables, plus both issuance costs and interest, in 2013. The California Statewide Community Development Authority (CSCDA), qualifies as the joint powers agency identified in statute. CSCDA has begun putting the financial team together and drafting the necessary documents.

There are a number of minor errors in the legislation that need to be cleaned up before the securitization process can begin. CSAC has worked closely with representatives of the Administration and legislative leadership, to draft amendments. The next step will be for this bill to be amended into a committee bill in the Senate or Assembly and brought to both floors for a vote. CSAC is hopeful of bipartisan support and the ability to move forward quickly.

Staff presented a PowerPoint outlining the process for enrolling in the program, a timeline and marketing the bonds.

6. MAJOR STATE REFORM INITIATIVES UPDATE

Staff summarized the four major state reform initiative efforts currently underway for placement on the November 2010 ballot. They are as follows:

***California Forward.*** This is a bipartisan group focused on broad reforms to state and local finance, governance, and budgeting. Their efforts are currently focused in the Legislature, but they have committed to go directly to the initiative process if outcomes are not achieved in the legislative process. The California Forward plan includes provisions related to: 1) Responsible State Budgets on Time; 2) Government that is Closer to the People; and 3) Constituent Access and Accountability. Details of the plan were included in the briefing materials.

***Repair California.*** This entity is sponsored by the Bay Area Council and is focused on convening a Constitutional Convention to resolve California's myriad of problems. They are in the process of preparing initiative language to: 1) give the voters the right to call a Constitutional Convention; and 2) call the Constitutional Convention and set the process that will be submitted to the Attorney General for title and summary. Once title and summary is received, Repair California will begin the signature-gathering process.

***CCS Partnership.*** The Cities, Counties, Schools Partnership is a joint venture of CSAC, the League of California Cities, and the California School Boards Association (CSBA). A summit was convened in July to determine which reforms are most important to local officials. Attendees discussed many reform proposals, and in the end recommended that CCS and its constituent organizations support efforts to protect local revenue.

Supervisor Gordon chairs a task force created by the CCS Partnership that has been focusing on fiscal reform issues. He reported that the task force developed and adopted a set of principles which will be brought to the Boards of Directors of CSAC, the League and CSBA for consideration. The task force will continue to meet to review the various proposed reform initiatives to see how they compare with the CCS Partnership principles.

***League of Cities Transportation Proposal.*** At the August Executive Committee meeting, staff presented a proposal by the League of Cities to join a coalition of interested parties in developing a potential initiative to protect a variety of local revenues, including local property taxes, highway users taxes (HUTA), transit funds, and Proposition 42 revenues. The League and its partners, the California Alliance for Jobs, and the California Transit Association, have completed initial polling and are embarking on the preliminary drafting process. They requested a commitment from CSAC of \$25,000 to join the process. Given the nature of the protections being considered and the interest in maintaining a strong relationship with local government partners, the Executive Committee approved an expenditure of up to \$25,000 for this purpose.

7. STATE BUDGET/LEGISLATIVE REPORT

As directed by the Executive Committee, the CSAC Budget Reform Task Force will reconvene to develop state budget strategy recommendations for Board of Directors' consideration in November.

Some topics of discussion may include: how to deal with the continuing problem of targeting local revenues to solve the state budget deficit; determining counties' role and obligations regarding service level cuts to health and human services programs; corrections reform issues; reimbursement for special elections; mandates; media and communications strategy; administrative actions and legal options.

It was announced that the first task force meeting will take place on September 21, via conference call, followed by an in-person meeting on September 28.

Staff reported on current activities taking place in the Legislature related to water, HUTA, Healthy Families program, child welfare cuts, and corrections reform.

8. INSTITUTE FOR LOCAL GOVERNMENT UPDATE

The Institute for Local Government (ILG) has launched a new website to assist local officials and others interested in local government to more easily access the Institute's resources. The site's interactive capabilities enable users to exchange information with each other and provide feedback to the Institute.

New publications related to public service ethics were made available to Board members. *Understanding the Basics of Public Service Ethics* includes five booklets designed to help local officials meet both the law's and public's expectations for public service. In addition, *Key Ethics Law Principles for Public Servants* is a four-page pamphlet that summarizes the kinds of issues and financial interests that ought to trigger a conversation with one's agency counsel about what the law requires.

Santa Barbara County Supervisor Salud Carbajal has joined the ILG Board of Directors.

9. INFORMATION ITEMS

Reports on the CSAC Institute for Excellence in County Government, CSAC Finance Corporation, Corporate Associates, and Litigation Coordination Program were contained in the briefing materials for information purposes only. No presentations were planned.

Meeting adjourned.

