

CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE

February 24, 2005
CSAC Office, Sacramento

MINUTES

Presiding: Greg Cox, President

I. ROLL CALL

Greg Cox, President	Roger Dickinson, Sacramento, alternate
Connie Conway, 1 st Vice President	Judy Case Fresno
Frank Bigelow, 2 nd Vice President	Valerie Brown, Sonoma
Keith Carson, Alameda	Mike McGowan, Yolo, alternate
John Tavaglione, Riverside	Richard Vinson, Amador
Richard Gordon, San Mateo	Tony Oliveira, Kings, alternate
James Beall, Santa Clara	John Sansone, County Counsel advisor
Kathy Long, Ventura	

II. MINUTES OF JANUARY 14, 2005

The minutes of January 14, 2005 were approved as previously mailed. Riverside County abstained.

III. PROPOSED CSAC BUDGET FOR FY 2006

Jim Keene outlined the proposed CSAC Budget for FY 2006 as contained in the briefing materials. The proposed Budget is designed around correcting a cash flow imbalance, returning CSAC to profitability, and funding core services. In order to accomplish this, two programs were recommended for elimination: 1) CSAC's video conferencing program; and 2) California Institute for County Government. The video conferencing program has been operating at a deficit since its inception and is projected to lose \$146,000 next fiscal year. Usage of the system has also decreased. The California Institute for County Government (CICG) started as a partnership between CSAC and California State University, Sacramento (CSUS). Last year, CSUS ceased funding their portion of CICG. CSAC currently spends \$130,000 per year and would need to increase its share of funding for CICG to continue operating.

Motion and second to approve CSAC Budget for FY 2006 as presented and recommend adoption by the CSAC Board of Directors. Motion carried unanimously.

Staff was directed to develop a prudent reserve policy and to pursue opportunities with other local government organizations that provide training and research to replace services provided by CICG.

- IV. PROPOSED LITIGATION COORDINATION PROGRAM BUDGET FOR FY 2005-06
County Counsel Association Executive Director Jennifer Henning presented the proposed CSAC Litigation Coordination Program budget for FY 2005-06 as contained in the briefing materials. This budget is based on revenues from existing litigation fees which will not be sufficient to cover expenses for the upcoming fiscal year. Therefore, the budget includes borrowing \$10,500 from reserves in order to cover expenses.

Motion and second to approve Litigation Coordination budget for FT 2005-06 and recommend adoption by the CSAC Board of Directors. Motion carried unanimously.

Ms. Henning was directed to work with the CSAC controller to better reflect the budget deficit.

- V. APPOINTMENT OF MEMBERS TO CSAC AUDIT COMMITTEE
During its February 3, 2005 meeting, the CSAC Board of Directors approved the formation of a CSAC Audit Committee and directed the CSAC Executive Committee to appoint the members. The primary charge of this committee will be to retain a CPA firm to conduct the annual financial audit of CSAC. Staff recommended that Supervisors Tony Oliveira and John Tavaglione and Auditor-Controller Richard Arrow be appointed to serve on this committee.

Motion and second to appoint Tony Oliveira, John Tavaglione and Richard Arrow to serve on the CSAC Audit Committee. Motion carried unanimously.

- VI. 401(a) PLAN OPTION FOR CSAC EXECUTIVE DIRECTOR AND STAFF
Jim Keene requested that the Executive Committee amend his employment agreement to allow for a reduction in his base salary with a corresponding 401(a) contribution on his behalf by CSAC. In addition, he requested authority to offer this benefit to all CSAC employees.

Motion and second to approve Mr. Keene's participation in a 401(a) plan option and authorize him to offer same benefit to CSAC employees. Motion carried unanimously.

- VII. PENSION REFORM
Staff presented a revised draft of the CSAC Pension Reform Principles as contained in the briefing materials. The principles were updated following comments received from the CSAC Board of Directors last week. Additional input from technical advisors on Industrial Disability Retirement will be incorporated and presented again to the CSAC Board of Directors at the meeting on March 17.

- VIII. STATUS REPORT ON CSAC CORPORATE ASSOCIATES PROGRAM
Supervisors Cox and Conway reported that a Corporate Associates steering committee has been working on a draft proposal that will address issues of concern regarding the current structure of the CSAC Corporate Associates program. Some of the areas being

addressed are: dues restructuring; event sponsorships; opportunities for interaction between CSAC members and Corporate Associate members; measuring success of the program; and financial goals.

Staff was directed to work with the Corporate Associates director and steering committee members to finalize the proposal and bring back to the Executive Committee for consideration at the May meeting.

IX. NATIONAL ASSOCIATION OF COUNTIES REPORT

Supervisor Valerie Brown, chair of the NACo Membership Committee, reported that the NACo Legislative Conference will be held in Washington, D.C. on March 4 – 8 and urged Executive Committee members to attend. She also announced that any supervisors interested in serving as a NACo steering committee chair or vice chair should contact NACo President-Elect Bill Hansell.

X. CSAC FINANCE CORPORATION REPORT

President Cox, a member of the Finance Corporation Board of Directors, reported on actions taken at the February 23 Finance Corporation meeting which included the election of Supervisor Helen Thomson as a Board member to replace Barbara McIver, and adoption of the Finance Corporation operating budget. He also announced that the Vehicle License Fee (VLF) Gap Loan program has been very successful. Finance Corporation staff will be developing a matrix that shows which programs each county is participating in.

XI. MEDIA TRAINING FOR OFFICERS AND EXECUTIVE COMMITTEE MEMBERS

At the direction of the CSAC officers, staff is moving ahead to provide media training for any interested Executive Committee members. Pacific Gas and Electric Company's media department has agreed to provide the training session at no charge.

It was agreed that the media training session would be held on the afternoon of June 1, in conjunction with the Corporate Associates Bocce Ball tournament and the June 2 Board of Directors meeting. Staff will provide additional details as they become available.

XII. MEDI-CAL HOSPITAL FINANCING UPDATE

The California Department of Health Services (DHS) has been working on overhauling the Medi-Cal system for over a year. The Administration's goals are to stabilize funding, provide opportunity for growth, and enable a move towards increased Medi-Cal managed care through the use of a Certified Public Expenditure approach that would be made by counties with hospitals and the University of California hospitals. The hospital financing proposal would restructure the way that \$2 billion in annual federal supplemental Medicaid funds reach California safety net hospitals. The state has proposed that county health care dollars bear the full weight of drawing down federal Medicaid money, which it anticipates will suffice to meet all the needs for which the state currently shares responsibility. Complete details of the proposal were contained in the briefing materials.

Staff distributed an information sheet on this issue and requested endorsement of the handout to be used during the NACo legislative conference at meetings with Members of Congress.

Motion and second to endorse handout. Motion carried unanimously.

XIII. LEGISLATIVE UPDATE

Staff reported that there is legislation being introduced that could potentially threaten some of the provisions of Proposition 1A. It was announced that Secretary of State Kevin Shelley resigned and Bruce McPherson will be named as his replacement. The Legislative Analyst Office (LAO) analysis of the State Budget was recently released and a complete summary of the impacts on counties will be included in this week's CSAC Legislative Bulletin.

XIV. CSAC ACTION PLAN

The current CSAC Action Plan was distributed. Staff will be revising this document to make it more relevant.

Meeting adjourned.