

CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE

January 19, 2006
CSAC Conference Center, Sacramento

MINUTES

Presiding: Connie Conway, President

1. ROLL CALL

Connie Conway, President	Judy Case, Fresno
Frank Bigelow, 1 st Vice President	Joni Gray, Santa Barbara
Richard Gordon, 2 nd Vice President	Mike McGowan, Yolo
Greg Cox, Immed. Past President	Valerie Brown, Sonoma (alternate)
Keith Carson, Alameda	Richard Vinson, Amador
Federal Glover, Contra Costa	Bill Dennison, Plumas
John Tavaglione, Riverside	Tony Oliveira, Kings (alternate)
Roger Dickinson, Sacramento	Mike Johnson, CAO advisor
Kathy Long, Ventura	Ann Miller-Ravel, Co. Counsel advisor

The presence of a quorum was noted.

2. APPROVAL OF MINUTES

The minutes of September 29-30, 2005 were approved as previously mailed.

3. REPORT ON GOVERNOR'S BUDGET FOR 2006-07

Mike Wilkening, Assistant Program Manager of the Department of Finance, presented highlights of the Governor's Proposed Budget for 2006-07. The major focus is on reforming the state's budget process and the budget provides a General Fund spending plan of \$85 billion, a 4.2% increase over last year. He noted that the Governor's spending priorities were as follows:

- Proposition 98 increase of \$4 billion
- Additional funding for after-school programs under Proposition 49
- Funding to prevent student fee increase at California State University and community colleges
- Fully fund the Governor's Compact with Higher Education
- Full fund Proposition 42
- Expand resources to enroll more uninsured children in Health Families and Medi-Cal health insurance programs
- Provide \$20 million in public safety initiatives
- Establish a Statewide Emergency Preparedness Initiative
- Address climate change, air pollution and other environmental priorities

Staff reported on various issues of interest to counties contained in the proposed budget. A complete CSAC analysis of the Governor's Proposed Budget was distributed to the Executive Committee.

4. APPOINTMENT OF CSAC TREASURER, NACo BOARD OF DIRECTORS AND WIR REPRESENTATIVES

The Executive Committee made the following appointments for 2006:

CSAC Treasurer - Tony Oliveira, Kings County

NACo Board of Directors - Valerie Brown, Sonoma County and Greg Cox, San Diego County

NACo WIR - Gary Gilbert, Madera County and Brian Dahle, Lassen County

5. APPOINTMENT OF POLICY COMMITTEE CHAIRS AND VICE CHAIRS FOR 2006

The Executive Committee approved the following list of CSAC Policy Committee chairs and vice chairs for 2006 as proposed by the CSAC Officers:

ADMINISTRATION OF JUSTICE

John Silva, Solano, Chair

Ronn Dominici, Madera, Vice Chair

AGRICULTURE AND NATURAL RESOURCES

Judy Case, Fresno, Chair

Jeff Morris, Trinity, Vice Chair

ECONOMIC DEVELOPMENT

Gary Freeman, Glenn, Chair

Jon McQuiston, Kern, Vice Chair

GOVERNMENT FINANCE & OPERATIONS

Kathy Long, Ventura, Chair

Gary Wyatt, Imperial, Vice Chair

HEALTH & HUMAN SERVICES

Helen Thomson, Yolo, Chair

Liz Kniss, Santa Clara, Vice Chair

HOUSING, LAND USE AND TRANSPORTATION

Valerie Brown, Sonoma, Chair

Mike McGowan, Yolo, Vice Chair

6. PRELIMINARY STRATEGIC DIRECTION PLAN

During their September 2005 meeting, the Executive Committee identified Health Care and Pension Reform as two key strategic priorities.

Subsequently, the Governor announced that Infrastructure would be a major focus issue for 2006, so staff is recommending the addition of Infrastructure as a strategic priority. Staff outlined issue papers on the 3 strategic priorities which were contained in the briefing materials. Following a discussion, it was suggested that CSAC should focus on Health Care and Infrastructure as CSAC's two key priority areas.

Motion and second to accept preliminary Strategic Directions Plan with the inclusion of Health Care and Infrastructure as key priorities.
Motion carried.

A final Strategic Directions Plan, including the communications plan component, will be presented to the full Board of Directors at the March 30 meeting for consideration.

7. STATE AND FEDERAL LEGISLATIVE PRIORITIES FOR 2006

Staff presented the proposed CSAC State and Federal Legislative Priorities for 2006. Following a discussion on Federal Priorities, it was decided to move the issue of "Flood Control" from the Monitor/Report section to Advocacy.

Motion and second to approve State and Federal Priorities as amended. Motion carried unanimously.

8. RECOMMENDATIONS FROM CSAC FLOOD MANAGEMENT WORKING GROUP

The CSAC Flood Management Working Group, chaired by Supervisor Roger Dickinson, was created to develop policy recommendations on specific flood management issues that will likely be raised during the 2006 legislative session. A draft policy statement was presented for Executive Committee consideration. The policy statement addresses the areas of: funding; flood management and levee integrity; mapping of the system; development in flood prone areas; regulatory streamlining; insurance; and liability.

Following a lengthy discussion, it was determined that further consideration of the policy statement would be needed.

Motion and second to accept the policy statement as a "work in progress" and re-agendize it for the March 16 Executive Committee meeting.

Staff was directed to add a preamble that clarifies that it is a "work in progress." Staff was further directed to identify some bullet points dealing with federal flood management issues to be used when lobbying Congress during the NACo Legislative Conference.

9. STATUS REPORT ON CSAC COMMUNICATIONS PLAN

CSAC is currently developing a Communications Plan for the association that will address issues such as timeliness of information to members; methods to more fully engage members; assisting counties in explaining the role of counties to the public; and developing target messages on specific issues. Work has already begun on "branding" CSAC to better reflect the direct connection with counties. Also, electronic distribution of CSAC publications is well underway. CSAC will be sending a comprehensive communications survey to members over the next few months which will assist in identifying areas for improvement. Staff has been meeting regularly to discuss internal and external communications as well as outreach and member services. Recommendations for these discussions will be considered as part of the overall plan.

An Executive Committee Resource Guide was distributed which contains rosters of Executive Committee and Board of Directors members, CSAC staff

and Senate and Assembly Members. It also contains a list of CSAC programs and services and publications.

10. VOTING REQUIREMENT CHANGES ON PROPOSITIONS

At the direction of the Executive Committee, staff undertook an initial review of the pertinent sections of the CSAC Constitution regarding voting requirements. While reviewing the Constitution, confusing policy language and inconsistencies were discovered.

Staff recommended two options in response to the request by the Executive Committee.

Option 1: Change the quorum requirements and voting requirement to require a majority vote of the Board of Directors in the affirmative to adopt a resolution.

Option 2: Reconcile Constitution and Policies by amending language to ensure consistency and facilitate ease of use by readers. By correcting inconsistencies, this will ensure that current procedures are followed in every case.

Motion and second to amend current language in CSAC Constitution to correct inconsistencies and ensure that current process is adhered to. Motion carried unanimously.

Staff will work with County Counsel Advisor Ann Ravel to draft language.

11. PROPOSED INVESTMENT POLICY FOR CERTIFICATES OF DEPOSIT

As directed by the Executive Committee, staff developed options for handling funds in CSAC's CD account. This was in response to concerns regarding a fund balance over \$100,000 not insured by FDIC.

Option 1: Make no change. Controller monitors general financial health of bank and account is only occasionally over \$100,000.

Option 2: Secure extra, sufficient insurance at an approximate annual cost of \$1500.

Option 3: Diversify accounts and invest in multiple institutions.

Motion and second to approve Option 1, make no change to current policy. Motion carried unanimously.

12. REQUEST FOR AFFILIATE STATUS FROM THE CALIFORNIA OPERATION AREA COALITION

The California Operational Area Coalition (COAC), comprised of county operational area emergency managers, has requested affiliate status with CSAC. Affiliate members assist CSAC in statewide policy development through their membership on appropriate CSAC policy committees. Specifically, COAC could assist in enhancing emergency management operations and policies in California.

Motion and second to approve CSAC affiliate status for the California Operational Area Coalition. Motion carried unanimously.

13. CSAC FINANCE CORPORATION REPORT

The CAC Finance Corporation is sponsoring a seminar regarding Other Post Employment Benefits (OPEBs) on January 25, at the Sheraton Grand, Sacramento. OPEBs are benefits county retirees receive in addition to their pensions, the largest usually being health insurance. The Government Accounting Standards Board (GASB) 43 and 45 now require governmental entities to footnote their unfunded liabilities for such coverage.

CalTrust, the Finance Corporation's investment program for local government funds that was launched a year ago, reached \$200 million in deposits in December 2005.

In response to questions by Executive Committee members regarding the current policy of having the CSAC Controller manage the financial accounting for both CSAC and the CSAC Finance Corporation, Jim Keene distributed an Opinion from CSAC's outside auditor, John Waddell & Company. The Opinion stated that they did not consider the arrangement to be a conflict of interest.

14. CSAC AGRICULTURE AND NATURAL RESOURCES POLICY COMMITTEE REPORT

Supervisor Judy Case, Chair of the CSAC Agriculture and Natural Resources policy committee, reported on actions taken by the policy committee during the January 18 meeting. The policy committee approved the CSAC Flood Protection Working Group recommendations, approved amendments to the County Platform, and votes to support AB 1688, related to Illegal Dumping Officers.

15. CALIFORNIA COUNTIES FOUNDATION REPORT

As directed by the Executive Committee, staff researched the status of the California Counties Foundation. The foundation was established in 1983 at a 501c(3) to fund activities of the California Public-Private Partnership. The foundation Board of Directors has not met since 1998 when the Partnership dissolved. However, there is a current balance in the account of \$10,000 which was donated by Sunne McPeak for a specific project.

Staff requested direction on whether or not to pursue re-establishing the foundation. Jim Keene will be following up with Sunne McPeak to determine what should be done with the \$10,000 in account.

Staff was directed to perform a cursory evaluation to determine if there is a need for re-establishing the foundation, and then report back at a future meeting.

Meeting adjourned.