

CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE

April 23, 2009
CSAC Conference Center, Sacramento

MINUTES

Presiding: Gary Wyatt, President

1. ROLL CALL

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

Ex-Officio Members

Valerie Brown, NACo Pres. Elect
Joni Gray, CSAC Treasurer

Advisors

Susan Muranishi, CAOAC Pres.

2. APPROVAL OF MINUTES

The minutes of March 9, 2009 were corrected to reflect that Robert Williams participated via audio.

Motion and second to approve the minutes of January 29, 2009 as presented and March 9, 2009 as corrected. Motion carried unanimously.

3. PROPOSED CSAC BUDGET FOR FY 2009-10

Supervisor Joni Gray, CSAC Treasurer, presented the proposed CSAC Budget for FY 2009-10, as contained in the briefing materials.

It was noted that the proposed budget contains no dues increase and expenses were reduced by 2.4%.

Motion and second to approved the proposed CSAC Budget for FT 2009-10 and recommend adoption by the CSAC Board of Directors. Motion carried unanimously.

4. PROPOSED CSAC LITIGATION COORDINATION PROGRAM BUDGET FOR FY 2009-10

Jennifer Henning, County Counsel's Association Executive Director, presented the proposed CSAC Litigation Program Budget for FY 2009-10, as contained in the briefing materials.

She noted that even though expenses have increased this year, a recently-vacated position will not be filled in order to maintain a budget with no fee increases.

Motion and second to approve the CSAC Litigation Coordination Program Budget for FY 2009-10 as presented and recommend adoption by the CSAC Board of Directors. Motion carried unanimously.

5. FORMATION OF COASTAL COUNTIES REGIONAL ASSOCIATION

Staff requested support of a proposal to form the Coastal Counties Regional Association. Several coastal counties have been meeting informally to discuss shared interests and to work with a number of coastal cities to develop a joint workshop with the California Coastal Commission. The proposal is an attempt to formalize the group's relationship to CSAC and would include staff support and a designated meeting time during the two CSAC conferences held each year.

The group is being co-chaired by Supervisors Rich Gordon and Salud Carbajal, and counties currently participating are: Del Norte, Humboldt, Los Angeles, Marin, Mendocino, Monterey, Orange, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Sonoma, and Ventura.

Motion and second to form the Coastal Counties Regional Association. Motion carried unanimously.

6. NATIONAL ASSOCIATION OF COUNTIES (NACo) REPORT

Supervisor Valerie Brown, NACo President-Elect, reported that the NACo 2009 Annual Conference will take place in Nashville, Tennessee on July 24 – 28. In addition, the "Women of NACo (WON)" golf tournament will be held on July 23. She also announced that she has begun working on leadership appointments to the 2009-10 NACo steering committees.

Supervisor Greg Cox, Chair of the NACo Governance Reform Task Force, shared some of the task force recommendations that will be brought before the NACo Board of Directors at their May meeting. One of the recommendations is to expand the Executive Committee to include four regional representatives, bringing the total to eight members; another will be to use the CSAC model of officer rotation. The NACo Board will take final action on the complete set of recommendations during the conference in July.

7. CSAC FINANCE CORPORATION REPORT

Supervisor Joni Gray, a member of the Finance Corporation Board of Directors, presented a program update. She is helping to develop a pilot program that would assist the Finance Corporation in identifying which county departments to approach for each of the numerous programs offered.

Paul McIntosh has been working with the State Treasurer's Office on a proposal to ask the federal government to consider lending additional credit support to the Tax and Revenue Anticipation Notes (TRANS) program by guaranteeing a Letter of Credit through the Troubled Asset Relief Program (TARP).

8. LEGISLATIVE/STATE BUDGET REPORT

Staff reported that AB 155 (Mendoza) will be heard in Assembly Local Government Committee this week. This bill would require cities, counties and special districts to seek approval from the California Debt and Investment Advisory commission (CDIAC) prior to seeking bankruptcy protection in federal court. CDIAC would be able to approve or disapprove a municipality's desire to exercise its right to file a petition under federal Chapter 9. It is being sponsored by the California Professional Firefighters and is in response to the bankruptcy filing by the City of Vallejo. The bill reaches far beyond the current situation in Vallejo. The process envisioned under AB 144 is time-consuming, costly, duplicative and may result in greater fiscal harm to a local agency than would have occurred had the agency gone directly to federal court. Executive Committee members were urged to communicate opposition to this bill.

CSAC and the County Welfare Directors Association (CWDA) released a joint report this week regarding the impact of the recent economic downturn on human services programs, counties diminishing ability to adequately provide those services, and the programs' economic benefit to local communities. It illustrates that investment in human services programs is critical to state and local economies. The report will be shared with boards of supervisors, stakeholders, legislators and our congressional delegation.

Staff reported that AB 1532 (Lieu) was recently introduced. This bill would require counties to use new federal Medicaid dollars to supplement, and not supplant, 2007-08 spending levels on In-Home Supportive Services (IHSS) for 2008-09 and 2009-10. The bill will impact county budgets and raises significant concerns. It has been referred to Assembly Human Services Committee, but a date has not been set for hearing.

The current State Budget shortfall is being estimated at \$8 billion and is expected to grow prior to the release of the Governor's May Revise. Staff was directed to work with the County Counsels Association and the County Administrative Officers Association to develop a list of programs that counties could discontinue if state funding is eliminated. It was noted that individual programs would need to be brought before the State Mandates Commission before any action could be taken.

9. MAY 19 SPECIAL ELECTION UPDATE

The May 19 special election includes six measures that the Legislature passed as part of the negotiated budget agreement. They are as follows:

Proposition 1A – creates a new, larger rainy day fund and puts new limits on state spending growth.

Proposition 1B – alters repayment schedule for Proposition 98 funds arguably owed by the state to K-14 districts, totaling \$9.3 billion.

Proposition 1C – allows state to borrow money from the General Fund, securitized by future revenue from the California Lottery.

Proposition 1D – shifts between half and two-thirds of cigarette taxes away from the First 5 Program and into the General Fund for a five year period.

Proposition 1E – amends the Mental Health Services Act (Proposition 63) to shift revenue funds from local programs to the benefit of the state General Fund.

Proposition 1F – forbids the California Citizens Compensation Commission from raising legislators' and state officers' salaries when the state is running a deficit.

The CSAC Board of Directors previously took a 'Neutral' position on all six measures. Current polling indicates that there is little support for these measures. If they fail, it is anticipated that the state budget deficit will increase to at least \$16 billion.

10. CSAC CORPORATE ASSOCIATES REPORT

There are currently 50 members of CSAC Corporate Associates. Two upcoming events are the business meeting during the CSAC Legislative Conference on May 27 and the golf tournament on May 29.

11. CSAC LITIGATION COORDINATION PROGRAM UPDATE

Jennifer Henning, CSAC Litigation Coordinator, presented a report on the Litigation Coordination program's activities since January 2009. Details of the new case activity were contained in the briefing materials.

12. OTHER ITEMS

Paul McIntosh presented a letter and draft resolution from the League of California Cities endorsing convening a summit of local leaders on reforming the governance of California. The League has invited CSAC and the California School Boards Association (CSBA) to join with them in sponsoring a summit. The summit would build on the work of the Cities, Counties, Schools (CCS) Task Force on Fiscal Reform. Delegates to the summit would review and debate the major reforms identified by the CCS Task Force, California Forward and others, including the

advisability of holding a Constitutional Convention.

A discussion ensued regarding a format for the summit. Concerns were expressed that while the three associations may agree on the problem, there may not be agreement as to the appropriate solution. Staff was directed to work through the CCS Fiscal Reform Task Force to begin preparation on the summit and also bring the resolution to the CSAC Board of Directors for consideration.

Humboldt County submitted a request to change caucus membership from the CSAC Suburban Caucus to the CSAC Rural Caucus in 2009. The current CSAC Constitution states that a change in caucus membership can be made each five years – once at the Annual meeting immediately after the release of the Decennial Census and once at the Annual meeting immediately after the release of the mid-Census population estimate. Under current rules, Humboldt County would not be eligible to change caucus membership this year. Staff recommended that CSAC consider amending the Constitution to provide additional flexibility in the timing of caucus membership selection.

Motion and second to authorize staff to draft an amendment to the CSAC constitution to allow counties to self-identify caucus membership at any time following the release of each Decennial Census, but only once within a decade. Motion carried unanimously.

Staff was directed to bring the proposed amendment to the CSAC Board of Directors at the May 28 meeting.

Meeting adjourned.