

CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE
August 2, 2018
Capital Events Center, Sacramento
via conference call (800) 867-2581 code: 7500508#

M I N U T E S

1. Roll Call

OFFICERS

Leticia Perez, President
Virginia Bass, 1st Vice President
Lisa Bartlett, 2nd Vice President
Keith Carson, Immediate Past President

ADVISORS

Bruce Goldstein, County Counsels Association
President, Sonoma County

SUPERVISORS

James Gore, Sonoma County
Carole Groom, San Mateo County
Scott Haggerty, Alameda County
Bruce McPherson (remote)
Leonard Moty, Shasta County
Craig Pedersen, Kings County
James Ramos, San Bernardino County
Ed Scofield, Nevada County (remote)
Ed Valenzuela, Siskiyou County, Treasurer
Chuck Washington, Riverside County
Steve Worthley, Tulare County

CSAC EXECUTIVE TEAM

Graham Knaus, Executive Director
Darby Kernan, Deputy Executive Director,
Legislative Services

2. Approval of Minutes from May 2, 2018

A motion to approve the minutes from May 2, 2018 made by Supervisor Worthley; second by Supervisor Bass. The minutes were approved as previously mailed.

3. Wildfire Liability Issue

Bruce Goldstein from the County Counsels Association in Sonoma presented on the current controversy surrounding the Wildfire Issue and Inverse Condemnation. California has experienced some of the worst fires in recent history, many of which have been major utility fires, caused by poor vegetation control management, inadequate high wind policies, inadequate recloser policies, and diversion of money that was intended for safety funds, which went to other purposes. Recommendations to prevent similar future disasters include a focus on resiliency, proper focus on enforcing vegetation management and high wind policies, appropriate use of utility company safety funds, and established insurance and liability for utility companies. Utility companies such as PG&E are focusing on the legal issue of Inverse Condemnation, stating that it does not apply to them. Inverse Condemnation, the flip side of Eminent Domain, is a Constitutional-based concept, which dictates that private property cannot be taken or damaged for public use without just compensation. The Constitutional provisions provide that when damages are caused, there is a strict liability for a jury to determine just compensation by the utility company or government agency, regardless of negligence.

The California Public Utilities Commission (CPUC) is the governing body that sets rates for utility companies such as PG&E to their end users. In trying to find the right balance for a functioning utility, they established a new rule that states if a utility company acted prudently and reasonably to prevent a disaster, then it will be possible to pass on the costs to their rate payers. If the utility were found to be negligent, they cannot ease their financial repercussions by charging their customers a higher rate. The new rule has caused PG&E to fight Inverse Condemnation, threatening bankruptcy. The Governor has come up with a proposal, tasking a judge to determine negligence. CSAC has taken an oppose position to any changes regarding Inverse Condemnation, and continues to work with the Governor's office on potential solutions to protect counties and communities. The Wildfire Conference Committee will be meeting in the coming weeks to focus on safety issues and Inverse Condemnation. CSAC and other agencies will be representing counties at the Governor's office to leave Inverse Condemnation alone and keep utility companies in check for the last few weeks of session.

4. Proposition 3 [Water Bond Initiative]

Matteo Crow (of the Yes on Proposition 3 Campaign) and staff presented on the \$8.8 billion general obligation Water Bond that qualified for the November 2018 ballot. If passed, this bond would finance a variety of water-related projects including water shed restoration, fish and water habitat improvement, safe drinking water, and repair of the Faint Kern Canal. The measure has received support in the Agricultural, Environmental and Natural Resources Committee, RCRC, League of Cities, 80 different environmental conservation groups, and local governments/legislature. This water bond is an initiative process that came forth because previous initiatives, such as Proposition 68 (Parks, Environment and Water Bond on which CSAC took no position) did not provide sufficient funding for water projects. Since water is an enormous issue in the state of California, many different groups came together and created an initiative that funds water projects, rather than just touching on the surface. Staff has outlined the different priority allocation areas, such as: water supply, water quality, water shed restoration work, safe drinking water, storm water, waste water recycling, flood control, ground water, fisheries restoration, fire mitigation and restoration funding, etc. Counties are requesting formal discussions about implementation of financial burdens to manage water sheds in exchange for support.

*A motion to endorse Proposition 3 made by Supervisor Groom; second by Supervisor Gore.
Motion carried unanimously.*

5. Proposition 5 [Realtor's Property Tax Initiative]

Staff discussed Proposition 5, the Realtors Property Tax Initiative, which the CSAC Board of Directors voted to oppose during the May 2018 Board meeting. Under the current law, residents 55 years or older, or those that have a severe disability, can make a one-time base property tax transfer to any home in their county of residence, at equal or lesser value to their current home. The law also allows this property tax transfer for those impacted by a disaster, pending county approval. Counties currently have local authority to the degree that they would like to honor the current property tax law for those coming from a neighboring county, which a handful of counties currently participate in. Proposition 5 would allow for an unlimited number of property tax transfers for the same demographic, across county lines, anywhere in the state for a home of any value, ultimately removing any local authority for counties. The primary challenge with

this initiative is that by taking away local authority, it imposes a significant fiscal implication on any given county as a result of moving property tax from place to place. CSAC has maintained an opposed position to Proposition 5 and would like the Executive Committee to consider a financial contribution to the opposition campaign. CSAC has been asked to join the evolving opposition coalition that involves fire departments, local government entities, unions, etc. These coalitions are not lightly joined and CSAC generally reserves these requests for initiatives that have either the most positive or the most negative impacts on counties. Proposition 5 is estimated to take about \$1 billion out of county property tax revenue, the primary discretionary source of revenue at the local level, over a matter of a few years. CSAC is looking to protect county property tax and revenue sources, and is proposing a financial contribution of up to \$500,000 to oppose Proposition 5. This money would come from non-public funds and non-dues revenue.

A motion to support making a recommendation to the Board of Directors for a financial contribution to oppose Proposition 5 made by Supervisor Washington; second by Supervisor Worthley. San Bernadino County abstained – motion carried by a majority vote.

6. New CSAC Staff Introductions

CSAC has added 6 new employees to the staff and promoted 2 staff members to new positions.

NEW STAFF

Valentina Dzebic – *Executive Assistant*
Tina Armstrong – *Accountant*
Erinn Oliver – *Accountant*

Roshena Duree – *Health & Human Services Analyst*
Whitney Alderson – *Communications & Member Affairs Manager*
Taylor Brown – *Intern*

PROMOTIONS

Amalia Mejia – *Project Manager / Econometrician*

Chastity Benson – *Foundation Operations Manager*

7. CSAC Finance Corporation Update

CSAC FC President Supervisor Leonard Moty and CSAC FC CEO discussed the OMNIA/US Communities buyout transaction, as approved by the Executive Committee at the Emergency Meeting on July 27, 2018. The transaction has been completed and funds have been deposited into CSAC FC accounts. Staff will be weighing out investment options to contribute to the future growth of the funds and will discuss the different possibilities at the Annual Meeting in November. The Easy Smart Pay (ESP) property tax payment program has been established and is well under way in San Luis Obispo County. Trial runs have been completed and the CSAC FC hopes to have the system operational by December tax collections. If continued success is achieved, ESP will be implemented in other counties soon. The California Cannabis Authority is in motion and beginning in earnest. CSAC FC is optimistic that between ESP, the cannabis data repository, and the 211 program (brought to us by NACo President Greg Cox), the long term benefits in producing a revenue stream will replace and exceed the outgoing years for our pooled purchasing program. The projected revenue growth from these three programs is \$150,000. The Corporate Associate Program remains successful with 65 partners, all extremely active in our regional meeting. CSAC FC has maintained a sponsorship with California Tax Payers and Treasurer's Tax Collectors Associations in San Luis Obispo County and may speak at their educational conference to promote / educate on ESP.

8. CSAC Legislative Update

Staff discussed the plan for the final three weeks of the legislative session, which ends on August 31st. The Wildfire Liability Issue remains the top priority that CSAC will focus on until the end of the session. Staff also outlined major issues that were taken off the table before the summer recess, including the lead paint and business roundtable initiatives. An issue that CSAC is keeping an eye on which keeps resurfacing is the SB 10 (Bail Reform) that has had changes to its language, yet no amendments have come from it so far. Senator Hertzberg is trying to push SB 10 before the end of this legislative session. Staff is expecting several legislative efforts at the end of session to deal with employee orientation or different efforts around unions due to the settlement of the Janus case. There has been resistance from the legislature around small efforts regarding union issues, but CSAC continues to work with unions to clean up a number of bills and make them workable. CSAC does not anticipate AB 1250 coming up before the end of this legislative session because SEIU will be focusing on much smaller efforts and waiting for the next Administration. Staff energy has been shifted to initiatives such as Proposition 6 (SB 1 Repeal) and Proposition 5 (Realtor's Property Tax Initiative). Proposition 6, the effort to repeal SB 1, has officially qualified for the ballot. CSAC remains in a leadership position as co-chairs in the No on 6 Campaign, as authorized by the CSAC Board of Directors. CSAC has included resources for county officials, such as a sample resolution document on which a county or board can take a position on an initiative, a toolkit (which will be made available in the coming weeks) to help Supervisors educate constituents on the benefits of SB 1 and the consequences of Prop 6 to counties and communities, as well as an FAQ page that disproves the mistruths and alternative facts around Proposition 6. CSAC will continue to get as many resources to counties as possible to ensure that all constituents are getting the right information.

9. CSAC Operations & Member Services Update

The Communications team has been working closely with the rest of CSAC staff on the Wildfire Liability Issue. CSAC has been getting media interest from many different outlets as the trusted source of information. Local media can count on CSAC for answers because our fight is not monetarily motivated. Staff is also working on the No on Prop 6 Campaign and has released webinars on the matter with staff and PIOs. The communication team reported working hard on media training in counties that have PIOs, ensuring that county staff know what can and can't be said. Approximately 60 people in 3 different counties have already been trained, proving beneficial in local media. Social Media has also become a major outlet for communicating with the public, and staff reported on record views on CSAC's twitter account, webinars and videos, especially around the wildfire issue. Staff will continue to release videos and content to educate viewers on current issues and important facts. The Challenge Award Season is going strong with approximately 260 entries. All entries have now been submitted to the judges and will be presented on September 5.

10. California Counties Foundation Update

Staff announced that the Institute, which offers professional development classes for its members, is celebrating its 10th year anniversary. The growth that the Institute has experienced has been significant, now averaging 45 participants per class across 5 counties. As counties are building their bench and looking at their succession planning efforts, the Institute has been a go-

to resource. The Summer-Fall 2018 schedule is out and can be found in the Agenda Packet, as well as online. Staff outlined a number of special programs offered through the Institute that are available for county staff: The New Supervisors Institute, which will kick off at the Annual Meeting in November and the Future Department Heads Seminar, March 6-9, 2019 in San Diego, which is a response to county boards and CAOs that wanted a program focusing on building a bench and inspiring to be department heads. The Executive Committee is encouraged to communicate the Institute as a resource to their staff.

11. Other Items

The next Executive Committee meeting will be in Monterey Oct 3-5, 2018