

**Rural County Representatives of California
Executive Committee Meeting
1215 K Street, Suite 1650 Board Room
Sacramento, CA 95814
(916) 447-4806**

May 10, 2017 – 9:00 a.m.

Executive Committee Members:

Supervisor Bob Williams, Tehama County
Supervisor Rex Bohn, Humboldt County
Supervisor Randy Hanvelt, Tuolumne County
Supervisor John Viegas, Glenn County

Supervisor Les Baugh, Shasta County
Supervisor Doug Teeter, Butte County
Supervisor Diane Dillon, Napa County
Supervisor Matt Kingsley, Inyo County
Supervisor David Rogers, Madera County

Minutes

Call to Order and Determination of Quorum

RCRC Chair, Supervisor Bob Williams, Tehama County, and GSFA and NHF Vice Chair, Supervisor Randy Hanvelt, Tuolumne County called the simultaneous meeting of the RCRC Executive Committee, GSFA Executive Committee and the NHF Board of Directors to order at 9:03 a.m. The purpose of the simultaneous meeting was to conduct the Special Order of Business relative to the 2016 RCRC, GSFA and NHF annual audits. A quorum for each entity was determined at that time. Those present were as follows:

<u>Supervisors in Attendance</u>	<u>County</u>
Doug Teeter	Butte
John Viegas	Glenn
Rex Bohn	Humboldt
Matt Kingsley	Inyo
David Rogers	Madera
Les Baugh	Shasta
Bob Williams	Tehama
Randy Hanvelt	Tuolumne

Absent Members

Diane Dillon	Napa
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Staff in Attendance

Greg Norton, President and CEO
Craig Ferguson, Vice President
Lisa McCargar, Chief Financial Officer
Paul A. Smith, Vice President Governmental Affairs
Justin Caporusso, Vice President External Affairs
Sarah Bolnik, Business Development / Board Relations
Elizabeth Jensen, Accountant

Others in Attendance

James Lanzarotta, Partner, Moss Adams (Via Conference Line)
Derek Criswell, Partner, Moss Adams
Kevin Reynolds, Audit Senior, Moss Adams
Robin Rau, Ygrene Energy Fund

Special Order of Business:

2016 Annual Audit Exit Conference and Financial Statements

Lisa McCargar, Chief Financial Officer, introduced Moss Adams, independent auditors. Present were Derek Criswell, Partner, Kevin Reynolds, Audit Senior, and James Lanzarotta, Partner via telephone. The team from Moss Adams provided the RCRC and GSFA Executive Committees and the NHF Board of Directors with an overview of the financial statements for RCRC, GSFA and NHF. Mr. Criswell noted that RCRC, GSFA, and NHF received unqualified “clean” opinions, and there were no significant matters identified. No audit adjustments were proposed.

The RCRC and GSFA Executive Committees and the NHF Board of Directors met privately with the Moss Adams team to pose questions and/or comments. Staff exited the room at 9:34 a.m. and returned to the room at 9:52 a.m.

Recommendation:

It is recommended that the RCRC Executive Committee, acting in their function as the Audit Committee, review and approve the 2016 audited financial statements and information letter as presented for presentation to and adoption by the RCRC Board of Directors.

Supervisor Rex Bohn, Humboldt County, motioned to approve the 2016 RCRC financial statements and information letter as presented. Supervisor Les Baugh, Shasta County, seconded the motion. Motion unanimously passed.

At 9:56 a.m., the simultaneous meeting of the GSFA Executive Committee, NHF Board of Directors, and the RCRC Executive Committee was adjourned.

At 10:18 a.m., the RCRC Executive Committee meeting was reconvened.

Approval of Minutes of the February 15, 2017 Meeting

(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise)

Supervisor Randy Hanvelt, Tuolumne County, motioned to approve the minutes of the February 15, 2017 RCRC Executive Committee Meeting. Supervisor David Rogers, Madera County, seconded the motion. Motion passed.

Public Comment

Supervisor Randy Hanvelt, Tuolumne County, raised the issue of current litigation involving the USFS/Stanslaus National Forest. The Sierra Forest Legacy and the Central Sierra Environmental Research center filed suit involving grazing permits. The affected areas being Bell Meadows, Eagle Meadows and Herron Creek. Supervisor Hanvelt would like to get the opinion of RCRC's new legal counsel, Mr. Arthur Wylene, once he begins his employment with RCRC on May 15th. Supervisor Hanvelt is concerned that this could impact other rural counties.

Supervisor Rex Bohn, Humboldt County, complimented the RCRC staff on their ability to answer questions in a very timely manner. The Humboldt County Counsel complimented the RCRC staff and mentioned what a great asset it is to be a member of the association.

Supervisor John Viegas, Glenn County, mentioned that the bark beetle has been discovered on the west side of Glenn County. Supervisor Viegas informed the person who discovered this what a big issue this will become for Glenn County.

Supervisor Bob Williams, Tehama County, informed the RCRC Executive Committee that Fiona Ma, Member of the State Board of Equalization, has offered to come and present to the RCRC Board of Directors regarding sales tax collection.

Supervisor Williams asked RCRC if there was additional state funding available for on-going costs associated with constructing additional jail capacity. Supervisor Williams expects that Tehama County's jail expansion will cost the County an additional \$2.1 million to operate annually. In light of criminal justice realignment (AB 109), there is a need for additional monies for custodial costs, particularly when a county expands its jail facilities.

Government Affairs Update

Paul A. Smith, Vice President Governmental Affairs, informed the Executive Committee that the Governor will be releasing his May Revision tomorrow at 10:00 a.m. Mr. Smith noted that while state revenues have met January projections, he expects In-Home Support Services funding to be a major topic of interest to all counties. Mr. Smith encouraged Supervisors to have conversations with their respective county CAO's shortly after the May Revision details are released regarding this issue.

Mr. Smith discussed two different RCRC-sponsored bills. Senate Bill 58 (McGuire) regarding State PILT obligations, which is currently awaiting final review in the Senate Appropriations Committee. The bill will be acted upon at the end of the month.

Mr. Smith discussed Senate Bill 447 (Nielsen) which will assist counties in forming a multi-county assessment appeals board. This bill recently passed the State Senate and now awaits action in the Assembly. Mr. Smith noted that Supervisor Ron Hames, Alpine County, and Supervisor Lee Adams, Sierra County, both testified in favor of this bill when it was reviewed in the Senate Governance & Finance Committee. Mr. Smith also conveyed his appreciation on behalf of RCRC to Senator Nielsen for authoring SB 447.

Mr. Smith discussed Assembly Bill 653 (Ridley-Thomas), a measure RCRC is strongly opposing that provides a property tax exemption for Native American tribes that hold real property in fee. The Executive Committee discussed the possible outcomes of this bill if enacted into law.

Mr. Smith informed the Executive Committee that Federal PILT was fully-funded under the recent Congressional passage of a spending plan for the 2017 Federal Fiscal Year. Mr. Smith also added that Secure Rural Schools funding was not reauthorized in the spending plan for 2017, which is extremely disappointing.

Mr. Smith reported that RCRC executed its termination clause with Van Skoyoc & Associates. RCRC has decided to part ways with this firm, and is currently in discussions with a different firm that will provide a better voice for RCRC in Washington D.C.

Mr. Smith lastly raised the issue of possible RCRC bylaw revisions which would allow RCRC to support State Senate confirmation of gubernatorial appointees. The Executive Committee discussed this at great length and articulated a multitude of pros and cons of allowing this to occur. Mr. Smith noted that RCRC has never before taken a position on gubernatorial nominations which require confirmation by the State Senate.

RCRC Quarterly Reports

Lisa McCargar, Chief Financial Officer, presented the RCRC Quarterly Investment Report, the Budget Report, and the Cash and Securities Asset Report for period ending March 31, 2017.

RCRC Bylaw Revision

Greg Norton informed the RCRC Executive Committee that the RCRC Bylaws were last revised in June 2012. RCRC's executive management team and legal counsel edited and reviewed the bylaws and determined that a number of revisions are necessary. Mr. Norton provided a summary of the primary proposed revisions, most of which for purposes of clarification, administration and simplification of operations.

Mr. Norton provided a review of the more significant revisions:

- Sections 4.1 and 4.6: The list of member counties in the primary document have been removed and are now included in Attachment 1 reflecting each member county within assigned regions;
- Section 6.10.6: It is proposed that the quorum for transaction of business be increased from 12 Member Counties to 50% plus one of the current member counties;
- Section 7: Revised to reflect the current organization and corporate officer structure; and
- Section 8: Removed reference to "Seal" in the heading and removed Section 8.3 regarding the Corporate Seal as RCRC does not have a corporate seal. Section 6.2.4 permits the Board to adopt a corporate seal as necessary.

Staff Recommendation

Staff recommends that the Executive Committee review the attached proposed bylaws revisions and:

1. Direct staff to make any additional revisions or modify those proposed; and
2. Approve the revisions to the RCRC bylaws and direct staff to present the proposed revisions to the full Board for approval.

Supervisor David Rogers, Madera County, motioned to approve the staff recommendations. Supervisor Les Baugh, Shasta County, seconded the motion. Motion passed.

RCRC Revised Pay Rate Schedule

Greg Norton reported that each year, RCRC is required to approve a pay rate schedule for all positions that participate in CalPERS. This annual approval was last approved as a part of the 2017 annual budget in December 2016.

After the annual budget was approved for 2017, Patricia Megason, the RCRC Executive Vice President, retired. With her retirement, the organization underwent a reorganization including changes to Executive Leadership, the addition of a new position, and other staff promotions. Mr. Norton reviewed the updated pay rate schedule which has been revised to reflect the reorganization, as well as new positions, eliminated and changed positions, titles, and present revised pay rates.

Staff Recommendation

Staff recommends that the RCRC Executive Committee approve the revised attached pay rate schedule and direct the RCRC President to make the same recommendation to the RCRC Board of Directors.

Supervisor David Rogers, Madera County, motioned to approve the staff recommendations. Supervisor Doug Teeter, Butte County, seconded the motion. Motion passed.

RCRC 2017 Local Area Investment Fund (LAIF) Authorization

Lisa McCargar informed the RCRC Executive Committee that RCRC maintains investments in LAIF with the California State Treasurer's Office. The President and Executive Vice President previously had authority to transfer funds to and from LAIF. Ms. McCargar reported that as a result of the Executive Vice President retiring, authority permissions needed to be altered. Ms. McCargar recommended that in addition to the President, the Chief Financial Officer and Vice President should be given authority to transact on behalf of RCRC, and the Executive Vice President's authority should be removed.

Staff Recommendation

Staff recommends that the RCRC Executive Committee approve the removal of the Executive Vice President's authority and add the Chief Financial Officer and Vice President as authorized individuals to deposit or withdraw funds in LAIF, and direct the RCRC President to make the same recommendation to the RCRC Board of Directors.

Supervisor David Rogers, Madera County, motioned to approve the staff recommendations. Supervisor Randy Hanvelt, Tuolumne County, seconded the motion. Motion passed.

CalPERS Update/Strategic Plan Input

Lisa McCargar provided the RCRC Executive Committee a brief summary of her monthly meetings at CalPERS. Ms. McCargar informed the Executive Committee that during these informative meetings, she has received updates on all changes occurring at CalPERS. CalPERS staff also continue to ask Ms. McCargar if there are any concerns from RCRC's member counties. Ms. McCargar was asked to let RCRC's member counties know that if they wish to have an informative meeting in their county it can be arranged.

County Visits Update

Greg Norton reported on multiple staff visits to member county Board of Supervisor meetings as well as upcoming visits that are currently on the calendar. Recent visits include Tehama County, Alpine County, and Butte County. Visits to Napa County and Sutter County are scheduled for later this month.

Economic Development Update

Greg Norton reported on recent staff activity in regards to Rural Economic Development. Terrance Rodgers, Economic Development Officer, has been building relationships with county staff in a number of rural counties. Mr. Norton also informed the Executive Committee that he and Mr. Rodgers will be traveling to Washington DC next week to meet with individuals on infrastructure, broadband, water and waste water financing. Mr. Norton stated that there have been a number of great conversations stemming from a variety of interested parties.

Mr. Norton reported that the first RCRC Export Trade Forum is set for June 7 in Tuolumne County. A wide range of very knowledgeable speakers are set to attend. Mr. Norton reminded the Executive Committee that these forums will be taking place in a number of rural regions in the coming months.

President/CEO Goals and Objectives Update

Mr. Norton met with the Executive Committee to discuss progress on his goals and objectives to date.

Adjournment

Chair, Supervisor Bob Williams, Tehama County, adjourned the meeting of the Executive Committee at 12:57 p.m.