

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

May 15, 2013 – 10:00 a.m.

Executive Committee Members:

Supervisor Kevin Cann, Mariposa County
Supervisor Nate Beason, Nevada County
Supervisor Lee Adams, Sierra County
Supervisor Kim Dolbow Vann, Colusa County

Supervisor John Viegas, Glenn County
Supervisor Geri Byrne, Modoc County
Supervisor Diane Dillon, Napa County
Supervisor Ray Nutting, El Dorado County
Supervisor David Rogers, Madera County

Minutes

Call to Order and Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County, called the meeting of the Executive Committee to order at 10:12 a.m. A quorum was determined at that time; those present were as follows:

<u>Supervisors in Attendance</u>	<u>County</u>
Kim Dolbow Vann	Colusa
Ray Nutting	El Dorado
John Viegas	Glenn
David Rogers	Madera
Kevin Cann	Mariposa
Geri Byrne	Modoc
Diane Dillon	Napa
Lee Adams	Sierra

Absent Members

Nate Beason	Nevada
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Staff in Attendance

Greg Norton, RCRC President and CEO
Patricia Megason, RCRC Executive Vice President
Paul Smith, RCRC Senior Legislative Advocate
Cyndi Hillery, Legislative Advocate
Craig Ferguson, RCRC Vice President
Karl Dolk, RCRC Chief Financial Officer
Sanjay Lee, RCRC Accountant
Sarah Bolnik, RCRC Executive Assistant

Others in Attendance

Cheryl Teeter-Balin, Moss Adams

Shannon Avrett, Moss Adams
Derek Criswell, Moss Adams

Approval of Minutes of the February 20, 2013 Meeting

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

Supervisor David Rogers, Madera County, motioned to approve the minutes of the February 20, 2013 Executive Committee Meeting. Supervisor Kim Dolbow Vann, Colusa County, seconded the motion. Motion passed.

Member County Concerns

Supervisor John Viegas, Glenn County, discussed a meeting he had yesterday with Cathy Emerson of CSU-Chico regarding better deployment of broadband in rural areas. Glenn County has concerns with the current version of SB 740 (Padilla) which attempts to provide additional monies for projects that would assist unserved/underserved areas in receiving broadband services.

Supervisor Ray Nutting, El Dorado County, informed the Executive Committee that he will be on a conference call later today regarding the yellow-legged tree frog and an apparent 2-3 million acres that may go into protection for this endangered species.

Supervisor David Rogers, Madera County, discussed AB 109, the criminal justice realignment bill from 2011. Currently, there are numerous individuals serving their sentence in the Madera County jail due to conviction of certain felonies which were committed in a nearby state prison. Supervisor Rogers also informed the Executive Committee that as of the 1st of the year all enterprises on Indian lands may be exempt from paying taxes, including gas taxes. The Executive Committee discussed in detail the repercussions of a proposed Indian gaming compact that awaits approval by the Legislature that concerns the North Fork Band of Mono Indians, located in Madera County.

Public Comment

None

2012 RCRC Audited Financial Statements

Karl Dolk, Chief Financial Officer, introduced Cheryl Teeter-Balin, Shannon Avrett, and Derek Criswell, from RCRC's auditing firm Moss Adams. The team from Moss Adams provided the Executive Committee with an overview with of their audit procedures. Ms. Avrett provided an overview of the financial statements for RCRC, CHF and NHF noting that all three entities received an unqualified "clean" opinion and there were no significant matters identified and no audit adjustments were proposed.

Staff Recommendation:

Staff recommends that the Executive Committee, functioning as the Audit Committee, review and approve the 2012 audited financial statements and information letters for RCRC, CHF, and NHF as presented for presentation to and adoption by the applicable Board of Directors.

Supervisor Kim Dolbow Vann, Colusa County, motioned to approve the staff recommendations. Supervisor David Rogers, Madera County, seconded the motion. Motion unanimously passed.

Quarterly Reports CHF, NHF and RCRC

Greg Norton, President and CEO, presented the Quarterly Investment & Budget Reports and the Cash and Securities Asset Report for the First Quarter of 2013 (period ending March 31, 2013) for RCRC, CHF and NHF.

Governmental Affairs Update

Paul A. Smith, Senior Legislative Advocate reviewed with the Executive Committee the Governor's May Revise which was released on May 14, 2013. It was noted that many of items that were controversial in the Governor's proposed January state Budget were not discussed in the May Revise. The Governor's priority is a major restructuring of education funding. When the Board of Directors meets on June 19th, RCRC staff hopes to have more details as it is expected the Legislature will have adopted a state Budget by/on June 15th.

Mr. Smith informed the Executive Committee that the May Revise does not restore Medi-Cal providers' rates to levels in statute prior to 2011. The Governor made it very clear that this was not a part of his budget plan; however the Legislature may think otherwise. Mr. Smith also explained that the May Revise requests that proceeds from the Cap-and-Trade auction be loaned to the state General Fund and that no permanent funding structure should be created in the 2013-14 state Budget. This causes concern to most every interest group as they have been crafting ways to dedicate these moneys. Mr. Smith explained that the May Revise does not propose to restore Williamson Act subventions, funding for state fairs, nor monies to local trial courts. Mr. Smith also explained in detail that the structure for instituting State Responsibility Area fees will be maintained and there are no proposals to neither alter the scheme nor convert the fee into a tax.

Cyndi Hillery, Legislative Advocate, discussed with the Executive Committee at great length the Governor's proposal to implement federal health care reform as it impacts counties. Ms. Hillery noted that while few substantial changes occurred to the January proposal, the May Revision calls for the use of the State Model to utilize optional expansion for Medi-Cal patients. In the State Model, the state will be responsible for all Medi-Cal services for both existing and newly-eligible patients; however, counties will need to relinquish significant portions of their 1991 Realignment monies to cover the state's obligations. Despite the federal reform efforts, counties will continue to be responsible for indigent populations ineligible for Medi-Cal; therefore the state will need to continue providing funding to assist the counties. Ms. Hillery explained that there are a variety of discussions that attempt to determine the amount of funding each county should receive. RCRC staff remains in daily contact with leaders of the County Medical Services Program (CMSP) as this is the entity that serves counties' obligation to provide indigent health care in the rural areas.

Mr. Smith discussed with the Executive Committee the topic of Secure Rural Schools sequestration. Due to the demands of the Obama Administration, it appears that Title II projects in California will be subjected to a near 65% cut.

Mr. Smith also discussed Senate Bill 740 (Padilla), regarding broadband deployment which RCRC supports; however, recent amendments are troublesome. Mr. Smith also encouraged the Executive Committee to be aware of Assembly Bill 5 (Ammiano), the "Homeless Bill." RCRC strongly opposes AB 5.

Business and Administrative Matters

Greg Norton informed the Executive Committee that RCRC staff was successful in hiring a new Public Affairs Specialist. Mr. Justin Caporusso will be joining RCRC staff in the coming weeks and will be introduced at an upcoming board meeting.

Keep California Beautiful Appointment

Greg Norton informed to the Executive Committee that Supervisor Michael Kobseff has volunteered to sit on the Keep California Beautiful Board.

Staff Recommendation:

Staff recommends that the Executive Committee appoint Supervisor Michael Kobseff, Siskiyou County, to the Keep California Beautiful Board.

Supervisor John Viegas, Glenn County, motioned to approve the staff recommendations. Supervisor Lee Adams, Sierra County, seconded the motion. Motion unanimously passed.

National Forest County and Schools Coalition (NFCSC) Annual Dues

Greg Norton reported to the Executive Committee that RCRC recently paid roughly \$15,000 in annual dues to the National Forest County and Schools Coalition to support the reauthorization campaign. This is similar to what RCRC has paid in years past to support the cause.

RAI Update

Greg Norton reported that the RAI bylaws have been updated and approved by legal counsel. Staff has a draft format of the RAI strategic plan. The primary focus of RAI's efforts will be on Economic Development, and staff has been preparing for meetings with Economic Development Corporations and others with an interest in member counties.

County Visits

Greg Norton provided an update on staff visits to member counties. Staff has completed several visits in the past months, including visits to Calaveras and Mendocino Counties in March, Mariposa County in April, and Colusa and Alpine County in May. Mr. Norton also noted that there are more county visits scheduled in the coming months.

Housing Update

Craig Ferguson, Vice President, provided a summary and updates on the Housing Programs. The CHF ACCESS Program has now helped 2,422 families obtain homeownership and this program has funded over \$12.5mm in second mortgages. The

CHF Platinum program is averaging approx. \$20 million in mortgage financing a month and now has options of a 3%, 4% or 5% gift to the homebuyer. Mr Ferguson explained that the CHF Mortgage Credit Certificate Program continues on pace as expected. Mr. Ferguson described to the Executive Committee that the NHF Sapphire Program was released in April. The Sapphire program is very similar to the CHF Platinum Program, with the intent to go multi-state. Mr. Ferguson also noted that the CHF Energy Program has received approval to utilize CEC funds, from recycled and unused ARRA resources, allowing for expansion to municipal utility service areas and permitting funding for solar installation and propane retrofits. Staff is currently working with an investor to cover additional areas.

Strategic Goals and Action Steps Update

Greg Norton presented the Executive Committee with the Strategic Goals and Action Steps update.

President & CEO Goals and Objectives

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

Adjournment

Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the Executive Committee at 1:41 p.m.