

Minutes For April 27, 2004

The Solano County Board of Supervisors met in regular session on this day at 8:31 a.m. Chairman Silva called the meeting to order. Present were Supervisors Forney participating via teleconference, Kondylis, Vasquez, and Chairman Silva. Supervisor Kromm joined the meeting via teleconference at 2:00 p.m. from the Westin Embassy Row Hotel, 2100 Massachusetts Avenue, NE, Washington, D.C.

CLOSED SESSION: The Board moved into Closed Session at 8:32 a.m. to discuss Meet and Confer: SEIU, Local 1280, IHSS Public Authority with Jim Ferguson, Chief Negotiator; Litigation: Miller, et al v. County of Solano; Litigation: In the matter of Rancho Solano Master Association; Public Employment: Director of Resources Management Litigation: Solano County vs. Lionsgate; Potential Litigation: 1 (one) case. The Board moved out of Closed Session at 9:20 a.m.

The Solano County Board of Supervisors reconvened on this day at 9:23 a.m.

5. LETTER TO BE SENT TO RANCHO SOLANO MASTER ASSOCIATION RE PROPOSED PARK

County Counsel Dennis Bunting noted that by a vote of 4-0, Supervisor Kromm excused, the Board acted to direct a letter be written to the Rancho Solano Master Association expressing the County's non-opposition to a petition to amend it's master declaration because the proposed private park will be located inside the city limits of Fairfield and will not effect the County conservation easement.

The Board meeting continued with the Pledge of Allegiance lead by Sheriff Stanton and a moment of silence.

PRESENTATIONS

7A. BENICIA PUBLIC LIBRARY TO HOST, LISTENING TO THE PRAIRIE, SMITHSONIAN TRAVELING EXHIBIT

On behalf of Monique le Conge, Director of Benicia Public Library, Fran Martinez-Coyne and Anita Falltrick presented information on the upcoming Smithsonian Exhibit on display from May 3-June 8, 2004. Ms. Martinez-Coyne noted there are on 20 sites across the country and on 2 library venues on the West coast that will host the exhibit, and continued to outline the project, and educational opportunities.

Ms. Falltrick discussed the local program and presentations that will be incorporated with the exhibit to enhance local interest.

Chairman Silva noted what an honor this is for the Benicia Library to host this exhibit.

7B. RESOLUTION NO. 2004-064 HONORING LORI COHEE, EXECUTIVE DIRECTOR OF FOSTER A DREAM, INC., ADOPTED

On motion of Supervisor Kondylis and seconded by Supervisor Vasquez, the Board acted to adopt Resolution No. 2004-064. So ordered by a vote of 4-0; Supervisor Kromm excused. (see Resolution Book)

On behalf of the Board, Supervisor Kondylis presented the resolution to Ms. Cohee in recognition of her outstanding contributions to the Solano County Community.

Ms. Cohee voiced concern with the number of children exiting foster care without the tools they need to succeed or with feeling alone and have no where to go. Ms. Cohee wants to ensure the children are equipped to have a successful future, and thanked Child Support Services for all their help and support for these children.

Laura Fowler, Deputy Director of Health and Social Services, noted what an inspiration Ms. Cohee has been to ensure the well being of children in foster care, commended her for all the efforts she has taken to ensure these children have gifts at Christmas and other holidays, and with assisting in getting special needs met.

7C. RESOLUTION NO. 2004-065 RECOGNIZING IRMA GARZA-ANDERSON UPON HER RETIREMENT FOR HER MANY YEARS OF SERVICE TO SOLANO COUNTY, AND PLAQUE OF APPRECIATION, APPROVED

On motion of Supervisor Vasquez and seconded by Supervisor Kondylis, the Board acted to adopt Resolution No. 2004-065. The Board further acted to authorize a Plaque of Appreciation for Irma Garza-Anderson. So ordered by a vote of 4-0; Supervisor Kromm excused. (see Resolution Book) On behalf of the Board, Supervisor Vasquez presented Ms. Garza-Anderson with Resolution No. 2004-065 and a Plaque of Appreciation honoring her upon her retirement after twenty-four years of service to Solano County as an employee in the Treasurer/Tax Collector/County Clerk's office. Ms. Garza-Anderson noted what an honor it has been to work for the County, and the many opportunities she has had, and commended her hard working staff.

Charles Lomeli, Treasurer/Tax Collector/County Clerk, noted how much Ms. Garza-Anderson would be missed.

ITEMS FROM THE FLOOR

APPEARANCE BY DONALD TIPTON RE VARIOUS ISSUES

Donald Tipton, Vallejo, voiced his concerns regarding the development in Lagoon Valley, feels it is the obligation of the Board to look at the overall effects such a development would have on the County and commended the Board for their efforts, and further discussed the many issues facing the residents in the Homeacres area.

ADDITIONS TO THE AGENDA

On motion of Supervisor Vasquez and seconded by Chairman Silva, the Board acted to add consideration of an item to ratify and affect the vacation of the office of the Registrar of Voters and to ratify the appoint the Chief Information Officer as the Ex-officio Registrar of Voters effective on vacation of the office, and to appoint the director of Resources Management, added to the agenda. So ordered by a vote of 4-0; Supervisor Kromm excused.

PUBLIC COMMENT ON CONSENT CALENDAR

15. Second reading for adoption of an ordinance amending the Solano County Code Chapter 2, Administration and Chapter 2.4 Airports and Aircraft, relating to the reorganization of County offices; adopt a resolution amending the Alphabetical Listing of Classes and Salaries to add the position of Assistant Director of Resources Management with an approximate monthly salary range of \$6,870-8,350; adopt a resolution amending the Allocation List to delete 1.0 FTE Assistant Director of Environmental Management and add 1.0 FTE Director of Resources Management and 1.0 FTE Assistant Director of Resources Management.

Donald Tipton, Vallejo, voiced concern with the Chief Information Officer being appointed as the Registrar of Voters, problems the CIO must resolve regarding ACS, with the increase in fees for the Registrar of Voters, and with the qualifications of the CIO to fill this position.

APPROVAL OF AGENDA

On motion of Supervisor Kondylis and seconded by Supervisor Vasquez, the Board acted to approve the submitted Agenda, incorporated herein by reference, with the following modifications:

19A. Approval to submit a grant proposal to the Federal Center for Disease Control (FCDC) to receive funding in the amount of \$330,000 for a Laboratory Response Network Reference Level B Status for the Solano County Public Health Laboratory, removed from the Consent Calendar.

22. Ratify and affect the vacation of the office of the Registrar of Voters and to ratify the appointment of the Chief Information Officer as the Ex-officio Registrar of Voters effective on vacation of the office, and to appoint the director of Resources Management, added to the Agenda.

So ordered by a vote of 4-0; Supervisor Kromm excused.

CONSENT CALENDAR

On motion of Supervisor Kondylis and seconded by Supervisor Vasquez, the Board acted to approve the following Consent Calendar items by a vote of 4-0; Supervisor Kromm excused.

13. MINUTES OF THE BOARD OF SUPERVISORS MEETING OF March 30, 2004, as outlined in the Agenda Submittal from the Clerk of the Board dated April 27, 2004, incorporated herein by reference, approved.

14. RESOLUTION NO. 2004-066 DECLARING MAY 3 TO 9, 2004 AS MOSQUITO AND VECTOR CONTROL AND WEST NILE VIRUS AWARENESS WEEK, adopted. (see Resolution Book)

15. ORDINANCE NO. 1642 AMENDING CHAPTERS 2 AND 2.4 RELATING TO THE OFFICES AND FUNCTIONS OF THE DIRECTOR OF TRANSPORTATION, ROAD COMMISSIONER, DEPARTMENT OF RESOURCES MANAGEMENT, ZONING ADMINISTRATOR, DEPARTMENT OF INFORMATION TECHNOLOGY, REGISTRAR OF VOTERS, DEPARTMENT OF GENERAL SERVICES AND AIRPORT DIVISION, adopted. (see Ordinance Book)

RESOLUTION NO. 2004-067 AMENDING THE ALPHABETICAL LISTING OF CLASSES AND SALARIES (ASSISTANT DIRECTOR OF RESOURCES MANAGEMENT), adopted. (see Resolution Book)

RESOLUTION NO. 2004-068 AMENDING THE LIST OF NUMBERS AND CLASSIFICATIONS OF POSITIONS, adopted. (see Resolution Book)

16. FOLLOW-UP REVIEW OF AUDIT REPORTABLE CONDITIONS OF AFFILIATED COMPUTER SERVICES (ACS) ISSUED ON APRIL 2002 AND AUGUST 2001, AND CORRECTION ACTION, as outlined in the Agenda Submittal from Auditor-Controller dated April 27, 2004, incorporated herein by reference, approved.

17. ORDINANCE NO. 1643 AMENDING CHAPTER 3 AND CHAPTER 16 OF THE SOLANO COUNTY CODE, RELATING TO AMUSEMENTS AND REGULATION OF CONDUCT ON THE SOLANO COUNTY FAIRGROUNDS, adopted. (see Ordinance Book)

18A. SOLANO COMMUNITY COLLEGE DISTRICT TO ISSUE 2004 TAX AND REVENUE ANTICIPATION NOTES AS PART OF THE COMMUNITY COLLEGE LEAGUE OF CALIFORNIA CASH FLOW FINANCING PROGRAM, as outlined in the Agenda Submittal from Treasurer/Tax Collector/County Clerk dated April 27, 2004, incorporated herein by reference, approved.

18B. COUNTY TREASURER'S QUARTERLY REPORT FOR THE PERIOD OF JANUARY 1, 2004 THROUGH MARCH 31, 2004, as outlined in the Agenda Submittal from Treasurer/Tax Collector/County Clerk dated April 27, 2004, incorporated herein by reference, approved.

18C. ANNUAL INVESTMENT POLICY FOR THE TREASURER/TAX COLLECTOR/COUNTY CLERK, as outlined in the Agenda Submittal from Treasurer/Tax Collector/County Clerk dated April 27, 2004, incorporated herein by reference, approved.

19B. MEMORANDUM OF UNDERSTANDING WITH THE SOLANO COUNTY OFFICE OF EDUCATION RE HEALTH AND SOCIAL SERVICES FOR CERTAIN MANDATED MENTAL HEALTH SERVICES, as outlined in the Agenda Submittal from Health and Social Services dated April 27, 2004, incorporated herein by reference, approved and Chairman authorized to sign said MOU on behalf of Solano County.

20A. APPROPRIATION TRANSFER OF UNANTICIPATED REVENUE IN THE AMOUNT OF \$18,907 FROM FY03 EMERGENCY MANAGEMENT PERFORMANCE GRANT, as outlined in the Agenda Submittal from Sheriff/Coroner dated April 27, 2004, incorporated herein by reference, approved.

20B. SHERIFF TO ASSUME DIRECT RESPONSIBILITY FOR ELECTRONIC MONITORING OF ADULT OFFENDERS, as outlined in the Agenda Submittal from Sheriff/Coroner dated April 27, 2004, incorporated herein by reference, approved.

AGREEMENT WITH SECURICOR EMS, INC. FOR ELECTRONIC MONITORING EQUIPMENT, as outlined in the Agenda Submittal from Sheriff/Coroner dated April 27, 2004, incorporated herein by reference, approved and Chairman authorized to sign said contract on behalf of Solano County.

APPROPRIATION TRANSFER OF UNANTICIPATED REVENUE IN THE AMOUNT OF \$58,929, as outlined in the Agenda Submittal from Sheriff/Coroner dated April 27, 2004, incorporated herein by reference, approved.

SCHEDULE OF ELECTRONIC MONITORING PROGRAM FEES, as outlined in the Agenda Submittal from Sheriff/Coroner dated April 27, 2004, incorporated herein by reference, approved.

RECIPROCAL AGREEMENTS WITH OTHER COUNTIES, as outlined in the Agenda Submittal from Sheriff/Coroner dated April 27, 2004, incorporated herein by reference, approved and Sheriff authorized to sign said contract on behalf of Solano County.

AGREEMENT WITH WESTERN STATES CONTRACTING ALLIANCE TO OBTAIN ELECTRONIC MONITORING EQUIPMENT, as outlined in the Agenda Submittal from Sheriff/Coroner dated April 27, 2004, incorporated herein by reference, approved and Sheriff authorized to sign said contract on behalf of Solano County.

SPECIAL DISTRICTS GOVERNED BY THE BOARD OF SUPERVISORS:

In-Home Supportive Services Public Authority

21. Minutes regarding this matter are contained in the In-Home Supportive Services Public Authority Minutes Book.

ORDERS

19A. SUBMISSION OF GRANT PROPOSAL TO THE FEDERAL CENTER FOR DISEASE CONTROL (CDC) RE LABORATORY RESPONSE NETWORK REFERENCE LEVEL B STATUS FOR THE COUNTY PUBLIC HEALTH LABORATORY, APPROVED

The Board was provided with an Agenda Submittal from Health and Social Services dated April 27, 2004, incorporated herein by reference, regarding applying for a grant so the County laboratory can function as a Reference Level Laboratory in the National Laboratory Response Network Level B Status.

Supervisor Kondylis voiced concern in light of the looming budget cuts in Health and Social Services that the cuts could affect the laboratory, and if there are to be cuts will this grant eliminate those cuts, responding Sandra Kaddas, Assistant Laboratory Director, noted the grant will require that we have a Bio Terrorism Coordinator/Micro Biologist, and the funds will have to be used for technical staff.

Responding to questions posed by Supervisor Forney regarding the benefits of this certification, Ms. Kaddas noted there will be additional tests the lab will be able to perform that could generate revenue, when staff is not working on bio terrorism issues they will be able to do testing that we currently cannot do.

Supervisor Vasquez commented on how this begins to tie in with the Office of Emergency Services and the County wide emergency response team.

On motion of Supervisor Kondylis and seconded by Supervisor Forney, the Board acted to approve submission of a grant proposal to apply for a Laboratory Response Network Reference Level B Status for the Public Health Laboratory. So ordered by a vote of 4-0; Supervisor Kromm excused.

22. BIRGITTA CORSELLO APPOINTED AS THE NEW DIRECTOR OF RESOURCES MANAGEMENT, IRA ROSENTHAL APPOINTED AS CHIEF INFORMATION OFFICER/REGISTRAR OF VOTERS

County Administrator Michael Johnson recommended appointment of Birgitta Corsello as Director of Resources Management, and Ira Rosenthal as the Chief Information Officer/Registrar of Voters to be effective upon the vacancy of the current directors position or the effective date of the ordinance whichever occurs earlier.

Supervisor Kondylis noted she was not in favor of combining the Registrar of Voters with IT, but does have every confidence in the work Mr. Rosenthal will do.

Supervisor Forney feels this action will save money, and that Mr. Rosenthal will do a good job.

Donald Tipton, Vallejo, noted the appointments are for directors, what is going to happen to the Assistant Director of Environmental Management.

Responding to Mr. Tipton's concerns, Mr. Johnson noted appointment for assistants' positions will be done by the department head.

On motion of Supervisor Vasquez and seconded by Chairman Silva, the Board acted to approve the appointment of Birgitta Corsello as the Director of Resources Management, and to appoint Ira Rosenthal as Chief Information Officer/Registrar of Voters. So ordered by a vote of 4-0; Supervisor Kromm excused.

23A. BOARD EXPRESSED SUPPORT OF AB 2292 (WOLK) REGARDING VISITATION RIGHTS

The Board was provided with an Agenda Submittal from the County Administrator's Office dated April 27, 2004, incorporated herein by reference, regarding legislation proposed by Assemblywoman Wolk, AB 2292, that would authorize probate courts to determine visitation of a child's former legal guardian.

Supervisor Kondylis outlined the benefits of the bill.

On motion of Supervisor Kondylis and seconded by Supervisor Forney, the Board acted to support AB 2292. So ordered by a vote of 4-0; Supervisor Kromm excused.

23B. RESOLUTION NO. 2004-069 CLARIFYING THE FEES TO BE CHARGED UNDER THE COUNTY PUBLIC FACILITIES FEES ORDINANCE, ADOPTED

Charlene Ping, County Administrator's Office, reviewed the information contained in the Agenda Submittal from her department dated April 27, 2004 incorporated herein by reference, regarding the annual update of the Public Facilities Fees.

Chairman Silva opened the public hearing. As there was no one who wished to speak on this matter, the public hearing was closed.

On motion of Supervisor Vasquez and seconded by Supervisor Kondylis, the Board acted to adopt Resolution No. 2004-069. So ordered by a vote of 4-0; Supervisor Kromm excused.

23C. ORDINANCE REGARDING USER FEES FOR COUNTY DEPARTMENTS AND OFFICES ADOPTED ON FIRST READING; SECOND READING SET FOR MAY 11, 2004

RESOLUTION NO 2004-070 ADOPTING REVISED FEE SCHEDULE FOR AGRICULTURE DEPARTMENT, ADOPTED

RESOLUTION NO 2004-071 ADOPTING REVISED FEE SCHEDULE FOR ASSESSOR/RECORDER/SCIPS, ADOPTED

RESOLUTION NO 2004-072 ADOPTING REVISED FEE SCHEDULE FOR ENVIRONMENTAL MANAGEMENT/HEALTH DIVISION, ADOPTED

RESOLUTION NO 2004-073 ADOPTING REVISED FEE SCHEDULE FOR ENVIRONMENTAL MANAGEMENT/PLANNING SERVICES DIVISION, ADOPTED

RESOLUTION NO 2004-074 ADOPTING REVISED FEE SCHEDULE FOR ENVIRONMENTAL MANAGEMENT/BUILDING AND SAFETY DIVISION, ADOPTED

RESOLUTION NO 2004-075 ADOPTING REVISED FEE SCHEDULE FOR ENVIRONMENTAL MANAGEMENT/ADMINISTRATIVE SERVICES, ADOPTED

RESOLUTION NO 2004-076 ADOPTING REVISED FEE SCHEDULE FOR TREASURER/TAX COLLECTOR/COUNTY CLERK, ADOPTED

RESOLUTION NO 2004-077 ADOPTING REVISED FEE SCHEDULE FOR TRANSPORTATION, ADOPTED

RESOLUTION NO 2004-078 ADOPTING REVISED FEE SCHEDULE FOR REGISTRAR OF VOTERS, ADOPTED

RESOLUTION NO 2004-079 ADOPTING REVISED FEE SCHEDULE FOR CLERK OF THE BOARD, ADOPTED

RESOLUTION NO 2004-080 ADOPTING REVISED FEE SCHEDULE FOR COUNTY COUNSEL, ADOPTED

RESOLUTION NO 2004-081 ADOPTING REVISED FEE SCHEDULE FOR COUNTY ADMINISTRATOR'S OFFICE, ADOPTED

RESOLUTION NO 2004-082 ADOPTING REVISED FEE SCHEDULE FOR HEALTH AND SOCIAL SERVICES, ADOPTED

RESOLUTION NO 2004-083 ADOPTING REVISED FEE SCHEDULE FOR PUBLIC DEFENDER, ADOPTED

RESOLUTION NO 2004-084 ADOPTING REVISED FEE SCHEDULE FOR SHERIFF, ADOPTED

RESOLUTION NO 2004-085 ADOPTING REVISED FEE SCHEDULE FOR PROBATION DEPARTMENT, ADOPTED

RESOLUTION NO 2004-086 ADOPTING REVISED FEE SCHEDULE FOR LIBRARY, ADOPTED

RESOLUTION NO 2004-087 ADOPTING REVISED FEE SCHEDULE FOR PARKS DIVISION OF GENERAL SERVICES, ADOPTED

RESOLUTION NO 2004-088 ADOPTING REVISED FEE SCHEDULE FOR ANIMAL CARE DIVISION OF GENERAL SERVICES, ADOPTED

On motion of Supervisor Vasquez and seconded by Supervisor Kondylis, the Board directed that the proposed ordinance be read by title only. So ordered by a vote of 4-0; Supervisor Kromm excused. The Board was provided with an Agenda Submittal from the County Administrative Office dated April 27, 2004, incorporated herein by reference, regarding increasing user fees for County Departments.

Chairman Silva opened the public hearing.

Donald Tipton, Vallejo, thought there had been a policy that fees had to be justified in order to charge the public, and voiced concern with the increase in the cost of the agenda to \$50 per month.

There was a brief discussion regarding automation of the agenda to make it available on the web site.

As there was no one further who wished to speak on this matter, the public hearing was closed.

There was a brief discussion on the current policy for annual incremental fee increases versus waiting a number of years thus resulting in large fee increases, and the nexus on the fee increases as relating to the Bay Area Consumer Price Index.

On motion of Supervisor Vasquez and seconded by Supervisor Kondylis, the Board acted to adopt the proposed Ordinance, and resolutions 2004-070 through 2004-088 adjusting departmental fees. So ordered by a vote of 5-0. (see Resolution Book)

24. RESOLUTION NO. 2004-089 ADOPTING FINDINGS ON INCREASE IN THE CRIMINAL JUSTICE ADMINISTRATION FEE FOR SOLANO COUNTY SHERIFF'S DEPARTMENT FOR FISCAL YEAR 2004/2005, ADOPTED

Chairman Silva opened the public hearing. As there was no one who wished to speak on this matter, the public hearing was closed.

The Board was provided with an Agenda Submittal from the Auditor/Controller dated April 27, 2004, incorporated herein by reference, regarding increasing the Criminal Justice Administrative (Booking) fee.

Responding to questions posed by Supervisor Kondylis regarding custody reports that show a large number of bookings by the Sheriff, Sheriff Stanton noted his department makes a lot of arrests through arrest warrants, and further outlined procedures to check for warrants when a person is remanded to custody and the types of arrests that are made.

Responding to questions posed by Supervisor Forney regarding increasing fees at this time, responding Assistant Simona Padilla-Scholtens noted 2/3rds of the increase in cost is due to salaries and benefits.

John Taylor, County Administrator's Office, discussed the booking fees over the last few years and

the factors affecting that amount.

There was a brief discussion regarding reimbursement of cities for booking fees by the State, various booking fees paid throughout the State, and the history of booking fees.

Responding to questions posed by Chairman Silva if the police chiefs had been notified, Mike Medvedoff, Sheriff's Office, noted in the past the data has been reviewed with the police departments, if they requested.

On motion of Supervisor Kondylis and seconded by Supervisor Vasquez, the Board acted to adopt Resolution No. 2004-089. So ordered by a vote of 4-0; Supervisor Kromm excused. (see Resolution Book)

25A. AMENDMENT TO PARTICIPATING COUNTY CONTRACT WITH THE COUNTY MEDICAL SERVICES PROGRAM GOVERNING BOARD (CMSP), APPROVED

FOURTH AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES WITH THE PARTNERSHIP HEALTHPLAN OF CALIFORNIA, APPROVED

The Board was provided with an Agenda Submittal from Health and Social Services dated April 27, 2004, incorporated herein by reference, regarding continuing the Managed Care Pilot Program through December 31, 2004.

On motion of Supervisor Kondylis and seconded by Supervisor Vasquez, the Board acted to approve the agreements with CMSP and Partnership HealthPlan to continue the County Medical Services Pilot Program. So ordered by a vote of 4-0; Supervisor Kromm excused.

25B. REPORT FROM THE TOBACCO MASTER SETTLEMENT ADVISORY BOARD ON THE PROGRESS OF THE HEALTH IMPROVEMENT INITIATIVES FOR HEALTH ACCESS AND REDUCING USE OF TOBACCO, ALCOHOL, AND DRUGS, RECEIVED

CONTRACT AMENDMENT WITH ASSESSMENT RESOURCES FOR PROFESSIONAL SERVICES, APPROVED

Marsha Jo, Project Manager Health and Social Services, reviewed the information contained in the Agenda Submittal from her department dated April 27, 2004, incorporated herein by reference, regarding the Tobacco Master Settlement Advisory Board on the progress of the Health Improvement Initiatives for Health Access and Reducing Use of Tobacco, Alcohol, and Drugs.

Supervisor Vasquez discussed participation by the cities and the positive results that are beginning to occur.

Ms. Jo noted the delicate work between the cities and the County, and continued the presentation relative to goals to have cessation services available in all cities.

Supervisor Kondylis discussed a study done by Kaiser Permanente finding a direct correlation of mistreatment as a child to serious diseases as an adult, finding addictions as a way to mask life traumas, and to see if there is a way to reduce the maltreatment of children in order to reduce addictions and serious illnesses later in life. Responding Ms. Jo discussed ways of updating the strategic plan with the most current information.

Supervisor Kondylis suggested looking for additional cooperation with the Prop 10 Commission, Child Protective Services and those types of strategies to find ways to ensure kids are not maltreated to begin with.

Supervisor Forney commended Ms. Jo for all the work she is doing with the cities to get the programs up and running.

Ms. Jo noted the excitement of the cities, the need to ensure the County is capturing data that is useful to ensure the strategies are working, and the need to stay flexible.

Donna Wopner, Chairwoman MSA Advisory Board, supports the CMSP program and the possible use of some of the MSA funds towards continuing the program in the short term, feels there is more fine tuning to the current program, discussed the effects of the State budget cuts on programs in the County and possible allocation of funds to help, ensuring the strategies are staffed and resourced appropriately and that the strategies are evaluated, and will communicate directly and clearly to the Board on the recommendations from the MSA Advisory Board.

On motion of Supervisor Forney and seconded by Supervisor Kondylis, the Board acted to receive the report from the Tobacco Master Settlement Advisory Board on the progress of the Health Improvement Initiatives for Health Access and Reducing Use of Tobacco, Alcohol, and Drugs and to approve a contract amendment with Assessment Resources to design the evaluation of the City Team activities. So ordered by a vote of 4-0; Supervisor Kromm excused.

26. PENSION OBLIGATION BONDS TO BE ISSUED FOR FY 2004

Chairman Silva noted Supervisor Forney and Supervisor Kromm are participating via teleconference. The Board was provided with an Agenda Submittal from the County Administrator's Office dated April 27, 2004, incorporated herein by reference, regarding Pension Obligation Bonds (POB).

Assistant County Administrator Darby Hayes presented a brief introduction to the item.

Rob Larkins, Lehman Brothers, presented a visual presentation dated April 27, 2004, incorporated herein by reference. Mr. Larkins began the presentation with the Overview of Pension funding Situation, After 3 Year Contribution Holiday, County has been Required to Resume Contributions, Contribution Rates for Safety Follow a Similar Pattern, After Market Run-up in the Late 1990s, CalPERS Experienced Significant Losses, 6/30/02 Funding Status: \$66.5 million Unfunded Liability, and County's Contribution Rates Are Projected to Increase.

Supervisor Kondylis posed questions regarding the liability for 2005, the amount going up, responding Mr. Larkins noted the liability used in the valuation to project the rates on page 6 for 2004-05 reflect the \$66 million unfunded liability, the \$66 million is essentially the balance on the unfunded liability and it will go up to approximately \$95.2 million or realistically about a \$100 million unfunded liability shortfall, with an annual repayment of about \$9 million. Peter Miller, Public Financial Management, noted if the PERS fund was to be in balance the County would need to put in \$66 million and the County would have the fund "in balance". Since the Solano County portion of the fund is not in balance PERS will charge the County the amount as a loan. The UAL line is what is being charged as well as the regular contribution to make up the difference and pay off what needs to be in the fund and what is available.

Mr. Larkins continued the presentation with the County's contribution Rates are Projected to Increase.

Supervisor Kondylis posed questions on the fees PERS will charge to make up the losses, Mr. Larkins noted if other counties paid PERS in full it would not have an effect on PERS. There was a discussion regarding PERS earnings projections.

Mr. Larkins continued with Contribution Rates Projection – Miscellaneous, Contribution Rates Projection – Safety, Mechanics of Pension funding, and Overview of Plan of Finance.

A short discussion followed regarding the savings the County could anticipate by doing the bonds. The presentation continued with Anticipated Budget Benefits of POBs, County May Issue up to \$60 million Variable Rate Securities.

Supervisor Kromm discussed the advantages of variable rate exposure, paying down the debt with any savings if PERS earns more than the 8 1/4%, and questioned what the risk is if PERS has bad earning years and we have variable rate debt, Mr. Larkins noted advantages of the variable rate for these tax bonds, how the rates closely follow prevailing taxable interest rates that generally move in sync with the economy, this will intentionally create a nexus relative to the cost of money and the investment opportunity.

Supervisor Kromm discussed the County investment portfolio that is closely tied to the variable rate market, posed questions on the connection of managing the variable debt and the investment pool to minimize the risk and maximize our returns, responding Mr. Larkins discussed the net variable rate exposure, and the favorable outlook of the ratio percentage the County has. This is a multidisciplinary approach the county is taking. Mr. Miller noted this is an asset/liability match, and discussed how one will affect the other as interest rates rise and fall.

Supervisor Kromm posed questions regarding expanding the Investment Advisory Committee, Mr. Hayes discussed returning to the Board with a recommended Policy of which the "Debt Advisory Committee" also be the "Pension Advisory Committee" to do an analysis of the PERS statements annually and make recommendations. Supervisor Kromm feels it is important to get consistent stable combined PERS rate, which includes debt service.

Mr. Larkins continued the presentation on page 13 - Annual Mode Auction Rate Securities, and Incorporating An Element of Variable Rate May Enhance Savings.

Supervisor Kromm discussed the \$10 million to \$12 million additional savings by using a mixture of variable rate debt services versus the 100% fixed rate debt services, Mr. Miller noted if a substantial part of the loan is variable it provides the County with flexibility to pay off some of the loan early. Supervisor Kromm suggested using the fix rate model for internal budgeting purposes, then any additional savings could be set aside to be used to pay down the debt as quickly and to maximize our assets that are invested.

Mr. Larkins discussed the variable rate options, and concluded the presentation with the Summary. Responding to questions posed by Supervisor Kondylis relative to the downside, Mr. Larkins feels if PERS can't earn at least 5 3/4% the County would then lose money.

Supervisor Kromm discussed the 15 to 20 year history of PERS earnings, and if the Board is comfortable that the PERS investment managers will earn a significant margin above what the cost of the debt is. If the County does nothing PERS will charge 8 ¼%, Mr. Larkins noted the 20 year average return for PERS is 10.56%.

Supervisor Kromm feels this is a good idea, PERS historically has been a well run pension plan with a healthy rate of return, feels PERS will do a good job if the County puts \$90 million into the PERS pot for investment purposes, the Treasury Advisory Committee/Debt Advisory Committee have done a good job of managing the County investments, the County has been a prudent borrower and have borrowed when the interest rates have been low, feels this is an opportune time to try this type of investment policy. We do need a good policy that ties in with the Treasury and the investment pool, and feels the County should have some kind of conservative internal PERS rate that includes the regular PERS rate plus our debt service rate, if the market is good we can create a new reserve pot for any of the additional savings that can go into or to look at paying down the debt, which would have to be reviewed each year depending on the market. Supervisor Kromm commended staff and the investment advisories for thinking creatively and taking opportunities when available.

Supervisor Forney agrees with taking advantage of the opportunity.

Supervisor Kondylis noted the County incurred this debt because PERS did not meet their investment goals, it will take 20 years to pay off this debt, and that PERS could incur another \$100 million in debt, Chairman Silva noted if there were several more bad years everyone would be in trouble.

Supervisor Vasquez noted we owe this debt already, with this loan we will have a secured loan, the benefit is we will pay a lower rate than what PERS would charge us.

Supervisor Kondylis posed questions regarding the debt we incurred over the last 3 years and the costs will go up anyway, how much of that is attributable to the new retirement package of 2.7% at 55, Mr. Hayes noted the 2.7 has had some affect on the debt, but the largest part is due to the bad market position, and noted the employees are paying a portion of the costs. County Administrator Michael Johnson noted the enhanced benefits are being paid for by the employees, the rates would have increased anyway, and that approximately 2.9% is being put in a trust account to pay against that increased rate.

On motion of Supervisor Vasquez and seconded by Supervisor Kromm, the Board acted to approve issuing up to \$100 million in a combination of 50% Fixed and 50% Variable Rate Bonds; to authorize the Chairman and County Administrator to sign all documents related to issuing the Bonds; to direct staff to provide the Board with policy for recommendations for managing the County's pension requirements and for repayment of the Bonds. So ordered by a vote of 5-0.

CLOSED SESSION - The Board moved into Closed Session at 3:08 p.m. to discuss Litigation: Solano County vs. Lionsgate matters. The Board moved out of Closed Session at 3:15 p.m.

COUNSEL TO INITIATE LITIGATION IN LIONSGATE VS. SOLANO COUNTY

Assistant County Counsel Wendy Getty noted by unanimous vote the Board took action to direct counsel to initiate litigation in Lionsgate vs. Solano County and gave direction pertaining to potential settlement discussions.

ADJOURN - This meeting of the Board of Supervisors adjourned in memory of John Sandlin at 3:18 p.m.

JOHN F. SILVA, Chairman

Maggie Jimenez
Clerk to the Board of Supervisors