

SAN BENITO COUNTY BOARD OF SUPERVISORS REGULAR MEETING MINUTES MAY 4, 2004

The Board of Supervisors of San Benito County met in the Board Chambers on the above date in regular session. Supervisors Loe, Scagliotti, Monaco, Kesler and Cruz were all present. Also present was County Administrative Officer Terrence May, County Counsel Karen Forcum and Senior Board Clerk Linda Churchill. Chairman Bob Cruz presided.

9:30 a.m. CALL TO ORDER:

- a) Pledge of Allegiance.
- b) *Upon motion duly made, seconded and carried, acknowledged Certificate of Posting.*

c) **Public Comment:** Barbara Nicora came forward. Ms. Nicora said she came as a member of the Senior's Council which has contracts in this county and in Santa Cruz County for a number of projects. The most services that are provided in this county are provided by Jovenas De Antano, Meals on Wheels, Ombudsman and many, many services that are directed at senior citizens. Ms. Nicora said she was also a member of the Long Term Care Commission. Ms. Nicora stated that these two groups have come together to offer the citizens of San Benito County the first County Health Fair called Spring Into Health which will take place on Thursday, May 13th between the hours of 10:00 a.m. and 4:00 p.m. at the Veterans' Memorial Building. Ms. Nicora noted that this fair was free to the public and it will offer information that is of special interest to senior citizens, their family and their friends.

Ms. Nicora announced that there would be health screenings and information booths along with speakers of all kinds. There are a number of local sponsors who have donated money to have this Fair and that is what has made it possible to make it free to everyone. Some of the health screenings will be vision, dental, hearing, blood pressure and one of the main things to be talked about at the Fair is medication management addressing the conflicts that sometimes occur between the many medications that senior citizens take. There will be a number of pharmacists present and if you bring in your medications they will take a look at all of them and advise persons if they see some sort of conflict that a person should talk to their doctor about. Ms. Nicora further announced that there would be four exercise programs present that are appropriate for senior citizens. Ms. Nicora noted that another issue that will be addressed is the Medi-Care Interim Drug Discount Card situation. This is a very confusing topic and a speaker will explain it in the afternoon.

Ms. Nicora invited everyone to attend and handed out fliers for distribution.

d) **Department Head Announcements:** Mandy Rose, Integrated Waste Management Director, came forward. Ms. Rose apologized for not having definitive numbers stating that there will be something placed in the newspaper announcing how much waste was taken in during the week of The Bulky Item Recycle Days event, which was held April 19th to April 25th. Ms. Rose said she could say for sure that we collected over three times the amount of waste as last year in recyclable items. Ms. Rose reported that over 1921 tires were taken in and there were 600 plus refrigerators, and over 900 plus stoves, dryers and washing machines and there were well over 1000 mattresses. Ms. Rose noted that since last year when we've had recycling for mattresses at the landfill, and based on the count, she believes that every citizen in this county (over 54,000) should have a new mattress by now.

Ms. Rose further reported that there was concrete, green waste and wood waste that was well in excess of 1000 times each for each.

Ms. Rose stated that there was one problem this year that they did not have last year. Noting that this event was for bulky and recyclable items any trash was charged at the regular rate so people

got creative and put trash into their washing machines, stoves, or dryers and because of that problem we heard from our metal recycler. We then requested a Deputy from the Sheriff's Office, and it seemed that after they gave everyone in line notice there were no more problems. Ms. Rose thanked the Sheriff for sending the Deputy at her request.

Ms. Rose ended by stating that based on the amount of support for this event they were considering moving this to a quarterly event and not for a whole week. It would be done one weekend a quarter so instead of seven days it would end up being eight full days.

Supervisor Kesler stated that one person had told her what a great idea this was and how helpful the people were and he very much appreciated the help.

Chairman Cruz stated that what we did was to prevent 700 refrigerators from being dumped into the San Benito River.

e) **Board Announcements, Introductions and Presentations:** Supervisor Monaco reported that he had gone to New Idria the previous day (May 3rd) where there was a clean-up of the refuse that was above the tailings pile that is ongoing. Supervisor Monaco said it should be finished in four or five days noting that they have done a tremendous job so far. Supervisor Monaco said that having been there prior to this clean-up, they have removed quite a bit of stuff at the level of about four truckloads of metal and scrap a day that has been taken out of there. Supervisor Monaco said this was way out in South County and most people haven't been up there but there has been a major problem of garbage and that has been cleaned up.

Ms. Rose added that this clean up was done under a grant from the California Integrated Waste Management Board and because the property still has a responsible party that property owner will be leined for the cost of the clean up.

Chairman Cruz asked if there was a dumping area for the people who live way up there in the "South 40" to dump and saving them time from coming all the way to Hollister? Do we have anywhere where they can actually dump?

Ms. Rose answered there were several areas used for dumping up there but they were not legal.

CONSENT AGENDA:

Upon motion duly made, seconded and carried, approved Consent Agenda Items 1 through 17.

AGRICULTURAL COMMISSIONER:

1) **Adopted RESOLUTION NO. 2004-29** Approving The Application For Funds For The AB2766 Motor Vehicle Emission Reduction Grant Program For The Low Pollution Agricultural Engines Demonstration Project. *File #1.1*

AUDITING:

2) **Approved** Departmental Claims.

CLERK OF THE BOARD:

3) **Approved** the minutes of the meeting of April 13, 2004 and April 27, 2004.

COMMUNITY SERVICES & WORKFORCE DEVELOPMENT:

4) **Adopted Resolution No. 2004-30** Authorizing Signing Authority For Workforce Investment Act (WIA) Documentation. *File #939*

COUNCIL OF GOVERNMENTS:

5) **Approved** Proclamation declaring May 2004 as "Clean Air Month" in San Benito County. *File #430*

6) **Approved** Proclamation declaring May 16-22, 2004 as "Bike Week" in San Benito County. *File #430*

COUNTY COUNSEL:

7) **Rejected** claim of Ronald Meeks filed with the clerk of the board on March 23, 2004 and directed clerk to notify claimant. *File #235*

8) **Rejected** claim of Sharon Lennartsson filed with the clerk of the board on March 23, 2004 and directed clerk to notify claimant. *File #235*

DEPARTMENT OF EMERGENCY SERVICES:

9) **Approved** Memorandum Of Understanding (MOU) between County of San Benito, San Benito County Water District, the Council of Governments and Hollister Hills re: recognizing the commitment and contribution toward a County Geographic Information System (GIS). *File #75.5*

DISTRICT ATTORNEY:

10) **Approved** request to transfer funds from Budget Unit #1001206 Line Item #6236 District Attorney to Budget Unit #1001209 Line Item #6235 County Counsel. *File #205*

HEALTH & HUMAN SERVICES AGENCY:

11) **Approved** agreement with Butte County re: MediCal Administrative Activities and Targeted Case Management (MAA / TCM) services with a contract term of July 1, 2003 through June 30, 2005. *File #130*

MENTAL HEALTH:

12) **Approved** amendment to the Local Mental Health Board Bylaws. *File #810*

PUBLIC WORKS:

13) **Approved** request to declare Probation Department vehicle as surplus equipment. *File #105*

14) **Approved** request to declare Sheriff Department vehicle as surplus equipment. *File #105*

SHERIFF:

15) **Approved** request to transfer funds from Trust Fund 4243109 to Sheriff's Patrol Operation Budget 1001210 Line Item 623602. *File #110*

SUBSTANCE ABUSE PROGRAM:

16) **Approved** amendment to Negotiated Net Amount (NAA) agreement with the California Department of Alcohol and Drug Programs decreasing the Fiscal Year 2003/2004 allocation by \$10,160. *File #1053*

17) **Approved** agreement with Paths Training, LLC for consultation and training re: violence and substance abuse prevention curriculum for Kindergarten through Third Grade children with a contract term of May 1, 2004 through June 30, 2004. *File #1053*

9:40 a.m. REGULAR AGENDA:

PROCLAMATIONS / RECOGNITIONS:

HEALTH & HUMAN SERVICES AGENCY - M. Coppola:

18) **Consider Proclamation declaring May as "Foster Parent Appreciation Month" in San Benito County and present Certificates of Appreciation acknowledging contributions of Foster Parents.**

Health & Human Service Agency Director Marilyn Coppola came forward. Ms. Coppola noted that May is Foster Parent Appreciation Month and this year the Child Welfare Commission and the Department of Health & Human Services decided that they would like to recognize some of our foster parents and ask the Board of Supervisors (BOS) to proclaim May as Foster Parent Appreciation Month in San Benito County. Ms. Coppola read the proposed Proclamation.

Ms. Coppola stated that foster parents are an extremely important part of our Child Welfare Program. We have a great need in our county for foster parents noting that the ones we have are wonderful but we need more. Ms. Coppola said that what happens is we get some really good foster parents who take children, and in many cases the foster parents have adopted these children, and then have no more slots to take more children so we really need more foster parents. This was something she wanted to convey to the community. Ms. Coppola said they were recruiting, noting this was a very difficult and challenging responsibility to take on, but it can be very rewarding and it can

really help children and their families. Many of the children go home and we need foster parents that will work with that process.

Ms. Coppola stated there were a couple of local foster parents that she would like to recognize and present them with Certificates of Appreciation. The first certificate was presented to Lisa and Hector Galvez who have had many foster children through their home throughout the years. Ms. Coppola said the Galvez's had over 23 children over the last few years. Some of have been long-term placements and some have only been for a day or two. Ms. Coppola noted that these people have been wonderful by opening up their homes and hearts to these children. Ms. Coppola presented a certificate to the Galvez's.

Ms. Coppola then presented a certificate to Jess and Mauricia Perez who also have had several foster children. Ms. Perez was unable to attend because she was home with the children. Ms. Coppola noted that the Perez's have actually adopted three foster children and they have continued to take other foster children. Ms. Coppola presented a certificate to Mr. Perez.

Supervisor Kesler made a motion to accept the Proclamation declaring May as Foster Parent Appreciation Month in San Benito County. Supervisor Monaco seconded the motion.

Under the question. Chairman Cruz thanked the foster parents for their good work and important responsibility.

Chairman Cruz called for the question.

The motion passed unanimously. File #430

HEALTH DEPARTMENT/ADMINISTRATIVE OFFICE:

19) **a) Presentation by CAO and County Health Officer re West Nile Virus Threat to San Benito County; and**

b) Consider Proclamation declaring "West Nile Virus Awareness Week".

County Administrative Officer Terrence May stated they wanted to present to the BOS and the community a report concerning the potential threat posed by the West Nile Virus and what the county is doing to gear up for that threat. There is also a proposed proclamation recognizing West Nile Virus Awareness Week. Mr. May reported that for those who may not be aware, the West Nile Virus has emerged in recent years in parts of Europe and since 1999 has been present in North America. Last year alone there were nearly 10,000 cases reported nationally resulting in over 260 deaths. Mr. May noted that the vast majority of people who become bitten by mosquitoes that carry this virus do not become ill but of those that do become ill they can contract meningitis and a very small percentage of people do die. So far the state that has been hardest hit has been Colorado. They have had over 2900 cases and West Nile Virus is slowly but surely making its way across North America from east to west.

Mr. May continued by reporting that so far in California the West Nile Virus has been detected in Southern California and three people have been infected by the virus and fortunately none have died. Mr. May stated that this is a virus that is carried by mosquitoes and it is transmitted across the country by birds that become carriers of the virus. Mr. May turned the discussion over to our County Health Officer, Liz Falade who was instrumental in bringing this issue to his attention; and, in turn we have formed a task force in order to monitor and provide surveillance of West Nile Virus in this county.

Liz Falade, County Health Officer, came forward. Dr. Falade reported that as Mr. May has said the West Nile Virus made its first appearance in the United States in 1999 and has been coming this way ever since. It is primarily a disease of birds but it is spread to humans and others via the bite of an infected mosquito, which carries the virus between the species. Dr. Falade stated that in California the first evidence we had that the disease was present was in 2002 and there was one human case in Southern California which was very strange because until 2003 there had been no evidence that birds or mosquitoes in this state were infected. We came to believe that the one case in 2002 was contracted elsewhere. However, in 2003 the disease did show up in birds and mosquitoes in Southern California and there were three human cases and one horse case. Dr. Falade said that this year we have had evidence in both Los Angeles and Ventura County that the virus is here again and there have been just some birds and mosquito pools tested positive in those counties. However, now that the pattern has been for the virus to establish itself in a given geographic region and then kind of

spread out from there and start by getting a foothold in the bird and mosquito populations and then begin transmissions to people, we expect that will happen more this year than it has in the past. We don't know how bad the epidemic will get this year. Dr. Falade noted that California has had several years to prepare for this however, and in counties where there are sentinel flocks of birds to test for the virus and dead bird surveillance that has been going on in the entire state for a couple of years. We feel that we have time to prepare and that perhaps the epidemic won't take the human toll here that it has taken elsewhere.

Dr. Falade continued by stating that there are many Mosquito Abatement Districts in the State of California and these are active in controlling mosquito populations and providing the human population in those areas with methods of controlling mosquitoes in their own back yards. Dr. Falade indicated that part of the reason she was present was to bring to the BOS's attention that this has been declared West Nile Virus Awareness Week in the State of California and you may see numerous press releases.

Dr. Falade said she had received an e-mail from Senator Barbara Boxer and the senator's web site is now almost completely dedicated to West Nile Virus. Dr. Falade said that Senator Boxer called our local Health Department a couple of weeks ago to find out what we were doing and asked if we had an abatement district and we filled her in on what it is we are doing.

Dr. Falade continued stating that because there is no specific treatment for West Nile Virus the main message for this disease is prevention and this is done in two ways:

- 1) By reducing the number of mosquitoes; and,
- 2) By reducing the number of mosquito bites.

Dr. Falade reported that the mosquito populations could be reduced in a number of ways stating that many decades ago there was aerial spraying for mosquitoes, which is really not the method of choice any longer. There are ways to kill the mosquitoes larvae at a stage where you don't have to do aerial spraying but can treat the water that they are growing in and part of the task of the West Nile group that Mr. May is assembling will be begin to look at areas in the county that may be breeding grounds for mosquitoes. We will look at ways to control them and look at ways to identify the kinds of mosquitoes that we have here. West Nile is carried by particular mosquitoes and perhaps we can begin a campaign of further education where people can be told where to obtain mosquito fish, larvicide's and things like that which they can do in their own back yards. In addition, for the last couple of years Public Health has been doing West Nile education through fliers, leaflets, and posting information on our Public Health website. We have done a lot of health alerts with the physicians and alerting them to symptoms to look for, who to test and where to send the specimens because it is not just any lab that would be able to test for West Nile Virus at this point.

Dr. Falade continued stating that they have alerted the public to reduce places where there may be standing waters in their backyard. Dr. Falade said she was glad that the extra tires mentioned by Mandy Rose were picked up because tires can accumulate water. There are many places to look in one's backyard to eliminate water because mosquitoes can breed in tiny amounts of water. They don't travel far but once they find a place to breed they can certainly do so in any small body of water.

Dr. Falade said they were also encouraging the public to limit their contact with mosquitoes by taking precautions in the early morning and late evening when mosquitoes are most active by using a product called Deet or by wearing long sleeves when you are out at those times of the day and by repairing screens on houses. One other thing is to report dead birds. This is an especially devastating disease to certain bird species such as crows, jays and ravens and the reason for reporting and submitting dead birds to the State for testing is that this will give us an idea if the disease has actually reached our area. Dr. Falade said that our Environmental Health Department has submitted several birds and none of them have tested positive in this part of California and no person, bird or horse or mosquitoes thus far have tested positive but we really haven't done a lot of testing. We anticipate that may change and we would like to be ready when things begin to happen here which is the purpose of the task force that will be meeting next week.

Chairman Cruz said he had read a week or so ago that in Alameda County they were asking people about their water fountains and whether they were leaving water in them and polluting it because it would cause a problem for breeding mosquitoes. They were asking people if they weren't

using their water fountains and not keeping the water clean then to just shut off the water completely and to drain it.

Dr. Falade said that if the water is running and moving all of the time it is less likely to attract breeding mosquitoes.

Supervisor Kesler made a motion to approve the proclamation declaring West Nile Virus Awareness Week in San Benito County. Supervisor Monaco seconded the motion. The motion passed unanimously.

Dr. Falade said that the media was a little ahead of this report today noting that the thing about Public Health is that people don't see what they do because they are treading water like mad and what you see above the surface is only a small fraction of what they are actually doing. But that is the nature of Public Health.

Dr. Falade handed out bookmarks pertaining to West Nile Virus prevention that were designed and prepared by the Public Health Department and titled "Fight the Bite". *File #420*

PLANNING DEPARTMENT:

20) Presentation by Bryan Lees, Benitoite Mining, Inc. of a benitoite specimen to the County of San Benito.

Fred Goodrich, Assistant Planning Director, came forward stating that he was going to talk briefly about benitoite. Mr. Goodrich said that he felt that anybody that resides in this county knows what benitoite is. Gem collectors worldwide covet benitoite. It has been about 100 years since benitoite was first discovered in the south part of our county and this is the only place in the world where you can find benitoite and gem quality benitoite. In 1985 benitoite was honored as the state mineral. Mr. Goodrich showed a couple of specimen pieces of benitoite. The mine is currently owned by the Benitoite Mining Company of Golden, Colorado. Their president, Bryan Lees, was surprised that there weren't any specimens here at the county and he graciously offered to provide specimens to the county. Mr. Goodrich stated that unfortunately the bad news was that Mr. Lees flew out from Colorado last night and went to visit the mine and he has had a vehicle breakdown, and as we know in that part of the county there are no service stations and repair shops, so he is in Coalinga having his car repaired. Mr. Lees apologized for not being able to be present and has requested that the BOS indulge him an opportunity to return at a later date, possibly some time in June or July.

Mr. Goodrich further stated that the specimens offered today are ones for the County's use and by way of apology Mr. Lees will be returning with additional specimens for the county at a future date. Specifically, Mr. Lees has indicated that he will be providing better specimen qualities and he is preparing display cases for exhibiting those and he will also be providing faceted gemstones as well. Mr. Goodrich said the county was getting a pretty good deal for him not showing up today. Mr. Goodrich passed the specimens around to the BOS for viewing stating that with that he was sure that when Mr. Lees has the opportunity to be present he would have some things to say about the mining operation and the benitoite.

Chairman Cruz stated that when Mr. Goodrich notified him of the matter coming before the BOS the thought of the county's display window at the State Capitol building came to mind. We just updated and re-decorated that window last year and there are two pieces of benitoite in the window that were donated by Kate Wood's family. Chairman Cruz said that in order to display these new donated specimens somewhere in the county we are going to have to make sure it is in a very secure place. Chairman Cruz said he thought that maybe we could put them in the display window at the State Capitol along with the pieces already there. Also, Chairman Cruz indicated that the artist who put our window together said it wouldn't cost very much to put a black light that would show off the benitoite at its best. Chairman Cruz said he was going to try to soften up his fellow supervisors to see if we could re-open the window and he was getting a price to see what it would cost to put these new pieces in along with the two pieces already in the window.

Chairman Cruz stated that he would bring this up at budget hearings and noted that there are just two mines and the only place you can ever see this type of mine is in San Benito County and nowhere else in the world and it is the state gem and its something we should be very proud of. It would be nice to have the only two companies represented at the State Capitol.

Chairman Cruz asked Mr. Goodrich to please thank Mr. Lees and to tell him that he could come back and re-visit this item at a later date. *File #790*

- 21) **Regarding General Plan Amendment and Zone Change - San Juan Oaks Golf Course:**
a) **Proposed resolutions certifying EIR, Adopting Mitigation Monitoring Report Program; Adopting Statement of Overriding Considerations and approval of General Plan Amendment; and**
b) **Proposed ordinance approving Zone Change**

Fred Goodrich, Assistant Planning Director, provided background information stating that at the BOS meeting on April 13, 2004 the San Juan Oaks project was reviewed and the BOS directed staff to prepare the appropriate ordinances and resolutions. There were conditions placed on the zone change and those conditions involve some payback agreements and things of that sort. Mr. Goodrich indicated that staff and County Counsel were still working on those and are almost done but need a week's continuance to have the proper ordinance and resolutions before the BOS. Mr. Goodrich requested that this item be re-considered on May 11, 2004, which is the next meeting.

Supervisor Loe made a motion to continue the item to the May 11, 2004 meeting as requested. Supervisor Scagliotti seconded the motion.

The motion passed unanimously. File #790

BOARD BUDGET COMMITTEE REPORT (Supervisors Scagliotti and Loe):

- 22) **Presentation by Board Budget Committee**
a) **Consider Draft Budget Policies to guide the CAO and Board in balancing the FY 2004-2005 Budget and to ensure the County's Long-Term Financial Integrity; and**
b) **Continue further consideration of this item to May 11, 2004.**

County Administrative Officer Terrence May stated that he would like to have Supervisors Loe and Scagliotti talk about the meetings that they have had to discuss the \$4 million budget shortfall going into Fiscal Year 2004/2005 and some of the budget principles, or policies, that have been discussed as a way of closing the budget gap. Mr. May said this really represents a starting point of what will be a series of discussions and a more in depth look at the budget. Mr. May turned the item over to the Budget Committee stating they have been very diligent in reviewing the budget and coming to some very tough decisions about what we can do to try to balance revenues and expenditures next year.

Supervisor Loe stated that basically what they have brought forth today is just the general policies that they have been looking at and this was our starting point. Supervisor Loe said they know they have to whittle away \$4 million and what we have to be very careful about is the amount of money that we do have in reserve because we believe that reserve is going to have to take us over a three-year period. This is not just a one-year shortfall. Supervisor Loe said they have to make the cuts now so in moving forward we will have reserves left to carry us another three years. We know that the ERAF shift is going to last for at least two years and that is over \$800,000. Supervisor Loe indicated that they would coming forward at the next meeting with actual numbers and where they feel would be the best places to make the cuts. We will put that out to the public to look at and put it out to the rest of the Board to look at and then it will be cut and paste. Everybody can look at it and decide what is the best way to go and everybody will have a chance for input, but the cuts have got to be made this year because moving forward is only going to get worse.

Chairman Cruz said that in layman's terms we are going to have a shortfall and so what the committee is doing, and we are looking to do, is to start making those cuts now for the next two years. You could say that there is money now and go ahead and use it but then sooner or later we would not have it.

Supervisor Loe emphasized that we have to make sure that the reserves last.

Supervisor Scagliotti stated that in layman's terms, what we are proposing here are cuts, and yes the shortfall was a lot more severe than anticipated with the ERAF shift and some other revenue shortfalls. So in order for us to maintain a level of service at status quo, we are going to have to make these cuts or the reserves won't last. Supervisor Scagliotti stated that of course a lot of this is going

to hinge on the economy and when the ERAF shift sunsets like it is being proposed then you'll have \$832,000 or \$900,000 back in the budget but the annual shortfall is approximately \$3 million.

Supervisor Scagliotti said this is a number that we are going to have to deal with and it could be a lot more than that and that is all going to hinge again on the ending balances and if higher revenues are actually projected to arrive at the end of the year. Supervisor Scagliotti said that the picture here is very bleak and he himself sat here and said he didn't want to lay anybody off but the proposals that we are making are going to be in areas where there is no work and where there are shortfalls of state and federal funding where there is no workload. Those are the areas that we are going to recommend that we look at for cuts to be made. Of course, what we are looking at here are all discretionary and those are the first things that will be looked at. Supervisor Scagliotti said the mandatory stuff is pretty hard to make cuts to save more money because it is state and federally funded so we are saving dollars and this saves people.

Supervisor Loe noted that another thing they were very concerned about is, and obviously there are two ways to do this, and that is that we can also bring in additional income and we have to start to look at that. Are there fees that we can raise? We want to keep the level of service but we have to make sure that we are getting paid to keep that level too. Supervisor Loe stated that the fees have got to stay.

Supervisor Scagliotti stated that the hard line has to be put out there and that is if we were to do nothing and backfilled with the reserves at 100% we would be out of money in probably two years and looking at a 50% reduction in the General Fund.

Mr. May agreed stating that was true and we cannot rely on depleting our reserves as a long-term strategy for getting out of the budget mess. We need to reduce our overall costs. Mr. May said that the longer we put off doing something the worse it gets.

Supervisor Scagliotti noted that in the proposals that the Budget Committee is asking to be looked at the policies would be setting aside a reserve amount for a natural disaster or other unanticipated disasters. We need that money to be set aside. The money they are talking about is two different pots of money. One is a reserve to be used to backfill and one reserve to be untouched for whatever type of disaster comes along. Supervisor Scagliotti said we have gone through this two or three times with the 1989 Loma Prieta Earthquake and the 1995 and 1998 floods which devastated South County and the earthquake that devastated everybody. Supervisor Scagliotti said that the costs, which we are told are federally funded, you have to have the money up front and you always end up \$2 million to \$3 million short at the end. The floods cost this county \$5 million to \$6 million when it was all said and done.

Mr. May said that not all of the money from the losses that we sustain in an earthquake or a flood will be recovered from the federal and state government simply because of the very stringent requirements and red tape that are imposed on cost recovery. Furthermore it takes a period of years to recover that money. It doesn't come back overnight. Mr. May said it is important that we set aside a long term reserve that we have available for major emergencies or natural disasters and that we don't touch those funds to offset the day to day cost of the operation of government.

Supervisor Kesler stated that as she had said the previous week the state budget is not completed yet and it would not surprise her too much if we get hit again.

Mr. May said that was a very good point because as he previously said the \$4 million shortfall that we are looking at going into Fiscal Year 2004/2005 is likely to be a moving target depending on what happens with the budget decisions in Sacramento. Mr. May said he suspects that there could be some fairly deep cuts made to State funded programs which could make our deficit even larger.

Supervisor Scagliotti stated that one thing that needs to be clarified with regards to the \$4 million is a proposed number. There is a difference between what they ask for and what they receive and that is the number that the CAO's office is using and this is what the department heads proposed for this fiscal year budget. So they have already given an indication and they can ask for whatever they want, but, most likely you are not going to get it and in this case there is in excess of what last year's proposed budget was. So that number has to come down.

Mr. May explained that in fiscal year 2003/2004 the Services and Supplies were budgeted at about \$5.1 million. The request amount for that group of line items in fiscal year 2004/2005 is about

\$5.8 million, which is a net increase of about \$700,000. So one measure that the Budget Committee is considering is to hold the line for expenditures in the various services and supplies accounts at the accrued 2003/04 level. Mr. May noted that services and supplies refer to all of the overhead and materials expenses in connection with the operation of county departments. These are such things as office expenses, maintenance of equipment, rent of facilities, communications, phone bills and a whole host of other things including professional and specialized services.

Chairman Cruz stated that in his eight years on the BOS this is the toughest budget year he has seen and when you look around and read the newspaper and look at the news every day – even our next door neighbors, Monterey County, is in deep trouble and Santa Cruz County is right there and Santa Clara County is looking at big layoffs. This will be a very tough budget year and the BOS will not be very popular but it is something that this BOS is looking forward to see what can be done for the next two, three or four years down the road. This is what has to be done to survive in today's economy.

Mr. May stated that we will have figures at the next meeting and in the meantime he will be meeting with the Budget Committee and they will have more information to report and as time goes on.

Chairman Cruz said of course Mr. May was talking about all department heads, elected officials and where they will be hit, how they will be hit if any and he will be working with them now.

Mr. May emphasized that as bad as things may look here we are fortunate in that in comparison to many other cities and counties, San Benito County is in much better shape because of frugal spending by department heads and the wise investment of surplus funds by this BOS in previous years by socking away money into reserves. So while we have some very difficult problems to deal with here, we are relatively better off because this BOS has very well positioned the County to weather this storm.

Mr. May continued by stating that it goes without saying that we will have to make some very painful decisions in order to bring our spending in line with revenues and until the State economy recovers, and the State is able to get its own financial house in order, the local governments are going to be adversely impacted by decisions in Sacramento. Unfortunately, because we rely on somewhere between 3/5 and 2/3 of our funding from the State that makes us especially vulnerable and many of the programs that we provide, and much of the money that we spend, goes to state-mandated programs over which the BOS has either very little discretion, or no discretion at all, over the level of service provided. And, yet we are required by state law and court decisions to maintain those services so the BOS is in a very difficult position as are other boards across the state. Mr. May reiterated that relatively speaking we are in a better position financially than many other counties. *File #865*

10:00 a.m. CLOSED SESSION AGENDA:

- 23) **Conference with Legal Counsel - Anticipated Litigation**
 - a) Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9. Number of cases: **3**
All three cases were withdrawn by County Counsel.
 - b) Initiation of litigation pursuant to subdivision (c) of Government code Section 54956.9. Number of cases: **3**
All three cases were withdrawn by County Counsel.

- 24) **Conference with Legal Counsel - Existing Litigation**
 - a) Sandman vs. County of San Benito
No reportable action.
 - b) Monteon vs. Richard Scagliotti, San Benito County Board of Supervisors, San Benito County Financing Corporation, et al.
No reportable action.
 - c) California Farm Bureau Federation, et al. vs. California Department of Forestry

and Fire Protection, et al.

No reportable action.

d) Niva vs. County of San Benito

County Counsel Karen Forcum reported that this case was dismissed. File #235.6

25) **Conference with Labor Negotiators:**

Agency Designated Representatives: Elizabeth Brown, Human Resources Director &
Daniel Vrtis, Finance Director

Employee Organization: General Unit - SEIU, Local 817

No reportable action. File #235.6

The vote of each member of the Board of Supervisors upon each matter at the foregoing meeting, unless otherwise stated, was as follows:

AYES: SUPERVISORS: P. Loe, R. Scagliotti, R. Monaco, R. Kesler, B. Cruz

NOES: SUPERVISORS: None

ABSENT: SUPERVISORS: None

There being no further business the Board adjourned to its next regularly scheduled meeting on Tuesday, May 11, 2004 at 9:30 a.m.

BOB CRUZ, CHAIRMAN

San Benito county Board of Supervisors

ATTEST:

John R. Hodges

Clerk of the Board

BY:

Linda Churchill

Senior Board Clerk