



SAN BENITO COUNTY BOARD OF SUPERVISORS

Margie Barrios
District No. 1

Anthony Botelho
District No. 2
Vice-Chair

Robert Rivas
District No. 3

Jerry Muenzer
District No. 4

Jaime De La Cruz
District No. 5
Chair

County Administration Building – Board of Supervisors Chambers, 481 Fourth Street, Hollister, California

SPECIAL MEETING MAY 8, 2012 ACTION MINUTES

The Board of Supervisors of San Benito County met in the Board Chambers on the above date in *special session*. Supervisors Botelho, Rivas, Muenzer, Barrios and De La Cruz were present. Also present was County Administrative Officer Rich Inman, County Counsel Matt Granger and Clerk of the Board Denise Thome. Chairman De La Cruz presided.

9:00 a.m. CALL TO ORDER:

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

CONSENT AGENDA:

*Upon motion duly made by Supervisor Rivas and seconded by Supervisor Barrios, **approved** Consent Agenda items with the exception of Item #1 which was pulled for discussion (Unanimous)*

COUNTY ADMINISTRATION OFFICE – R. Inman:

- 1) **Approve the re-payment of the cash advance of \$738,200 from Health & Human Services Fund to the General Fund, to be transacted on or before June 30, 2012.**

Hollister resident Marvin Jones felt that allowing an interest free loan to the Health and Human Services Fund from 2002 through 2012 was a little long.

*Upon motion duly made by Supervisor Rivas and seconded by Supervisor Barrios, **approved** the re-payment of the cash advance of \$738,200 from Health & Human Services Fund to the General Fund, to be transacted on or before June 30, 2012. (Unanimous) File #119*

SHERIFF'S DEPARTMENT – D. Thompson:

- 2) **Approved** Memorandum of Agreement with the County of San Benito and the City of Hollister agreeing to allocate the 2012 Byrne Justice Assistance Grant (JAG) award funds be distributed to the City of Hollister in the amount of \$13,142. *File #110*

REGULAR AGENDA:

COUNTY ADMINISTRATION OFFICE – R. Inman:

- 3) **Authorize the County Administrative Officer to issue notices of lay-offs, if necessary, to those classifications identified in Attachment A; and action and/or direction concerning budgetary issues.**

County Administrative Officer Rich Inman gave a staff report and a PowerPoint presentation indicating a 5.1 million dollar deficit for 2012/13. He reported that the unrepresented employees had stepped up to the plate and far exceeded any other organization in concessions with furloughs, steps frozen, paying 4% of PERS and vacation caps. He stated that the Management Employee Group (MEG) would have no furloughs and steps would be unfrozen effective July 1, 2012. In addition the Deputy Sheriff's Association (DSA) would have no furloughs and steps would be unfrozen effective July 1, 2012. In addition the DSA will have a 2.5% pay increase effective October 1, 2012. He added that they had been unsuccessful in meeting with both groups. CAO Inman stated that not all departments had met their goal in cutting budget costs for 2012/13. He noted that the Public Works Department pays the electricity bill for all departments and if they were cut it would just shift the burden to all other departments. CAO Inman indicated that there was a correction to the library and that they were not laying off 1 fte position but instead were actually laying off 2 half time positions.

District Attorney Candace Hooper gave a PowerPoint presentation and recommended that the Board look at each department individually and not use the blanket approach.

Sheriff Darren Thompson gave a PowerPoint presentation and handed out the 2011 Annual Report Overview.

Chief Probation Officer Brent Cardall gave a rundown of what the Probation Department has done. He commented that if you looked at previous years and concessions, Probation has given the most. He advised that they needed to look at mandates because if the County does not provide they can be sued. He felt the probation Department had taken the biggest hit.

Discussion ensued between Supervisors and staff.

County Counsel Matt Granger stated that they were currently under a 28% reduction in their staff and if the layoffs go through they would be at a 42% reduction. He indicated if the layoffs go through there would be a reduction of services and response time.

Supervisor Barrios, speaking as a member of the ad hoc budget committee, asked if the percentages across the board were the way the supervisors wanted to go. She felt they should decide and weigh public safety against administrative services. She further felt that every department should bring forth a cost savings plan.

Supervisor Rivas reported that the budget committee still had some departments to meet with. He felt that proportional cuts regarding budgets were ineffective. He stated that they were working hard to reduce the number of layoffs they would have to make.

CAO Inman noted that he had also mentioned revenue generation to department heads besides layoffs.

The Board adjourned at 10:15 a.m. for a break and reconvened into special session at 10:28 a.m.

Supervisor Barrios indicated that the budget committee would still continue meeting with Department Heads.

County Assessor Tom Slavich indicated that currently they had 14 fte positions and if the layoffs went through it would put them back to staffing levels in 1960. He felt OPEB was the root of the problem. He stated that without clerks they would probably have to cut office hours.

Librarian Nora Conte thanked the Board for their thoroughness and answered questions from the Board.

Clerk-Auditor-Recorder Joe Paul Gonzalez spoke of the positions in his office that were scheduled for layoff, which would leave 6.5 people in the Auditor's office. He suggested looking at how they could cut a little smarter and noted how the OPEB obligation had grown.

Discussion regarding OPEB ensued between the Board and staff.

Management Analyst Jack Credico spoke of the contractual obligation to retirees under public employment retirement law. She stated that each year they increase the contractual agreement to retirees and current employees. She noted that they have to be comparable benefits. She noted that they could make changes for future employees with a tier schedule for example.

CAO Inman advised that if they wanted to talk about cutting benefits they needed to refer it to staff to check into as this was not the appropriate forum to discuss the matter.

San Benito County Deputy Sheriff's Association (DSA) president Adam Lobdell stated that the DSA supported Sheriff Thompson, his presentation and his position. He stated that operating at minimal with staffing cuts would be disastrous.

S.E.I.U. Local 521 Internal Organizer Henry Soria stated that the worker to management ratio will only continue to increase. He felt that vehicle stipends should be considered as they could save a job. He stated that they requested to meet with the County in March 2012 but received no response. He stated that the general unit employees request that the Board table the action and review the matter. Mr. Soria further stated that they were demanding a hearing for the Office Assistant III position in Probation and the Office Assistant II position in Gang Prevention.

Hollister resident Marty Richman spoke of the OPEB obligation. He noted that San Benito County was one of the lowest ratios of sales tax of any county.

Deputy County Counsel Shirley Murphy expressed support of County Counsel Matt Granger. She spoke of the historical perspective of the office in regards to staffing. She asked the Board to consider their past and present good behavior to contain costs.

Friends of the Library Board member Mary Schneider spoke of a county resident that was home schooling their child because he felt the schools were not providing a quality education. She indicated that the library outreach was finding themselves in a reactionary position.

Friends of the Library Treasurer Harriet Brin stated that their aim was to help people in the community with the literacy program. She noted that the library was not just a repository of books, but was resources and programs.

Chair De La Cruz closed public comment.

Supervisor Barrios recommended that they start with policies and perhaps add to it. She suggested that they consider general fund department balances and keep savings in their budget for the following year. She felt it was incentive for the departments.

Supervisor Rivas asked clarification that it would only be departments within the general fund.

Supervisor Barrios affirmed only departments within the general fund.

Supervisor Botelho expressed concern with the possibility of overestimating budgets to have a balance at the end.

Discussion was had regarding proposed 2012-2013 budget policies.

Supervisor Barrios asked staff for the prudent reserve amount for the future budget meeting. She asked if notification by CAO of any recruitment would be before a decision is made.

CAO Inman noted that he intended to authorize hiring in juvenile hall and had not intended to notify the Board before. He stated that he could tell them at a Board meeting under announcements.

Upon motion duly made by Supervisor Rivas and seconded by Supervisor Barrios, accepted the list of 2012-2013 budget policies. (Unanimous)

Supervisor Botelho stated that he had a hard time making a decision to take the course of layoffs without the numbers in front of him. He indicated that for the sake of transparency he would like to hear from the budget committee what they ruled out and felt this was a premature action. He added that he would like to explore other options such as office closures and extending furloughs. He asked why other cost saving measures had been ruled out.

Supervisor Barrios stated that nothing had been ruled out by the budget committee. She stated that she asked that the auto benefit be brought back and she had not seen it yet. She added the travel reimbursement policy.

CAO Inman indicated that he was working on it and would have a report coming.

Supervisor Barrios noted that big ticket items were meet and confer items.

Supervisor Rivas indicated that they hadn't ruled out anything and it was the intent of the budget committee to bring something to the Board. He added that the committee would meet with department heads and bargaining units a second time. He anticipated having information by the time of the hearings.

CAO Inman noted that furloughs were already in place for all except Management Employee Group (MEG) and Deputy Sheriff's Association (DSA).

Supervisor Botelho stated that he was more comfortable coming back with full packages instead of piece meal.

Supervisor Muenzer expressed being troubled by the idea of the notices. He felt they should direct the CAO and budget committee to look toward exploring OPEB liability and how much it would cost to have someone advise them. He further suggested directing staff to look into grant writers to assist the county.

Chair De La Cruz felt it was an emotional roller coaster to do layoffs and retract. He suggested giving the staff and budget committee a few weeks to work on it.

Discussion ensued about the possibility of a special meeting for budget and supervisors' availability.

CAO Inman alerted the Board that the four million dollar hole would not be filled without layoffs.

Upon motion duly made by Supervisor Barrios and seconded by Supervisor Rivas moved to set a special meeting for May 22, 2012 at 6:00 p.m. (Unanimous) File #119

The Board adjourned at 11:58 a.m. to the evening session and reconvened at 6:00 p.m.

ADJOURN TO TUESDAY, MAY 8, 2012 AT 6:00 P.M.

EVENING SESSION 6:00 p.m.

REGULAR AGENDA:

COUNTY ADMINISTRATION OFFICE– R. Inman:

- 4) **Approve contract with the City of Hollister to provide Fire Protection Services for the County of San Benito with a term to begin July 1, 2012 through June 30, 2015, at an amount not to exceed \$3,396,018.**

Chair De La Cruz went over the ground rules for public comment including a 3 minute time allowance, speaking of the contract only and no repetitive information.

Management Analyst Margie Riopel gave a staff report. She noted that there had been a correction of a typo and removal of an extra sentence on page 3 of attachment A. She added that the Board had received copies of the revised page and copies were also provided for the public. Ms. Riopel went on to read through the proposed contract.

Supervisor Muenzer asked if it was correct that out of the 30 full time paid professionals, that would be City of Hollister staff plus the ones that are manning the County engines.

Ms. Riopel asked for clarification of the question.

Supervisor Muenzer asked if the 30 full time paid professionals were going to be on the City engine plus the County engine.

Ms. Riopel felt there was a misconception and explained that this was a consolidated fire agreement. She added that there were a total of 30 staff members. She stated that it was not an engine for the City and an engine for the County.

Supervisor Muenzer stated that was the first time he had ever heard that. He added that was not what he told the public. He repeated that was the first time he had heard that.

Ms. Riopel asked if Supervisor Muenzer didn't think it was a consolidated fire contract.

Supervisor Muenzer stated this was the first time he had heard that it was a consolidated fire contract. He indicated that he thought it was going to be a County engine staffed by City personnel.

City of Hollister Fire Chief Fred Chesire explained that they would be staffing three engines with Hollister fire personnel and response into the county could come from either the downtown station or station 2. He further explained that there would be county fire apparatus distributed between the two stations so

it could be either city or county apparatus responding into any portion of the city or county.

Supervisor Muenzer stated that he was under the impression that 9311 was still going to be a county company manned by city personnel. He indicated 9311 was the county fire engine sitting at the Fairview station.

Chief Chesire stated that the county would maintain ownership of that vehicle and the city would provide staffing.

Supervisor Muenzer stated that the CAO told him that mutual aid would allow them to move vehicles back and forth as they needed. He indicated that he was misinformed.

Ms. Riopel continued reading the contract.

Chairman De La Cruz asked about staffing levels if the Measure T were not to pass.

Ms. Riopel stated that it would not be any less than what we have now.

Supervisor Barrios noted that currently there were 23 fire staff to cover just the unincorporated area and if the austerity plan went into place that same number of staff, 23, would cover the city and county areas.

Ms. Riopel stated that there was some economy of scale with the proposal. She indicated that the county responds to 1,018 calls per year which was 3 a day. She further indicated that the city has 1,800 calls per year and with the county would total roughly 2,800 calls a year with two fire stations to handle. Ms. Riopel summarized by stating that she saw this as a great opportunity to consolidate with the City of Hollister and provide for better response time and coverage. She noted that last year in South County there were only 77 responses and Cal Fire will still have a presence in the county as they are mandated to cover SRA and wild land areas from May to December.

There was a consensus by the Board to hear public comment first.

The Chair opened public comment.

Those speaking under public comment were; Richard Pitschka, Sandra Davidson, Liz Chandler, Jack Clark, Mike Martin, Jesse Garza, Greg Swett, Andy Moore, Marty Richman and Pete Roybal.

Chair De La Cruz closed the public comment section.

Supervisor Barrios thanked Ms. Riopel for working so hard on getting the contract done. She noted that she had spoken to Ms. Riopel the previous day and got a lot of her questions answered. She proceeded to bring up 11 more questions on the contract to be answered by the Chief.

Hollister Fire Chief Fred Chesire proceeded to answer Supervisor Barrios' 11 questions. City of Hollister Manager Clint Quilter also helped answer some of the questions.

The Board adjourned at 7:17 p.m. for a break and reconvened at 7:24 p.m. into special session.

Further discussion ensued between Board, staff and Fire Chief Chesire.

Supervisor Rivas thanked everyone for their comments. He stated that he didn't make his decision lightly noting that he had done all that he could do to conduct a complete analysis of the issue. He spoke of all the different entities and individuals he had spoken to. Supervisor Rivas reminded everyone that his primary responsibility was to the County of San Benito. He indicated that he has very grave concerns about the financial health and management of the City of Hollister, which was a city teetering on the brink of financial disaster. He stated that he served on the committee that passed Measure T five years ago. He

indicated that his family took the leading role to make sure Measure T was passed. He added that his brother volunteered his time to run the campaign. He stated that he was assured by the City that resources raised from Measure T would be used for fire and police protection. He commented that after the passage of Measure T he hoped the City would reign in spending and get its financial house in order which unfortunately did not happen. He expressed reservations about the capacity of Hollister Fire being able to maintain the same level of service that is currently provided to rural residents. Supervisor Rivas stated that there was a real chance that the tax extension will fail. He asked, "what then?". He reminded that just over a year ago the City asked to be released from the 911 binding contract forcing the County to shut down the department. He indicated that this decision sent nearly two dozen local jobs to Santa Cruz. He noted that soon after that San Benito County leaders broached the topic of a law enforcement consolidation with the City of Hollister. He added the City quickly shot it down, although they would benefit from a stronger local police force. He noted a pattern of no negotiation and city officials willing to take but unwilling to give. He spoke of the county's relationship with Cal Fire for over half a century. Supervisor Rivas felt the risks far outweighed the potential of any type of benefits. He apologized to the Hollister Fire Department and their firefighters who do outstanding work for the city. He felt they were caught in the crosshairs of the poor management of the City of Hollister. He commented that for their sake and the sake of our entire county, city and community, he hoped the City will make drastic changes quickly to avoid financial collapse. Supervisor Rivas stated that for these reasons he could not support the contract and he would support a twelve month extension with Cal Fire.

Supervisor Botelho asked Ms. Riopel what the cost would be to continue the contract as we are.

Chair De La Cruz asked, in fairness, if a representative from Cal Fire would like to respond to Supervisor Barrios' questions.

There was an affirmative reply from the audience.

Chair De La Cruz asked Ms. Riopel to answer Supervisor Botelho's question and then he would allow Cal Fire to respond.

Ms. Riopel handed out a sheet with the cost comparisons to continue. She went through the handout and stated that the net county cost to continue for with Cal Fire would be \$481,624 and \$198,715 to go with the City of Hollister. She added that these were estimates based on the property tax being collected now. Ms. Riopel reflected that the Cal Fire contract was much higher and given the budget shortfall discussed in the morning meeting she felt the Board should know this information.

Cal Fire Chief Rick Hutchinson stated that the cost to continue into the New Year with the updated benefit rates would be approximately one million dollars to continue as is. He explained the three options previously presented.

Ms. Riopel asked what the difference was from the one million dollar contract just stated and the 1.381 million dollar contract proposed previously.

Chief Hutchinson stated that there was no difference, just one of the three options presented to the Board.

Supervisor Botelho asked for clarification that there was a fourth option to continue as is.

Chief Hutchinson stated that to continue with what they currently have would be 1 million. He explained that options 1, 2 and 3 would cost 1.1 million through 1.38 million.

Supervisor Botelho stated that issues were raised a few months ago and asked if there were still issues that need to be resolved if for some reason the Board changed its direction. He defined the issues as concerns with the relationship with San Juan Fire as well as code enforcement.

Chief Hutchinson admitted that they would still have to address those. He indicated that they could even use the road map developed with the Hollister proposal.

Supervisor Barrios asked if Cal Fire could come up and give their take on the eleven questions she asked previously if they were prepared to do so.

Chief Hutchinson responded to the eleven questions.

Supervisor Muenzer moved to continue the contract for one year with Cal Fire so they could study the whole consolidation aspect further.

Supervisor Rivas asked if the maker of the motion would make some amendments.

Supervisor Muenzer stated that he wanted to hear them.

Supervisor Rivas stated that he would like the motion to deny the current contract and that the issue move to a fire committee, a new one, to study the fire issue throughout the entire county, with all agencies involved, to return one year from now with a new contract or findings from the committee.

Chair De La Cruz asked Supervisor Muenzer if he would accept the amendments.

Supervisor Muenzer replied no but that he would let his motion die for lack of a second.

Supervisor Barrios seconded Supervisor Muenzer's motion for sake of conversation to be able to continue discussing it.

Supervisor Botelho asked what the net county cost was if they continued the current contract.

Ms. Riopel explained that normally when they continued the contract each year with Cal Fire, they bring forward an amount. She stated that she was not sure that they received that amount for a Cal Fire year round contract. She indicated that she did not have the million dollar number quoted by Chief Hutchinson. She felt they needed a contract in front of them to make that decision.

Supervisor Botelho asked Chief Hutchinson if he was saying that it was one million dollars without having anything in writing. He asked if that was his word.

Chief Hutchinson answered that he felt it was part of the budget process and numbers were submitted which included the Cal Fire costs. He stated that he would have to reference the exact estimated costs, but based on where the current number is and what the updated rates are, it was in that one million neighborhood. He added they would have to define the specifics with that.

Chair De La Cruz asked if Cal Fire could provide that number if they took a short break.

County Counsel Matt Granger advised the Board to remember what was on the agenda that night, which was the approval or denial of the contract with the City of Hollister. He indicated that they could compare and contrast information from Cal Fire but it seemed they were now getting into specifics

about what a Cal Fire contract would include and that would be better for another day after it has been agendized.

CAO Inman stated that if they denied the Hollister contract they could agendize the issue for May 15th.

Supervisor Botelho indicated that he was still leaning towards the contract with the City of Hollister but that Supervisor Barrios brought up some good points as far as what should also be included within the contract. He felt they could incorporate those points into the contract. He referred to Supervisor Muenzer's concerns regarding having in writing the shift staffing. Supervisor Botelho felt that should be incorporated within the 3 year term contract. He asked if they worked on the draft contract with those changes if they would still consider it or throw out the Hollister proposal altogether and wait for a new proposal from Cal Fire. He noted that there was still the issue that Chief Hutchinson spoke of which was the concern of working with the City of San Juan Bautista, which was an integral part of fire protection in the west part of the county. He noted that they needed to be concerned with the austerity plan, which would have a profound effect on their agreement with the City of Hollister. He indicated that nothing would change with Cal Fire coverage unless they went with the Amador plan which would cost more money. He stated that the fire program can't cost more money and they needed to protect the most people with the resources we have. Supervisor Botelho stated that he was all for incorporating some language if they were going to move forward with the city. He indicated if not, they needed to spend a few hours to figure out how many other people would be put in jeopardy, if they didn't combine resources.

Supervisor Muenzer stated that the intent with his motion was not to throw the contract with the City of Hollister out, but that it was pointed out that there were too many variables and too many unknowns to make a decision tonight. He indicated that they were coming up on a deadline that was only a month and a half away and they needed some breathing room. He explained that was the reason he did not accept Supervisor Rivas's amendment. He stated that he did not want to throw this contract out necessarily, but that more time was needed to study and bring Cal Fire and San Juan into the equation and even bring in Aromas Fire District. He stated they needed more time to do that which would be either a one year contract with the City of Hollister, which he understood the City did not want to do, or to continue one year with Cal Fire.

Supervisor Rivas concurred with Supervisor Muenzer and felt they needed twelve months. He felt that was why they needed to take action by either approving or denying the contract and move forward. He explained that was why he suggested an amendment to deny the agreement tonight and one year from now after all the work has been done. He felt it would take a year.

Supervisor Muenzer stated that he totally agreed with Supervisor Rivas.

Supervisor Barrios asked for clarification on the motion she seconded for the sake of discussion.

Supervisor Muenzer explained what his motion was.

Chairman De La Cruz asked Clerk Denise Thome to clarify the motion.

Clerk Thome read the motion as; moved to continue the contract for one year with Cal Fire so they could study the whole consolidation aspect further.

Supervisor Barrios asked the maker of the motion to amend the motion to add the establishment of a county wide committee to study.

Chairman De La Cruz asked the maker of the amendment to incorporate ad hoc committee.

Supervisor Barrios indicated that she did not have an ad hoc committee in mind, but instead a county wide committee as Supervisor Rivas had suggested.

Chairman De La Cruz stated that it would be subject to the Brown Act.

CAO Inman suggested that the discussion regarding a committee be agendaized for May 15th so they could take action as the agenda for that evening was for approval or denial of the contract with the City of Hollister.

Supervisor Barrios withdrew her second.

The Clerk was asked to read the motion again.

County Counsel Granger reminded the Board that they could not approve entering into a contract with Cal Fire as it was not on the agenda. He explained that in front of the Board was to approve or deny the contract with the City of Hollister. He advised that they could also continue it to May 15th and direct staff to come back with other options or explore other concepts.

Chairman De La Cruz stated that Supervisor Muenzer's motion died for lack of a second.

Supervisor Rivas moved to deny the contract with the City of Hollister to provide fire protection services for the County of San Benito and continue the item to the next scheduled meeting to talk about a committee and how to move forward from there.

Supervisor Barrios seconded the motion.

The motion passed 3 to 2 with Supervisors Botelho and De La Cruz voting no. *File #119*

There being no further business, the Board adjourned at 8:13 p.m. to May 15, 2012 at 9:00 a.m.

JAIME DE LA CRUZ, CHAIR

San Benito County Board of Supervisors

ATTEST:

Denise R. Thome, Clerk of the Board