



# SAN BENITO COUNTY BOARD OF SUPERVISORS

Margie Barrios  
District No. 1  
Vice-Chair

Anthony Botelho  
District No. 2

Robert Rivas  
District No. 3

Jerry Muenzer  
District No. 4  
Chair

Jaime De La Cruz  
District No. 5

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

## SPECIAL MEETING TUESDAY, MAY 27, 2014 ACTION MINUTES

### 9:00 p.m. CALL TO ORDER:

- a) Supervisor Rivas led the Pledge of Allegiance.
- b) *Upon motion duly made by Supervisor Rivas and seconded by Supervisor Barrios, acknowledged Certificate of Posting. (The motion passed 5-0)*

### REGULAR AGENDA:

#### COUNTY ADMINISTRATION OFFICE – R. Espinosa:

- 1) **Approve the County Administrative Officer (CAO) to fill out and apply for the County Administrative Officers Association of California (CAOAC) scholarship application; and approve the CAO out-of-state travel to the University of Virginia, Colgate Darden School of Business between July 19, 2014 and August 3, 2014.**

County Administrative Officer Ray Espinosa gave a staff report noting that it would require out of state travel and prior approval. He stated that the deadline was June 2<sup>nd</sup> and the next meeting was June 3<sup>rd</sup>. He added that there was no guarantee that he would be accepted but that he would like to apply.

Supervisor Barrios asked if the maximum amount was \$2,000.

Mr. Espinosa replied affirmatively.

*Upon motion duly made by Supervisor Barrios and seconded by Supervisor Botelho, **approved** the County Administrative Officer to fill out and apply for the County Administrative Officers Association of California (CAOAC) scholarship application; and **approved** the CAO out of state travel to the University of Virginia, Colgate Darden School of Business between July 19, 2014 and August 3, 2014. (The motion passed 5-0) File #119*

#### COUNTY ADMINISTRATION OFFICE – R. Espinosa:

- 2) **Discuss FY 2014/2015 Budget Status Update.**

County Administrative Officer Ray Espinosa reported that they were 14 days away from budget hearings on June 16 with a mock budget session the afternoon of June 3. He stated that he would be bringing a balanced budget with no plans to lay off and increasing the fte count.

Management Analyst Melinda Casillas gave a PowerPoint presentation which gave an overview of where the county stood on the budget process.

Discussion ensued between Board members and staff.

CAO Espinosa recommended reaching out to Assemblyman Alejo regarding the trailer bill pertaining to court security. He stated that once they gave an explanation of staff and amount needed, they would be locked in and not have to go back.

Supervisor De La Cruz asked if it was what the sheriff submits or what the Board submits.

CAO Espinosa explained that the trailer bill defines needs from a security perspective.

Supervisor Botelho stated that he talked to RCRC regarding the trailer bill and it's not a permanent fix either, just for this year. He noted that other courthouses would be coming online.

Chairman Muenzer did not think the sheriff or the Board required the levels of security, but that it was the courts and we have to figure a way to pay for it.

Those speaking under public comment were Keith Snow and Marty Richman.  
*File #865*

### **COUNTY CLERK/AUDITOR/RECORDER – J. P. Gonzalez:**

3) **Receive PowerPoint report on the County's Teeter Plan Fund for FY 2014-2015 Budget; discuss and direct what the Teeter Plan Fund Excess Funds policy will be.**

Clerk-Auditor-Recorder Joe Paul Gonzalez gave a PowerPoint presentation on the Teeter Plan. He estimated that 4.9 million dollars was transferrable to the General Fund in 2014-15. He felt it was relatively safe to bring cash over for other purposes as long as they develop a strategy.

Supervisor Barrios asked what they had called this reserve fund.

Mr. Gonzalez explained that it had never been included as a reserve and never been declared as a revenue to the county. He noted that it was considered one time money.

Supervisor De La Cruz asked if the Board could say not to use the full amount and break it up over 2 to 3 years.

Mr. Gonzalez stated that he was not proposing any employees be hired with the use of these funds.

Chairman Muenzer asked the last time the county moved funds.

Mr. Gonzalez stated that they do it every year, budget unit 185, annually with about \$300,000.

Discussions were had regarding OPEB obligations and Old Courthouse renovation.

Chairman Muenzer stated that there may be more discussions on how the 4.9 million be spent.

CAO Espinosa indicated that Public Works had presented multiple options and some were much more, like cooling, heating, electrical.

Supervisor Rivas stated that uses for one time money are great but there is a potential liability if there is a downturn in the economy. With that you would place a burden on the general fund. He asked Mr. Gonzalez how certain he was that there would not be a risk next year.

Mr. Gonzalez stated that if there was a recession like when 9/11 hit, they wouldn't have enough money in the Teeter Fund to buy receivables. He explained that there was 38 million dollars in receivables to be converted in the next three years. He noted that would add to our cash balance immediately. He advised that barring a major calamity, he felt it was a relatively good idea to use

funds just sitting there and not working and meeting our internal obligations. He commented that previously they had played it very safe and made sure they were experiencing a recovery.

Supervisor Barrios asked how long they've been on the Teeter Plan.

Mr. Gonzalez replied that he didn't know but would find out.

Supervisor Barrios pointed out that it has been supporting the general fund each year and if they took a risk now it was a better time than any.

Supervisor Botelho referred to the breakdown of what they owe and commented that it was a pretty prudent approach for the money right now.

Mr. Gonzalez noted that some counties use all Teeter revenue as earned and larger counties were rated for borrowing. He felt they were putting themselves in position at a future date to borrow money. He added that we're not even rated.

Those speaking under public comment were Keith Snow and Marty Richman.

Chairman Muenzer asked when they were signing on the dotted line.

CAO Espinosa stated that OPEB and vacation accrual needs to be done now and the soft costs to get the Hall of Records going is about \$300,000.

Further discussion was had regarding the Teeter fund.

Mr. Gonzalez stated that their practice has been conservative and they have been self funding the Teeter account. He hoped to come back one time per year with a performance of the Teeter Plan.

CAO Espinosa stated that OPEB was 2.8 million, vacation/sick was \$500,000 and Hall of Records architectural designs were \$250,000.

Mr. Gonzalez reported that the county initiated Teeter in 1994.

*Upon motion duly made by Supervisor Barrios and seconded by Supervisor Rivas, **transferred** Teeter Fund money as related to the recommendation for only the part needed this fiscal year totaling \$3,550,000.00 which includes the **reduction** of the Hall of Records amount from 1.9 million to \$250,000 for the architectural plans. (The motion passed 5-0) File #865*

#### **COUNTY ADMINISTRATION OFFICE – R. Espinosa:**

- 4) **Adopt Resolution to participate in the PARS Public Agencies/Post Retirement Health Care Plan Trust; appoint County Auditor as Plan Administrator; authorize Plan Administrator to execute agreement; and direct staff to return to Board with annual evaluation after one year. (Res. No. 2014-48)**

Management Analyst Sara Fontanos asked the Board to look at diversification. She explained that CalPERS was a sole provider and they needed to learn whether PARS can outperform CalPERS. She suggested splitting 50/50 between the two with a three year agreement. She stated that with PARS, at one year they would determine the outcome and if dissatisfied, the county can terminate the agreement within 30 days. She introduced Mitch Barker, PARS vice president.

Mr. Barker gave a PowerPoint presentation. He asked the board to give them a chance. He noted that the 457 deferred compensation was spread out over multiple providers.

Discussion ensued between board members.

Marty Richman spoke under public comment.

Clerk-Auditor-Recorder Joe Paul Gonzalez reported that he had spoken with auditors of Solano, Sonoma and Contra Costa counties and they said PARS

offers additional services not available with PERS. He expected returns to be on par with PERS. He recommended the board initiate the process.

Supervisor Botelho felt it set PERS on notice and made them a better agency as well.

Supervisor Barrios suggested looking into other opportunities of pension fund benefits.

Mr. Gonzalez stated that was one of the services PARS offers.

Chairman Muenzer requested clarification that it was a three year agreement with an option to pull out after one year.

Mr. Gonzalez confirmed that it was a 30 day notice termination clause.

*Upon motion duly made by Supervisor Botelho and seconded by Supervisor Barrios **adopted Resolution No. 2014-48 to participate in the PARS Public Agencies/Post Retirement Health Care Plan Trust; appointed County Auditor as Plan Administrator; authorized Plan Administrator to execute agreement; and directed staff to return to Board with annual evaluation after one year. (The motion passed 4-1 with Supervisor De La Cruz voting no.)***

**COUNTY ADMINISTRATION OFFICE – R. Espinosa:**

**5) Receive financial update of County as of April 30, 2014.**

Management Analyst Melinda Casillas gave a presentation and noted that it appears to be on track. She estimated salaries would come in under budget overall for the county.

*Supervisor De La Cruz left the meeting at 12:00 noon and was absent for the rest of the meeting.*

County Administrative Officer Ray Espinosa stated that they looked at standardized presentation and what the Board wants for a quarterly report. *File #865*

**COUNTY ADMINISTRATION OFFICE – R. Espinosa:**

**6) Discuss and accept FY 2014/2015 Budget Policies.**

Management Analyst Melinda Casillas stated that there were a couple changes to the 2014-15 budget policies. She went through budget policies.

Discussion ensued between board members and staff. *File #865*

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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:	Muenzer, De La Cruz, Rivas, Botelho, Barrios
NOES:	SUPERVISORS:	None
ABSENT:	SUPERVISORS:	None

There being no further business, the Board adjourned at 12:20 p.m. to June 3, 2014 at 9:00 a.m.

**JERRY MUENZER, CHAIRMAN**  
San Benito County Board of Supervisors

**ATTEST:**  
Denise R. Thome, Clerk of the Board