



SAN BENITO COUNTY BOARD OF SUPERVISORS

Margie Barrios
District No. 1
Chair

Anthony Botelho
District No. 2

Robert Rivas
District No. 3
Vice-Chair

Jerry Muenzer
District No. 4

Jaime De La Cruz
District No. 5

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

SPECIAL MEETING TUESDAY, MAY 26, 2015 ACTION MINUTES

The Board of Supervisors of San Benito County met in the Board Chambers on the above date in Special Session. Supervisor Barrios (Board Chair), Rivas, De La Cruz, and Muenzer were present. Also present was County Administrative Officer Ray Espinosa, County Counsel Matthew W. Granger and Clerk of the Board Louie Valdez. Chairwoman Margie Barrios presided.

9:00 a.m. CALL TO ORDER:

Special Meeting called to order by Chairwoman Barrios at 9:00AM.

- a) Pledge of Allegiance to be led by Supervisor Rivas.

Chairwoman Barrios requested Supervisor Rivas to lead the pledge of allegiance.

Supervisor Rivas led the Pledge of Allegiance.

- b) Acknowledge Certificate of Posting.

➤ **Motion to acknowledge Certificate of Posting made by Supervisor Muenzer.**

➤ **Motion Seconded by Supervisor Botelho.**

➤ **Motion Approved 5 to 0.**

Voting Yes:

Muenzer
Rivas
Botelho
Barrios
De La Cruz

Voting No:

None

Chairwoman Barrios announced that the Board would be retiring into Closed Session and she asked County Counsel Matt Granger to read the Closed Session item into the record. She also announced that public comment would be received after the item's introduction.

County Counsel Matt Granger announced that Agenda Item 1 would be discussed by the Board.

Chairwoman Barrios asked the Clerk of the Board Louie Valdez if any speaker cards had been submitted.

The Clerk advised that no speaker cards had been submitted.

Chairwoman Barrios then asked if anyone in the audience would like to speak to any of the listed agenda items. There were no comments presented by any member of the public.

The Chair announced the Board would retire into Closed Session and would return to report out shortly.

- **Chairwoman Barrios then recessed the meeting to Closed Session at 9:02AM.**

CLOSED SESSION:

Matters discussed during Closed Session include existing and pending litigation, personnel matters and real property negotiations. Reportable actions taken by the Board during Closed Session will be announced during open session. (Gov. Code Section 54957.1(a) & (b), Ralph M. Brown Act.)

- 1) Closed Session-Conference with Labor Negotiators
Agency designated representatives: Allyson Hauck, Dania Torres-Wong, Ray Espinosa, Joe Paul Gonzalez, Melinda and Georgia Cochran.

Employee Organizations: Institutions Associations
Law Enforcement Management
Management Employees' Group
SEIU Local 521 (General Unit Employees)
Deputy Sheriff's Association
SEIU United Long Term Care Workers Local 6434

Authority: California Government Code Section 54957.6

- **Chairwoman Barrios resumed the Regular Meeting from Closed Session at 9:59AM.**

Chairwoman Barrios asked County Counsel to report on the Agenda Item discussed during Closed Session.

- **County Counsel Matt Granger read Item One (1) – Closed Session, Conference with Labor Negotiators as listed under the Closed Session portion of the agenda.**
- **Mr. Granger announced No Reportable Action resulting from the Closed Session.**

REGULAR AGENDA:

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

- 2) Receive Power Point presentation regarding AB8 (Property Tax Distribution) Cash Flow Model, information only.

PowerPoint Title: Property Taxes: AB 8 Property Tax Distribution Cash Flow Model and Information (15 Pages Total)

Chairwoman Barrios asked CAO Ray Espinosa to introduce the first item on the Regular Meeting Agenda.

Joe Paul Gonzalez, Auditor-Clerk-Recorder, provided a presentation to the Board regarding the Budget Process.

Mr. Gonzalez advised that CAO Espinosa requested a Property Tax 101 briefing to the Board.

Mr. Gonzalez advised that Janet Norris, Auditor Accountant and Property Tax Management Analyst (MA), would provide the presentation regarding AB 8.

Ms. Norris began by referring to AB 8 (Assembly Bill 8 from 1979 in response to Prop 13) and its implications on public agency budgets. She indicated that Prop 13 reduced property tax rates and corresponding revenues in the State of California from 2.6 percent on property values to 1.0 percent.

According to Ms. Norris, the California Assembly Bill 8 (AB 8) established a base property tax rate based on historical levels of payment and reduced the amount proportionally to a base amount. The funds were then split among all agencies that provide services to properties in existence at that time at pre-determined rates.

Each fiscal year thereafter, public agencies have built on to those base incremental increases in property tax values. Each increased increment of corresponding funds is distributed to public agencies at pre-determined rates in the corresponding Tax Rate Areas (TRA's).

More specifically, a local government will receive property tax revenue equal to what it received in the prior fiscal year (called "base") plus its share (whether positive or negative) of growth in revenue due to growth in assessed value within its boundaries (called increment).

AB 8 stipulated that the property tax proceeds on value growth (whether due to change in ownership, new construction, or the 2 percent inflation factor) accrue for only to those jurisdictions where the increase took place.

Chairwoman Barrios and Supervisor Muenzer asked specific questions about the property tax rate calculations.

Management Analyst Norris responded by providing general explanations about the summary information provided regarding the CA Property Tax system.

Supervisor De La Cruz asked about the reconciliations regarding revenues between agency and jurisdictional accounting departments.

Ms. Norris and Auditor-Assessor-Recorder Gonzalez advised that the State Controller's Office insures that Property Tax Allocations are accurate. The only item lingering is the 1997 ERAF issue.

Supervisor Botelho asked if any of these percentages could be changed.

Management Analyst Norris advised that ABA 8 factors are firmly set by CA State Statute and/or past practices set forth by the State of California.

A question from the audience began to be directed to Management Analyst Norris.

Chairwoman Barrios interceded and advised that the public would have the opportunity to ask questions after the conclusion of the presentation.

Management Analyst Norris concluded the presentation.

Auditor-Assessor-Recorder then provided final observations and remarks.

Chairwoman Barrios acknowledged Supervisor Botelho.

Supervisor Botelho asked how the rates were set and Mr. Gonzalez provided an explanation of how the tax revenues are calculated in accordance with AB 8 and after a review by the Board of Equalization once the legislation was formally adopted and implemented.

Supervisor Botelho mentioned the collection of taxes by a specific water district and expressed that a review of established percentages might be advisable.

Supervisor Muenzer discussed shifts in property tax revenues to jurisdictions who would assume services from dissolved school district such as King City.

Chairwoman Barrios then opened up the floor to comments from the public.

- Marty Richman addressed the Board regarding ERAF's.

Auditor-Clerk-Assessor Gonzales advised that San Francisco received 76.6% of property taxes of the one-percent as compared to San Benito County which receives 11% of the one percent.

Supervisor Botelho asked how the City of San Francisco "gets away with that" with their schools.

Mr. Gonzalez provided a gross percentage of taxes figure and corresponding explanation.

Mr. Marty Richman asked if he could address the Board again.

Chairwoman Barrios allowed Mr. Richman to address the Board again.

- Mr. Richman pointed out that San Francisco is both a City and County. He further indicated that San Benito County has the lowest tax rate(s) in California when including tax rates from the City of Hollister.

Chairwoman Barrios inquired of the audience if there were any additional public comments regarding this agenda item.

There were no additional comments from the public.

Chairwoman Barrios asked if any members of the Board had any additional questions or comments.

Supervisor Botelho indicated that the presentation was excellent and that the information provided was the most he had learned about property taxes while sitting as a County Supervisor.

CAO Espinosa provided concluding comments.

The presentation was concluded at 10:36AM.

- **Information was received and filed.**
- **No formal action taken.**
- **SBC File #: 608**

COUNTY ADMINISTRATION OFFICE – R. Espinosa:

3) Adopt the Budget Policies for the FY 2015/2016.

CAO Espinosa introduced Melinda Casillas who presented the proposed Budget Policies for FY 2015/16.

Management Analyst Melinda Casillas provided a general opening statement and asked how the Board would like to proceed.

After a brief discussion, Chairwoman Barrios entertained a motion regarding the agenda item.

- **Supervisor De La Cruz made a motion to adopt the Budget Policies for FY 2015/16 as presented.**
- **Motion Seconded by Supervisor Rivas.**

The record shall reflect that Chairwoman Barrios entertained comments from the public regarding this agenda item immediately after the motion to approve was made by Supervisor De La Cruz and Seconded by Supervisor Ramos. No comments from the public were received.

- **Motion Approved 5 to 0.**

➤ **SBC File No: 865**

Voting Yes:

Muenzer

Rivas

Botelho

Barrios

De La Cruz

Voting No:

None

COUNTY ADMINISTRATION OFFICE – R. Espinosa:

- 4) Receive the budget vacancy presentation and approve for inclusion in the FY 2015/2015 Recommended Budget.

- PowerPoint Presentation Title: Vacancies & Budgeting – General Fund, Fiscal Year 2015-2016.

CAO Espinosa introduced the item to the Board.

Management Analyst Melinda Casillas discussed vacancy rates and the difficulty in recruiting positions due to budgetary challenges via PowerPoint presentation. She further discussed the strategy to manage the vacancy rate issue.

Chairwoman Barrios asked if the Board Members had any questions. None were presented by any member of the Board.

Chairwoman Barrios then solicited comments from members of the public.

- Mr. Marty Richman, City of Hollister Resident, provided feedback regarding this issue recommending additional professional development opportunities for existing employees.

Chairwoman Barrios inquired of the audience if there were any additional public comments regarding this agenda item.

There were no additional public comments.

Chairwoman Barrios asked Ms. Casillas a specific question about vacancy budget.

Melinda Casillas responded regarding the process to fill county vacancies.

Chairwoman Barrios acknowledged CAO Espinosa who advised the turnover process and how savings are achieved from attrition and other changes in staffing.

Supervisor Botelho expressed his support for this management strategy regarding unfilled positions. He further indicated how County work is being completed by very dedicated county employees.

Chairwoman Barrios indicated her agreement with Supervisor Botelho's comments.

- **Motion made by Supervisor Muenzer to approve receive the budget vacancy presentation and approve the inclusion in the FY2015/2015 Recommended Budget the item as presented.**
- **Motion Seconded by Supervisor Botelho.**
- **Motion Approved 5 to 0.**

Voting Yes:

Muenzer
Rivas
Botelho
Barrios
De La Cruz

Voting No:

None

- **SBC File #: 865**

COUNTY ADMINISTRATION OFFICE – R. Espinosa:

- 5) Receive and discuss the status of the FY 2015/2016 Recommended Budget.
 - PowerPoint Presentation Title: Presentation Changes Fiscal Year 2015-2016.
 - PowerPoint Presentation Title: Budget Overview Fiscal Year 2015-2016 presented 05/26/2015.

CAO Espinosa provided a general introduction.

Management Analyst Melinda Casillas proceeded with Part I of this presentation.

She acknowledged help in entering the budget from Human Services Department.

Ms. Casillas indicated that a new ERP system budget module is being used for the first time.

Ms. Casillas provided an explanation of Position Control Numbers as used in the ERP system.

Ms. Casillas indicated that budget agenda will also look different to include division designations.

Changes will also occur under line item detail.

CAO Espinosa was acknowledged by Chairwoman Barrios.

CAO Espinosa indicated that the fact that the budget is now in the system is a phenomenal accomplishment from an administration perspective as the data is now readily available.

Chairwoman Barrios thanked staff for working the Memorial Day Weekend in an effort to have the information being presented available to the Board for today's Special Meeting.

Ms. Casillas resumed her presentation and spoke to the positive aspects of the transition to the current budget system.

Ms. Casillas also provided a compare/contrast between the current year budget presentation and past year budgets.

CAO Espinosa added concluding comments to include adding a feature to be able to generate timely, current reports. In addition, Mr. Espinosa mentioned that transparency is a major component of this budget and to this end Open.Gov was in the process of currently being implemented. Further discussion regarding this item is placed on a future Board Agenda.

Ms. Casillas provided concluding comments.

Chairwoman Barrios solicited additional questions from the Board.

There were no additional questions presented.

Chairwoman Barrios inquired of the audience if any member of the public desired to address the Board with any comments regarding this item.

There were no public comments.

CAO Espinosa indicated that there was a second part to this presentation.

Ms. Casillas began Part 2 of the presentation with a Budget Overview for FY 2015-16 Budget to date including a summary of positions added including revenue and non-revenue positions.

Chairwoman Barrios acknowledged CAO Espinosa.

Mr. Espinosa announced there were no plans for layoffs in the announcements for budgeted positions in the proposed FY 2015/16 Budget Year.

Chairwoman Barrios entertained questions from members of the Board.

There were no additional questions or comments presented.

Chairwoman Barrios inquired of the audience if there were any public comments regarding this item. There were no comments presented.

Supervisor Botelho was recognized by Chairwoman Barrios.

Supervisor Botelho asked for a list of positions that had been added and for status of each of those positions.

CAO Espinosa summarized recruitment efforts and general status for each position that were created last budget year.

Supervisor Botelho asked for a summary of positions created and their current status.

CAO Espinosa acknowledged Supervisor Botelho's request.

➤ **Information was received and filed.**

➤ **No formal action taken.**

➤ **SBC File #: 865**

COUNTY ADMINISTRATION OFFICE – R. Espinosa:

6) Receive and discuss the 5 Year Plan.

- PowerPoint Title: County of San Benito, California Five Year Plan 2014/2015 – 2019/2020.

Chairwoman Barrios entertained questions from the Board prior to the beginning of Management Analyst Melinda Casillas's presentation.

Supervisor Botelho asked a question about the presentation related to OPEB, a.k.a. GASB 45.

He indicated that he did not disagree with anything that was presented by Ms. Casillas but that he would like to have the OPEB/GASB 45 issue mentioned in this report.

Ms. Casillas indicated that the matter would be discussed later in the presentation which she covered during a discussion of health care costs incurred by the County in the most recent fiscal years.

At 11:43 AM, CAO Espinosa asked Ms. Casillas to provide a summary of the topic so as to allow time for the Board and the public to ask questions and to provide comments.

Ms. Casillas provided highlights of the additional points remaining in the presentation.

At the presentation's conclusion, Chairwoman Barrios asked if any member of the Board had any questions.

Supervisor Botelho advised that the information presented was very good and that there were many questions that remained unanswered going forward.

CAO Espinosa was acknowledged.

Chairwoman Barrios entertained public comments regarding this item.

No public comments were presented by any member of the public.

➤ **Information was received and filed.**

➤ **No formal action taken.**

➤ **SBC File #: 865**

COUNTY ADMINISTRATION OFFICE – R. Espinosa:

- 7) Ad Hoc Subcommittee to report recommendation for payment of Change of Law Costs and COLA for Waste Connections, Inc. (John Smith Road Landfill Operator, Contractor); 1) Approve the payment to WCI in the amount of \$184,787 from landfills and direct staff to make this payment as per staff recommendation; or 2) Approve the rate increases as proposed and payment from landfill reserves to cover the total of \$184,787, and set the Public Hearing and direct staff to notice Cities and Recology of rate changes; or 3) provide staff other direction as to the combination of payments for 2015 COLA and Change in Law Cost.

Financial Spreadsheets:

Page 1 – Year over Year Price Increase Summary

Page 2 – 2015 John Smith Road Landfill COLA

Page 3 – John Smith Landfill, CPI – Rate Increases

CAO Espinosa was recognized by Chairwoman Barrios.

CAO Espinosa advised that Management Analyst (MA) Sara Fontanos would provide presentation.

Ms. Fontanos advised the Board of a grant program called Refuel Your Fun prior to beginning the presentation.

Ms. Fontanos provided handouts to the Board for their review including a copy of part of the current landfill contract and a review of COLA costs totaling \$133,424.00.

Change of Law Costs total \$305,363.00 due to AB 32 dealing with Greenhouse Gases. The first element of the costs was due to the construction of a gas collection and control system totaling \$301,363.00 complete in 2014. The second element of the costs was due to quarterly emissions monitoring as required by AB 32 totaling \$4000.00.

\$439,000.00 is the approximate total amount and the Ad Hoc Committee recommended a rate increase of \$1.75 for materials that are buried in the landfill termed refuse or solid waste. The increase would be applied across the board. The total amount budgeted for this item was \$250,000.00.

Refuse costs would go from \$61.00 to \$62.75

Packer materials would go from \$43.00 to \$44.75.

Residual Waste \$30.00 to \$31.75.

Chairwoman Barrios entertained questions and comments from the Board of Supervisors.

Supervisor Muenzer asked Management Analyst Sara Fontanos about history of rate increases. Ms. Fontanos indicated that no rate increases had occurred since 2013 and that the net increase to households would be a net \$0.13.

Chairwoman Barrios asked for comments from members of the general public.

- Marty Richman presented comments about the potential fee increase and expressed his concerns about the increase.

Chairwoman Barrios inquired if there were any public comments.

No additional comments were presented.

Chairwoman Barrios recognized Supervisor Botelho.

Supervisor Botelho advised Mr. Richman that his comments were excellent and provided a summary explanation about the ad-hoc sub committee's logic related to the rate increase.

Chairwoman Barrios recognized Supervisor Muenzer.

Supervisor Muenzer pointed out that these fees have not been folded into the general fund for additional expenditures. Supervisor Muenzer expressed a desire to effectively manage liability at the landfill and the need to be fiscally prepared.

Chairwoman Barrios entertained a motion regarding the listed agenda item.

- **Motion by Supervisor Botelho to approve the rate increases as proposed and payment from landfill reserves to cover the total of \$184,787.00, set the Public Hearing and direct staff to notify cities and Recology of rate changes.**

The record shall reflect that the Board approved the proposal as presented by staff and set the same to be heard for a Public Hearing where final action regarding the rate increases and adjustments will be taken by the Board of Supervisors.

- **Motion Seconded by Supervisor Muenzer.**
- **Motion Approved 5 to 0.**
- **SBC File #:75.4**

Voting Yes:

Muenzer
Rivas
Botelho
Barrios
De La Cruz

Voting No:

None

Chairwoman Barrios entertained a motion to adjourn the meeting.

- **Motion to adjourn made by Supervisor Botelho.**
- **Motion Seconded by Supervisor Muenzer.**
- **Motion Approved 5 to 0.**

Voting Yes:

Muenzer
Rivas
Botelho
Barrios
De La Cruz

Voting No:

None

**There being no further business, the board meeting was adjourned at
12:04PM on 05/26/2015.**

MARGIE BARRIOS, Chairwoman
San Benito County Board of Supervisors

ATTEST:

Louie Valdez
Clerk of the Board of Supervisors