

**SHASTA COUNTY BOARD OF SUPERVISORS**

Tuesday, January 20, 2004

**REGULAR MEETING**

9:00 a.m.: Chairman Hawes called the Regular Session of the Board of Supervisors to order on the above date with the following present:

District No. 1 - Supervisor Kehoe  
District No. 2 - Supervisor Fust  
District No. 3 - Supervisor Hawes  
District No. 4 - Supervisor Wilson  
District No. 5 - Supervisor Clarke

County Administrative Officer - Doug Latimer  
County Counsel - Karen Jahr  
Deputy Clerk of the Board - Linda K. Mekelburg

**INVOCATION**

Invocation was given by County Administrative Officer Doug Latimer.

**PLEDGE OF ALLEGIANCE**

Pledge of Allegiance to the Flag was led by Supervisor Fust.

**PUBLIC COMMENT PERIOD - OPEN TIME**

Patricia Schneider expressed concerns about the closure of the Shasta County Psychiatric Health Facility.

Dave Hawley of the Teamsters Union and Dave Ritchie of the United Public Employees of California Local 792 opposed the release of individual Shasta County employee salaries.

**ITEMS PULLED FROM CONSENT CALENDAR**

Supervisor Hawes reported that the minutes of the January 13, 2004 meeting were pulled at the request of the department.

**CONSENT CALENDAR**

By motion made, seconded (Clarke/Wilson), and unanimously carried, the Board of Supervisors took the following actions, which were listed on the Consent Calendar, as amended:

Authorized the issuance of warrants totaling \$141,309.09 for County operating funds and special districts, as submitted. (Auditor-Controller)

Adopted Resolution No. 2004-12, which authorizes the governing board of any school district or community college district within Shasta County to issue and sell bonds on its own behalf and without further action by the Board of Supervisors. (County Counsel)

(See Resolution Book No. 45)

Approved a Waiver of Personnel Rules Section 4.8, Work Out of Classification, for a Library Clerk working as a Library Assistant in the Library and for an Accountant Auditor III working as a Staff Services Manager in the District Attorney's Office. (Support Services-Human Resources Division)

Approved and authorized the Chairman to sign an amendment to the agreement with the Right Road Recovery Programs, Inc. increasing the amount by \$25,000 (for a total of \$155,000) to provide outpatient alcohol and other drug treatment services from the date of signing through June 30, 2004. (Mental Health-Alcohol and Drug Programs)

For the Lake Boulevard Bike Lanes project, approved plans and specifications and directed the Public Works Director to advertise for bids; and authorized opening of bids on or after February 20, 2004 at 11 a.m. (Public Works)

9:07 a.m.: The Board of Supervisors recessed and convened as the Shasta County Water Agency.

### **ITEMS PULLED FROM SPECIAL DISTRICTS/OTHER AGENCIES**

#### **CONSENT CALENDAR**

Supervisor Clarke pulled both consent calendar items for discussion. Public Works Director Pat Minturn explained that water studies have been done and the agencies comprising the Redding Area Water Council have jointly adopted a water management plan. The Council now needs to proceed with the environmental document.

### **SPECIAL DISTRICTS/OTHER AGENCIES CONSENT CALENDAR**

#### **SHASTA COUNTY WATER AGENCY**

By motion made, seconded (Clarke/Fust), and unanimously carried, the Board of Directors of the Shasta County Water Agency took the following actions, which were listed on the Consent Calendar:

Approved and authorized the Chairman to sign an amendment to the Redding Area Water Council (RAWC) Memorandum of Understanding establishing the Policy Advisory Committee as a permanent part of the RAWC and revising the Schedule of Costs and Contributions. (Public Works)

Adopted Resolution No. 2004-13, which approves and authorizes the Chairman to submit a grant application to the California Department of Water Resources to fund environmental documents for the Redding Basin Master Water Resources Plan and execute the agreement and related documents with the California Department of Water Resources to accept the grant. (Public Works)

(See Resolution Book No. 45)

9:15 a.m.: The Shasta County Water Agency adjourned, and the Board of Supervisors reconvened.

**REGULAR CALENDAR**

**GENERAL GOVERNMENT**

**ADMINISTRATIVE OFFICE/BOARD OF SUPERVISORS**

**LEGISLATIVE UPDATE/SUPERVISORS' REPORTS**

County Administrative Officer (CAO) Doug Latimer presented an update on specific legislation of importance to Shasta County, noting that the main discussion in Sacramento continues to be the governor's budget and its impact on local government

Supervisors discussed a recent Public Records Act request for individual salaries of all Shasta County employees. By consensus, the Board of Supervisors directed that the issue be sent to the Administrative Officer for review and brought back to a later Board of Supervisors' meeting to discuss options.

Supervisors reported on issues of countywide interest.

**ADMINISTRATIVE OFFICE/MENTAL HEALTH-ALCOHOL AND**

**DRUG PROGRAMS**

**IDENTIFICATION CARDS FOR MEDICAL MARIJUANA PURPOSES**

Senior Administrative Analyst Julie Hope explained that Senate Bill No. 420 (SB 420) became effective January 1, 2004. The Bill requires boards of supervisors to designate a local health-related agency or county department as the local agency responsible to work with the State Department of Health Services (DHS) in implementing a voluntary identification card program for patients who obtain prescriptions for the use of medical marijuana. The function will automatically default to the local public health department should boards not designate a local agency or department.

Alcohol and Drug Program Administrator David Reiten addressed the development of the program that will help identify those authorized to use marijuana for medical purposes. Although the State of California will issue the ID cards, counties are required to perform several functions, including providing application forms, receiving and processing the completed applications, maintaining records of the program, and issuing ID cards developed by DHS to the applicants. The Alcohol and Drug Program will also be responsible for verifying residency, receiving medical documentation that the applicant has been diagnosed with a serious medical condition and that the use of medical marijuana is appropriate, and verifying that the attending physician has a valid medical license to practice in California. Costs associated with the program, which include both a state and local fee, will be borne by the applicant. Mr. Reiten recommended Shasta County delay implementation of the identification-card section of the Bill until the state finalizes the regulations. Supervisor Clarke expressed concern regarding duplication of effort between state and local government administration of the law. Supervisor Fust noted that it may be appropriate to work toward changing the law.

Undersheriff Larry Schaller noted that in November 2003, the Sheriff, Redding and Anderson Chiefs of Police, and the District Attorney adopted new protocol amounts for possession of marijuana for medicinal purposes as established in SB 420.

By motion made, seconded (Kehoe/Fust), and unanimously carried, the Board of Supervisors designated the Division of Alcohol and Drug Programs as the designated County agency to work with the state in implementation of a voluntary program for the issuance of identification cards to patients using marijuana for medical purposes; and delayed the actual implementation of the identification card system until the state implements the program at the state level.

By consensus, the Board of Supervisors directed that letters to State Senator Aanestad, Assemblyman LaMalfa, and Representative Herger requesting amendment of SB 420 in an appropriate way to avoid duplication of services be placed on the January 27, 2004 Agenda.

### **ADMINISTRATIVE OFFICE**

#### **REPEAL OF RESOLUTION NO. 2003-133** **TRANSFER OF REALIGNMENT FUNDS** **RESOLUTION NO. 2004-14**

This was the time set to conduct a public hearing on a resolution which would repeal Resolution No. 2003-133 approving the transfer of \$500,000 in realignment funds from Public Health to Social Services. Senior Administrative Analyst Julie Hope presented the staff report and recommended approval of the resolution.

The public hearing was opened, at which time no one spoke for or against the matter, and the public hearing was closed.

By motion made, seconded (Fust/Wilson), and unanimously carried, the Board of Supervisors adopted Resolution No. 2004-14, which repeals Resolution No. 2003-133 and rescinds the transfer of realignment funds from Public Health to Social Services.

(See Resolution Book No. 45)

### **SUPPORT SERVICES**

#### **FLEET MANAGEMENT DIVISION**

#### **STATUS REPORT: FLEET MANAGEMENT PROGRAM**

Director of Support Services Joann Davis explained that on February 19, 2002, the Board of Supervisors directed her to work with the Auditor-Controller's Office to resolve State Controller's concerns regarding fleet rates charged to state and federally funded programs and concerns regarding excess retained earnings in the Fleet Management funds. Since then, they have worked closely with the Auditor-Controller's Office and have made great strides in clarifying and resolving the issues.

One of the State Controller's concerns was that state and federally funded programs were charged a monthly maintenance fee which was reviewed and adjusted annually and were not promised an ongoing, accurate rate without overcharges. Working with the Auditor-Controller, Fleet Management has created a reconciliation process to adjust charges to departments at the end of each fiscal year to reflect actual costs. The cost of gasoline has been removed from this calculation; therefore, all maintenance charges are direct charges.

For General Fund vehicles, when a vehicle goes into service, both a replacement and a maintenance (operations) fee are charged. The replacement fee is amortized so that at the end of the useful life of the vehicle, replacement money is available.

The other concern was that the County appeared to maintain more than 60 days of operating capital in its retained earnings. This appearance was created by the pooling of the replacement funds with some operations funds. Fleet Management was unable to accomplish a separation of these funds until last month. With the Auditor-Controller's assistance, the replacement funds have been designated separately from the operating budget.

However, before the separation was accomplished, a decision was made to deplete a portion of the cash in that fund by granting the equivalent of a six-month rate holiday to departments. Additional costs were incurred when a gasoline tank was replaced using available funds. As a result, the replacement fund has approximately \$460,000 funds less than it should.

Ms. Davis has considered five alternatives to rectify the situation:

1. Increase the replacement charges by 10 percent--this will replenish the funds in approximately seven years;
2. Use current receivables and spend them on current assets--this will probably result in eventually less money being received than being spent.
3. Leave the fund at its current level but charge the department 50 percent of the new vehicle cost from their budget--this would replenish the funds in approximately 10 years but would impose a hardship on some departments;
4. Abolish the fleet replacement program and distribute the fund back to participating departments--this is not recommended due to the success of the program.
5. Restructure the replacement program in some other manner, such as leasing patrol vehicles.

Ms. Davis recommended alternative No. 1 as the preferred solution.

Undersheriff Larry Schaller agreed with Ms. Davis that the fleet program has been beneficial; however, he would prefer aggressively pursuing a lease program for certain vehicles. Using a lease program would eliminate front-end purchase of vehicles and then recovering the cost through the replacement fund, and it would be helpful in certain contracts by considering the cost of the lease rate in the contract. However, the disadvantages of a lease program are that there is no value in the vehicle at the end of the lease period and that obstacles must be overcome regarding the installation of special equipment such as light bars, radios, and other mobile equipment. He suggested that the lease program be phased in and the replacement program be phased out until there is a balance of the two and the replacement program stabilizes. At that time, the Board of Supervisors could then reconsider the matter.

In response to a question from Supervisor Fust, Ms. Davis noted that departments with state-funded programs, such as Social Services, budget and purchase those vehicles independently.

Following further discussion and by consensus, the Board of Supervisors directed that Ms. Davis work toward a combination of alternatives No. 1 and No. 5 to stabilize the replacement fund, and further directed her to move forward with the purchase of vehicles as budgeted.

**TREASURER-TAX COLLECTOR-PUBLIC ADMINISTRATOR**

**QUARTERLY REPORT OF INVESTMENTS**

At the recommendation of Treasurer-Tax Collector Lori J. Scott and by motion made, seconded (Clarke/Kehoe), and unanimously carried, the Board of Supervisors accepted the Quarterly Report of Investments for the quarter ending December 31, 2003.

**LAW AND JUSTICE**

**SHERIFF/OFFICE OF EMERGENCY SERVICES**

**LOCAL EMERGENCY**

Undersheriff Larry Schaller noted that the conditions which led to the proclamation of the local emergency due to snow and other conditions caused by the December 2003 storms have been resolved and that there is no need for the continuance of the proclamation.

No further action was taken by the Board of Supervisors.

10:23 a.m.: The Board of Supervisors recessed and convened as the Governing Board of the Shasta Psychiatric Hospital.

**SPECIAL DISTRICTS/OTHER AGENCIES REGULAR CALENDAR**

**GOVERNING BOARD OF THE SHASTA PSYCHIATRIC HOSPITAL**

**CLOSURE OF SHASTA PSYCHIATRIC HOSPITAL**

Mental Health Director Dr. Don Kingdon explained that the Shasta Psychiatric Hospital faces significant budget expenditure reductions both this fiscal year and next fiscal year. He discussed the issues they have considered for continued operation of the hospital:

1. **Patient Safety**
  - a. There has been an increase in the number of patients with complicated conditions.
  - b. The hospital has limited life support capabilities due to state license and federal certification limitations.
  - c. The population is aging.
  - d. There is increased difficulty discharging patients with both psychiatric and medical conditions.
  - e. They have at times exceeded their licensed bed capacity.
  
2. **Financial Viability**
  - a. There is an increase in hospital regulatory requirements and associated costs.
  - b. There is no direct state financial support for County operation.
  - c. There are federal limits on the amount charged (participation rate caps).
  - d. There are increased ancillary costs, such as MRIs.
  - e. There is an increase in unreimbursed care.

3. Resource Efficiency

- a. There is an increased use of realignment funds to support hospital operation.
- b. A decision must be made whether to operate an acute care facility or outpatient services.
- c. There are regulatory compliance issues, such as mandatory committees.
- d. The discrepancy between state licensure and federal certification require admissions decisions which increase liability exposure.
- e. Federal staffing requirements must be met.
- f. Consider whether the community can redirect resources to compensate for hospital closure.

4. Core Mission

- a. The hospital is funded by the state to provide long-term rehabilitation of major mental illness.
- b. The hospital is required to deliver interagency treatment intervention for high-risk populations, such as foster care children, gravely disabled adults, special education students, Medi-Cal eligible families, juvenile probation wards, homeless adults, and seriously emotionally disturbed children and adolescents.

5. State Contractual Obligations

- a. State Performance Contract.
- b. Medi-Cal Specialty Mental Health Services Contract.

Deputy Mental Health Director Tim Kerwin presented statistical and financial information for the hospital. For Fiscal Year 2002-03, 650 individuals were admitted to the hospital--some more than once--for a total of 938 admissions. The total number of clients served by the Mental Health Department has increased from 5,016 in Fiscal Year 1998-99 to 7,654 in Fiscal Year 2002-03, while the number of clients served by the hospital has remained relatively steady, increasing from 588 to 650 in the same time period. Realignment funding comprises 47.4 percent of the Hospital's budget of \$4,324,230 in Fiscal Year 2002-03. Hospital costs have increased approximately 50 percent over the last five fiscal years. The annual cost per bed in the hospital is approximately \$340,000, compared with \$175,000 for contract psychiatric health facilities, \$126,000 for a state hospital, \$90,000 for crisis residential facilities, and \$44,000 for institutions of mental disease. Mr. Kerwin noted that maintaining the current level of services for next fiscal year will require \$3.3 million in fund balance reserves; however, only \$2.4 million is anticipated to be available. Closure of the hospital will reduce use of the fund balance by \$1.8 million to \$1.5 million.

Dr. Kingdon outlined the transition proposal for closure of the hospital:

1. Short Term

- a. Establish stakeholder transition teams to integrate treatment resources.
- b. Redirect mental health crisis and access resources to "first contact" settings in the community.
- c. Expand mental health crisis response and stabilization resources.
- d. Expand contracts with licensed psychiatric facilities.
- e. Develop and maintain patient transfer and transportation resources.
- f. Assure that a due-process system is available to patients.

2. Long Term

- a. In partnership with local healthcare leaders, establish integrated acute-care resources for psychiatric illness.
- b. Expand rehabilitative resources for gravely disabled and persistently mentally ill adults and older adults.

- c. Expand stabilization and treatment resources for seriously emotionally disturbed children and adolescents.

Dr. Kingdon also noted that there are indications a private 32-bed psychiatric health facility will open in Yuba City in October 2004 dedicated solely to the use of the North State.

The public hearing was opened, at which time the following persons spoke:

1. Dr. Thomas Andrews, President of the Shasta County Psychiatric Medical Society and Secretary-Treasurer of the North Valley Medical Association, suggested that a possible solution might be to develop a community committee (of both public and private individuals) appointed by the Board of Supervisors to try to come up with a solution.
2. Marge Hall, local President of the National Alliance for the Mentally Ill (NAMI), spoke in opposition to the closure of the hospital and asked the Board of Supervisors to wait until the November 2004 election and possible passage of the Mental Health Services Act.
3. Jerry Boyer, Ann-Marie Huber, Debbie Ryan, and Ernie Hickson asked that a way be found to keep the hospital open.
4. Cindy Bither Bradley, President of the United Advocates for Children in California, noted that it is important to keep the Mental Health outpatient facility open.
5. Diana Rhoda, a member of the Mental Health Board, discussed mental illnesses in her family.
6. Nancy Hodges discussed the need for an acute-care facility.
7. Tish Harris requested that a transition committee or council be formed to address the issue.
8. Cheryl Jewett asked that the needs of the mentally ill in the area be accommodated.

No one else spoke for or against the matter, and the public hearing was closed.

In response to a question from Governing Board Member Clarke regarding viable treatment alternatives, Dr. Kingdon explained that they have explored the possibility of contracting with a crisis residential treatment facility, possibly located where the current psychiatric hospital is now.

Governing Board Member Kehoe moved that the Governing Board of the Shasta Psychiatric Hospital:

1. Defer the decision;
2. Establish a Community Committee to examine the question and provide objective information to the Board of Supervisors and to the Mental Health Department; and
3. Charter the Shasta County Mental Health Board to examine the issue from their perspective.

Governing Board Member Wilson seconded the motion. In response to a question from Governing Board Member Fust expressing concern over the timeline, Dr. Kingdon suggested that if the Governing Board decides to take this action, they immediately direct the Mental Health Board to convene. He also noted that it is important to engage community members. A decision should be made by the next financial quarter.

Governing Board Member Clarke expressed her concern that if there is not enough money to operate both the inpatient and outpatient facilities, that the care of the outpatients not be sacrificed.

In furtherance of the motion, Governing Board Member Kehoe suggested that the committee be comprised of the following members:

1. One member nominated and appointed by each Supervisor.
2. Invite each of the Cities to appoint one member.
3. Dr. Thomas Andrews.
4. One member from the Mental Health Board.
5. One member from the Public Health Advisory Board.
6. Invite one member from the Shasta County Community Health Center.

Dr. Kingdon suggested that the Governing Board invite leadership from the hospitals and law enforcement to be on the committee. By consensus, the Governing Board agreed.

In response to a question from Governing Board Member Kehoe, County Counsel Karen Jahr noted that the composition of the committee can be continued to the next Board of Supervisors meeting. The motion carried unanimously.

11:48 a.m.: The Governing Board of the Shasta Psychiatric Hospital adjourned, and the Board of Supervisors reconvened.

## **HEALTH AND WELFARE**

### **MENTAL HEALTH**

#### **CLOSURE OF THE SHASTA PSYCHIATRIC HOSPITAL**

County Counsel Karen Jahr explained that as no action was taken on the closure of the Shasta Psychiatric Hospital, no further action by the Board of Supervisors is necessary. By motion made, seconded (Fust/Wilson), and unanimously carried, the Board of Supervisors took no further action on the closure of the Shasta Psychiatric Hospital at this time.

### **CLOSED SESSION ANNOUNCEMENT**

Chairman Hawes announced that the Board of Supervisors would recess to a Closed Session to confer with its Labor Negotiators, County Administrative Officer Doug Latimer and Director of Support Services Joann Davis, to discuss the following employee organizations: Shasta County Employees Association, Shasta County Mid-management Association, Deputy Sheriffs Association, Sheriffs Administrative Association, Professional Peace Officers Association, Unrepresented Employees, United Public Employees of California, and Trades and Crafts, pursuant to Government Code Section 54957.6.

11:50 a.m.: The Board of Supervisors recessed to Closed Session.

12:48 p.m.: The Board of Supervisors recessed from Closed Session.

12:52 p.m.: The Board of Supervisors reconvened in Open Session with Supervisors Hawes, Fust, and Kehoe and Deputy Clerk of the Board Linda Mekelburg present.

**REPORT OF CLOSED SESSION ACTIONS**

Chairman Hawes reported that the Board of Supervisors met in Closed Session to discuss labor negotiations; however, no reportable action was taken.

12:53 p.m.: The Board of Supervisors adjourned.

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Chairman

ATTEST:

H. DOUGLAS LATIMER  
Clerk of the Board of Supervisors

By \_\_\_\_\_  
Deputy