

WEEKLY UPDATE APRIL 19 - 25, 2020

THIS WEEK

END THE SHUTDOWN

DID HILL ACTUALLY RESIGN AS CHAIRMAN?

OR
IS IT A TEMPORARY ASSIGNMENT TO COMPTON WHICH COULD BE REVOKED?

COVID-19 UN-LOCKDOWN PLANNING STARTED BUT IT'S SELECTIVE AND COULD BE TOO SLOW



LOS OSOS SEWER RATE INCREASE HEARING BOARD ASKED TO WAIT UNTIL OPPONENTS CAN RESPOND AFTER COVID SHUTDOWN OVER – BUT HEARING STILL ON



COUNTY LIBERALIZING ITS EMPLOYEE PAY AND BENEFIT RULES IN THE NAME OF COVID-19

BUT YOUR BARBER SHOP, CAFÉ, APPLIANCE STORE, ETC. IS ON LOCKDOWN
– WHILE MANY GOVT. WORKERS ARE ENJOYING PAID STAYCATIONS

\$4.2 MILLION NACI PIPELINE REPAIR 2ND ONE IN LESS THAN 10 YEAR OLD FACILITY

LAST WEEK

SUPERVISOR HILL KINDA/SORTA RESIGNED BOARD CHAIRMANSHIP SOME DOUBTS HAVE EMERGED

NO SUPERVISORS MEETING
MOST OTHER AGENCIES ON LOCKDOWN EXCEPT SAFETY SERVICES

LAFCO BUDGET

OPPORTUNITY TO SAVE HUNDREDS OF THOUSANDS CONTRACT IT OUT TO A GIG GUY OR GAL WENT NOWHERE

COVID DISCUSSION TURNED TO ENDING THE LOCKDOWN

SLO COLAB IN DEPTH

SEE PAGE 25

END THE SHUTDOWN

BY THE WALL STREET JOURNAL

COVID-19 TESTING MISSTEPS ILLUSTRATE FAILURES OF THE REGULATORY STATE

BY GLENN E. ROPER

THIS WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, April 21, 2020 (Scheduled)

Missing Item? - Appointment of a Chair of the Board of Supervisors. After the resignation of Adam Hill as Board Chairman (he says he will continue as 3rd District Supervisor) we expected that an agenda item would be posted to allow the Board to formally accept Supervisor Hill's resignation and to vote to appoint a new Chair. Apparently, County Counsel has concluded that such votes are unnecessary and the succession is automatically provided for in the Board's existing Rules. Specifically, it is asserted that Vice-Chair Lynn Compton is deemed to have acceded and no formal action is required.

The relevant section of the Board Rules of Procedure seems to be as follows:

IV. PROCEDURE

A. A Board Order applies mainly as a directive to County officers or employees. It need not be reviewed in writing, as it generally applies to one specific act only. Board Resolutions and Ordinances must be reviewed in written form before binding action is taken on them.

B. At the first regular meeting of the calendar year after the swearing-in ceremony, a Chair and Vice Chair shall be elected by majority vote of the Board and such Chair shall preside for one year. The process for nominating the Chair and Vice Chair shall be on a rotation basis. Beginning in 2019, the rotation shall be District 5, District 3, District 4, District 2, District 1; with the Chair for a subsequent year serving as Vice-Chair (e.g. 2019 Chair – District 5, 2019 Vice-Chair – District 3). Once completed, the District rotation will start again with District 5 (2024) and continue using the same sequence for Chair and Vice-Chair (District 5, 3, 4, 2, 1). If the person nominated for Chair or Vice Chair declines the nomination, she or he shall be rotated on the list. It is intended, but not mandated, that the Supervisor elected as Vice Chair will succeed the Chair in the following year. In the absence or inability to attend by the Chair or Vice Chair, a Chair protem shall be selected by the members present.

Actually, and as can be seen in the yellow highlighted section, the rule does not seem to specifically address the situation of a Chair who resigns the Chair position mid-term? It really isn't clear that formal action to appoint or confirm a new chair isn't required. This then raises the spectre that

Supervisor Hill might start to feel better at some point and come back and assert that he is the Chairman.

Separately, Hill's ostensible resignation as Chair states in part:

I'm writing to let you know that I will be participating in the board meeting on April 21st. Because I must dedicate time to continue my recovery, I think it is best to turn over the Chair to Supervisor Lynn Compton, who will continue to do a fine job.

The word resignation is never used. Instead it's a "turn over." Does he mean temporary or permanent?

Item 1 - Update on COVID-19 in San Luis Obispo County. There is no actual written or graphic report material in the agenda file as of this writing. The report will probably be verbal, accompanied by a PowerPoint during the meeting. At this point the focus is shifting to how to end the lockdown and restore the economy to prevent further damage.

The County has created a large project team to study the matter and provide recommendations to the County Health Officer and County Executive Officer. Its goal is to come up with a formal "Reopening Plan" by April 26, 2020. Reportedly the team includes subgroups:

The most powerful within the project structure seems to be a group which is called the Project/Authoring Team. It is comprised of 5 physicians and an attorney. Just about everyone else is relegated to the status of "stakeholders." This group includes the business community, social service sectors, government agencies, Cal Poly, school districts, city representatives, and the faith/Religious communities. Clearly, it's weighted toward the medical side. The stakeholders, to the extent that they actually have meaningful role, will be reacting to the overwhelming data and writings of the medical sub-team, which will probably be very conservative in supporting reopening.

Who is on an equivalent team, if it eventually exists, writing the strategy and detailed plan for actually getting business going again? The doctors don't know how to run a restaurant, or Jiffy Lube, hotel, car dealership, church, or even a hospital. These groups may be involved as stakeholders, but they are not actual writers. Where is the Farm Bureau and the Vintners Association?

In the larger political and blame environment, the Board of Supervisors, whose role is not clear, the top County management, and representatives of other government agencies are likely to defer to the experts who can carry the blame if the lockdown ends and then the infection rate starts up again and/or the virus adapts to a more deadly and virulent version. However, as in war, you can have all the generals you want advocating for this or that, but it is the elected leaders who have to make the ultimate calls.

Both General MacArthur in the Philippines and the General Short in Hawaii ordered that the interceptor planes be parked close to each other to forestall saboteurs. The battleships were anchored in to rows right next to each other.

Likewise Lincoln had to fire five successive Union Army Commanding Generals before he got to two who actually understood that you had to destroy the Confederate armies and burn the major confederate cities to the ground to force the south to surrender. In the meantime, hundreds of thousands of Union soldiers were fed into the Confederate killing machine for three years with no real results.

In both these historical cases, Roosevelt in WWII and Lincoln in the Civil War understood that ultimate goal as to win the war, not follow the best military doctrines of the day. This was also true of Churchill in his willingness to win the War.

In the case of SLO County, we need leadership that will make it clear to all the experts that the goal is to get the economy going fast. If the generals and admirals don't get that, they need to be replaced. The medical experts must understand that they are to asset in providing the best strategy to do that, but their professional expertise is not the prime directive. SLO County is not part of the outer boroughs of New York City.

Both the Federal Government and the State of California are also working on reopening plans. It is not clear which one takes precedence. What if the County says open up by May17th and the State says lets continue the lockdown until June 20th?

As of last Friday, the statistics demonstrate a very low number of sick people and only one death in San Luis Obispo County. Given these statistics, one might wonder if the County should have ever been locked down in the first place. Statistically, the actual problem is very small.

What if the County were to simply rescind its shut down order and then closely monitor the data to see if the infection rate begins to move up again? Notwithstanding the planning, the County just extended its version of the lockdown to mid-May, another month. For many businesses or people who lost or will lose their jobs, the Plan may come too late. In most pandemics the ill, travelers, and those from areas where the infection rate is high are quarantined. In the current pandemic everyone is quarantined.

Current Situation

As of 4/16/20 at 12:00 pm

125 Confirmed cases

16 Home

104 Recovered

4 Hospitalized (2 in ICU)

SOCALGAS® IS HERE FOR YOU.





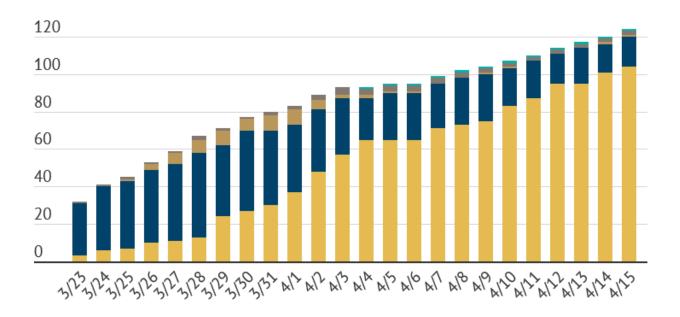
We understand this is a challenging time for us all. Rest assured, your natural gas service will still be there for your community. For more information on how we're helping our customers, please visit <code>socalgas.com/coronavirus</code>



1 Death

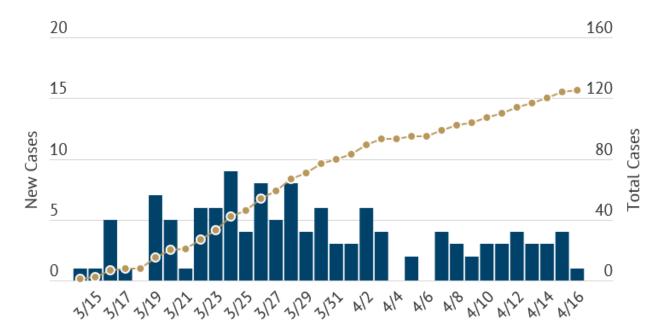
Of 125 cases accumulative total cases, 104 recovered, 4 are in the hospital, and 1 died. The condition of the 16 at home is not known. Since they are at home they will probably get better. This is out of 283,000 County residents.

The bar chart below is displayed on the County COVID-19 website. It depicts the accumulative history of infection over time. When did the County reach apex and how fast is the rate of infection going down? The County's presentation makes everything look as though it is still going up, unless the reader does some disaggregation on its own.



Recovered Home Hospital (non-ICU) ICU Death

Note that only 4 are currently in the Hospital. Another chart shows that of the number of new cases per day is very low. The chart looks dramatic, but remember the blue and brown colored segments which are in play. Most of the people who have been confirmed to be infected have gotten better.



New Cases per every 2 days are shown in dark blue.

New York Governor Cuomo's charts are much clearer in depicting the true trends.



For example, hospitalizations are considerably reduced.



The County should have the equivalent of the graphic to the left by zip code or planning area. Note that most of the NY upstate counties have no confirmed cases. What would a SLO County map show by community plan map and incorporated city? Its GIS system should be able to print these out daily.

By the way, is the staff helping Board Chair

Compton lead the briefings with these types of graphics?

In the end, what if the County's experts conclude that the lockdown should continue for 12 to 18 months, when a vaccine is expected?

MEASURING THE RATE OF INFECTION IN SLO COUNTY – NOW AND AS A DETECTION MECHANISM WHEN AND IF THINGS OPEN UP

What has been the actual R₀ infection rate in SLO County For COVID-19?

 R_0 is pronounced "R naught." It's a mathematical term that indicates how contagious an infectious disease is. It's also referred to as the reproduction number. As an infection spreads to new people, it reproduces itself.

 R_0 tells you the average number of people who will catch a disease from one contagious person. It specifically applies to a population of people who were previously free of infection and haven't been vaccinated. If a disease has an R_0 of 18, a person who has the disease will transmit it to an average of 18 other people, as long as no one has been vaccinated against it or is already immune to it in their community.

. What do R0 values mean?

Three possibilities exist for the potential spread or decline of a disease, depending on its R_0 value:

If R_0 is less than 1, each existing infection causes less than one new infection. In this case, the disease will decline and eventually die out.

If R_0 equals 1, each existing infection causes one new infection. The disease will stay alive and stable, but there won't be an outbreak or an epidemic.

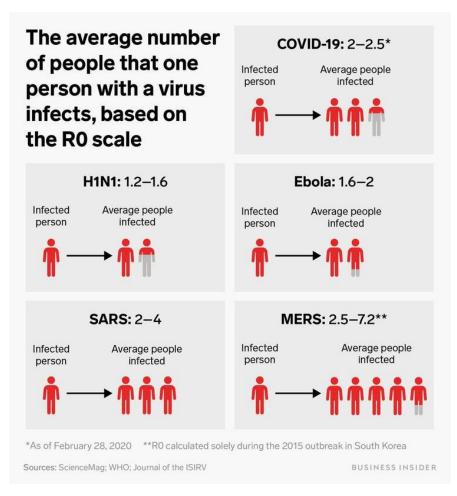
If R_0 is more than 1, each existing infection causes more than one new infection. The disease will spread between people, and there may be an outbreak or epidemic.

In SLO, was the R_0 value ever 1? It seems impossible, given the very low number of confirmed cases in relation to the total population. If this is true, why maintain the lockdown at all? What if it's .001?

Importantly, a disease's R_0 value only applies when everyone in a population is completely vulnerable to the disease. This means:

no one has been vaccinated
no one has had the disease before
there's no way to control the spread of the disease

This combination of conditions is rare nowadays thanks to advances in medicine. Many diseases that were deadly in the past can now be contained and sometimes cured. For example, in 1918 there was a worldwide outbreak of the swine flu that killed 50 million people. According to a review article published in <u>BMC Medicine</u>, the R_0 value of the 1918 pandemic was estimated to be between 1.4 and 2.8. But when the swine flu, or H1N1 virus, came back in 2009, its R_0 value was between 1.4 and 1.6, report researchers in the journal Science. The existence of vaccines and antiviral drugs made the 2009 outbreak much less severe.



The goal is make sure that the R_0 value is 1.0 or less.

How do you know?

Testing – the County and its affiliated medical providers need to initiate a system of R_0 testing to early detect any significant growth in the R_0 . If a case is detected, it needs to be followed up by tracing – that is contacting whoever has been exposed to a positive individual.

Since the County has such low numbers in any case, this would seem to be imminently feasible and would make much more sense than the lockdown or some slow phase out of the

lockdown based on anecdotal data and political preference.

Many companies have ramped up their test kit production per the example news release below:

Siemens Healthineers Releases Test Kit for Coronavirus COVID-19

Erlangen, Germany / Tarrytown, NY / Apr 02, 2020

- Siemens Healthineers test kit will help detect SARS-CoV-2, the cause of COVID-19
- Company is pursuing Emergency Use approvals from WHO and FDA for clinical use

Siemens Healthineers announced today the availability of its molecular Fast Track Diagnostics (FTD) SARS-CoV-2 Assay test kit used to aid in the diagnosis of infection by the SARS-CoV-2 virus that causes the COVID-19 disease. Test kits are already being shipped within the European Union for research use only (RUO) to expedite availability while the company continues to pursue Emergency Use Assessment and Listing (EUAL) from the World Health Organization (WHO) for clinical use. In addition, Siemens Healthineers has begun discussions with the U.S. Food and Drug Administration (FDA) for release of the test under Emergency Use Authorization (EUA). Both applications are in progress. While the controlled roll-out of the assay for research use is continuing, Siemens Healthineers is simultaneously expanding its production capacity.

"With this molecular diagnostic assay, we want to make a contribution to fight the current COVID-19 global pandemic by delivering fast and accurate SARS-CoV-2 testing," said Sebastian Kronmueller, Head of Molecular Diagnostics at Siemens Healthineers. "The Siemens Healthineers assay is designed to help researchers positively identify the virus in less than three hours so that healthcare professionals can proceed as quickly as possible with the necessary next steps on their patients' triage paths."

Many molecular assays detect the presence of viral ribonucleic acid (RNA), determining the presence of the targeted virus directly in the patient sample. In this way, molecular testing is effective early in the lifecycle of the virus and is thus efficient in urgent testing situations, such as global pandemics. After regulatory approval, the commercial roll-out of the assay is intended in the U.S. and Europe.

The FTD SARS-CoV-2 Assay has been optimized on the Biomerieux EasyMag Extraction System and the Applied Biosystems 7500 Real-time PCR Thermocycler* and utilizes the same workflow, including PCR profile, as other FTD Respiratory Disease kits from Siemens Healthineers. It can be run in laboratories simultaneously with FTD Respiratory Pathogens 21**, a molecular syndromic testing panel from Siemens Healthineers that identifies 21 different upper respiratory pathogens that can cause acute respiratory infections.

The FTD SARS-CoV-2 Assay was developed by Fast Track Diagnostics, a Siemens Healthineers Company, in Esch-sur-Alzette, Luxembourg. Fast Track Diagnostics was acquired by Siemens Healthineers at the end of 2017.

Another company is selling this version:

Instant Test Kits for Medical Professional Use



• Rapid results in 10 minutes

- Small sample sizes
- Sold in packs of 100
- Following the incubation period, IgM may appear in blood within 3-5 days. IgG will appear as soon as 1-2 weeks.
- Shelf life of 24 months from manufacture date
- Forensic / Medical Professional Use Only
- Tests should be conducted by a licensed phlebotomist, or a medical professional
- Verification of use case prior to shipping is mandatory

The price seems to be about \$135 per kit with big discounts for large orders. Why not use these on a data driven geographic and functional basis (people who work in close settings – restaurant, retail, transit, personal care, etc.)? It would be much cheaper than keeping whole portions of the economy shut down.

Economic Disaster and Reporting:

Significantly the County COVID website does not provide data on how many of the 283,000 people in the County have lost their jobs, how many are furloughed, how many have applied for Unemployment Insurance payments, how many businesses are closed, what are the banks reporting on loan payments, or anything else on the economic side.

How many businesses have applied for the Cares Act SBA loans? How many have actually been approved, and how many have received a check?

What is being done to keep Diablo open?

When will the County Parks open again?

Tasting Rooms?

Entertainment Venues?

Churches?

What about weddings?

Moe's Barbeque?

Anderson Barbershop?

Items 4 and 5 - Adjustments to Food Concessionaires Leases at the County Airport. The Board is being requested to pend the portion of the leases that require minimum monthly payments. There is no revenue, as most flights are cancelled and no one is travelling. The reprise is necessary for the

restaurants to survive. Airport revenues will collapse as the lockdown continues. These include rental car concessions and landing fees.

Item 16 - Liberalization of a Cafeteria of County Employee Sick, Vacation, Work Hours, Restrictions on Retirees Coming Back and Double Dipping, More Sick Leave if an employee catches COVID- 19, Expanded Vacation Cash Out. We are quoting these below in detail because they provide a great tutorial on how government never wastes a crisis:

☐ Emergency Paid Sick Leave Pursuant to the Families First Coronavirus Response Act

o On March 18, 2020, the federal government enacted the Families First Coronavirus Response Act (FFCRA), requiring employers to grant up to eighty hours of Emergency Paid Sick Leave (EPSL) to all employees for use between April 1, 2020, and December 31, 2020. The FFCRA allows employers to cap the daily amount paid under EPSL at \$511 per day if the leave is taken due to an employee's own COVID-19 related health condition, and at \$200 per day if the leave is taken to care for another, or if the leave is taken for an employee's own "substantially-similar" health condition.

o In anticipation of and to comply with the FFCRA, all full-time employees were given eighty (80) hours of additional sick leave, and part-time and temporary employees were given additional sick leave prorated by their scheduled work hours. Pursuant to the FFCRA, this EPSL is available to all employees for use between April 1, 2020, and the pay period including December 31, 2020. After the pay period including December 31, 2020, or if an employee terminates employment prior to that date, any unused portion of this additional sick leave will be removed from the employee's leave balances. In order to accommodate the additional sick leave for employees, the current sick leave accrual caps have also been suspended through the pay period including December 31, 2020. This allows for employees who are currently at or near the accrual cap to receive the additional sick leave hours as required by the FFCRA. After the pay period including December 31, 2020 the current caps will be reinstated, and employee's sick leave balances above the cap will be reduced to the cap.

o Although the law allows employers to cap the amount paid to employees each day under the FFCRA, the County has granted the required hours of EPSL at an employee's full rate of pay. It is this decision to exceed the legal requirements of the FFCRA that is recommended for ratification.

□ Suspending the Current Vacation Accrual Cap

o During the current emergency for 2019 novel coronavirus (COVID-19), the County needs as many employees as possible to be available to work as Disaster Service Workers and to continue to provide essential County functions. As a result of the current emergency, many employees are unable to take vacations or other time off. For employees who are already at or near the current vacation accrual cap (320 hours) and unable to take scheduled vacation time or accrue further additional time, it is recommended that the Board ratify the temporary suspending of the vacation cap, effective March 22, 2020 until the pay period containing December 31, 2020. After this time the 320-hour cap will be reinstated and employees who have a vacation leave balance in excess of 320 hours will paid out for their vacation balance above 320 hours. This payment for hours above the cap is non-pensionable.

☐ Suspending the Cap of 960 Working Hours for Temporary Employees

o In order to ensure enough personnel are available to act as Disaster Service Workers and to perform essential County functions during the current declared emergency, the current annual 960 hour cap on working hours for temporary employees has been temporarily suspended. It is recommended that the Board ratify this suspension. In accordance with the Affordable Care Act (ACA), should these temporary employees meet ACA requirements they will be offered medical insurance benefits.

☐ Suspending the Restrictions for Retired Employees Returning to Work Pursuant to Emergency Orders

o On March 21, 2020, California Governor Gavin Newsom signed Emergency Orders 3.12.20-EO-N-25-20 and 3.21.20-EO-N-35-20 that temporarily waived the 960-hours per year limit on retirees working as temporary employees and the 180-day waiting period for new retirees prior to temporary employment to help ensure adequate staffing during the state of emergency. Accordingly, retired employees may work beyond the 960-hour limit and do not need to wait 180 days before being hired as a temporary employee for the duration of the declared emergency.

Temporary COVID-19 Catastrophic Leave Program

o The COVID-19 Catastrophic Leave Program provides a method for employees to assist fellow employees who have exhausted their paid leave time due to a COVID-19 related school or child care closure or to care for themselves or an immediate family member with a serious illness related to COVID-19 that has impacted their ability to work. This program may also be expanded to other leaves related to COVID-19 during the declared emergency if determined necessary by the Human Resources Director. This program is based on voluntary donations and the availability of donations are not guaranteed. Hours donated will be converted from donor rate of pay to a cash value and then credited to the recipient in equivalent hours based on the recipient's base hourly rate. This is a temporary program that will end when the local emergency declaration ends, however during this time allows employees to donate any accrued leave including vacation leave, sick leave, annual leave, admin leave and comp time. Any unused leave donations at the end of the emergency will be returned to the donor. This program varies from the regular Catastrophic Leave program because it is temporary in nature, allows employees to donate any leave type and limits recipients to 20 hours of leave per week. The existing County's Catastrophic Leave program will continue to be available for employees to apply to for non-COVID-19 related reasons.

Resolution allowing Fair Labor Standards Act Exempt employees to cash-out up to 80 hours of vacation time.

Exempt employees are typically not eligible for additional compensation above forty hours in a work week, which presents a challenge in emergency situations. Although exempt employees may be required to put in significantly more hours than they normally would during the normal course of their job for a proclaimed emergency, they would not receive any additional compensation since they

are exempt from overtime compensation under the Fair Labor Standards Act (FLSA). Non-exempt employees, on the other hand, continue to receive their normal pay and any applicable overtime pay for these extra hours. To help address this issue for Exempt employees responding to a locally proclaimed County emergency, it is recommended that the Board of Supervisors adopt a resolution granting Exempt employees in Bargaining Units 04, 07, 08, 09, 12, and 16 the ability to cash-out up to eighty hours of their accrued vacation balances without the requirement for employees to have a balance of at least 200 hours or use a minimum of forty hours of vacation as per the current vacation cash-out provisions. This payment for cashing out vacation balances is non-pensionable. The ability for Exempt employees to cash-out up to eighty hours of accrued vacation leave will be available until the pay period including December 31, 2020. After that point, the current vacation cash-out provisions for employees to have a minimum 200-hour balance and use a minimum of forty hours of vacation will apply.

FINANCIAL CONSIDERATIONS

The majority of the costs associated with these provisions are primarily associated with unproductive time or allowing employees to remain in a paid status if they would have otherwise exhausted all leave options and would be in a leave without pay situation. Any actual increased costs associated with these provisions are related to the increased vacation balances by suspending the 320 vacation accrual cap, the ability for exempt employees to cash out up to 80 hours of vacation time under relaxed restrictions, and allowing temporary and retired employees to work more than 960 hours. It is estimated that these additional costs may be up to \$108,000 for the remainder of Fiscal Year 2019-20, and up to \$848,000 for Fiscal Year 2020-21. These are conservative estimates and it is expected that the actual costs will be less. To the extent possible current payroll and trend data was used to arrive at these estimated costs. As these provisions do not extend beyond December 31, 2020, there are no additional ongoing annual costs associated with approval of these resolutions.

Whose Crisis?

Will the public employees who still have a job and benefits sympathize with the private sector employees, small businesses, Gig workers, and others who are on the street with no income and no benefits, and help them get back to work by expeditiously ending the COVID economic lockdown? Or will they the push the World Health Organization's 12 to 18 month criteria?

Imagine this is going on at the State level and in 58 counties, 450 cities and thousands of special of special districts.

Item 30 - Nacimiento Pipeline Repair. The line, which opened in 2012, has experienced several breaks. There is speculation that the problem may be caused by faulty welds between the sections or might involve the quality of the steel itself. The repair costs will exhaust the system's reserves. Water rate increases to the citizens in the member users group should be expected over time. These include the City of Paso Robles, Atascadero Mutual Water Company, City of San Luis Obispo, Templeton

Community Service District, County Service Area 10A, Santa Margarita Ranch Mutual Water Company, and Bella Vista Mobile Home Park.

EXHIBIT A

Project Cost Estimates

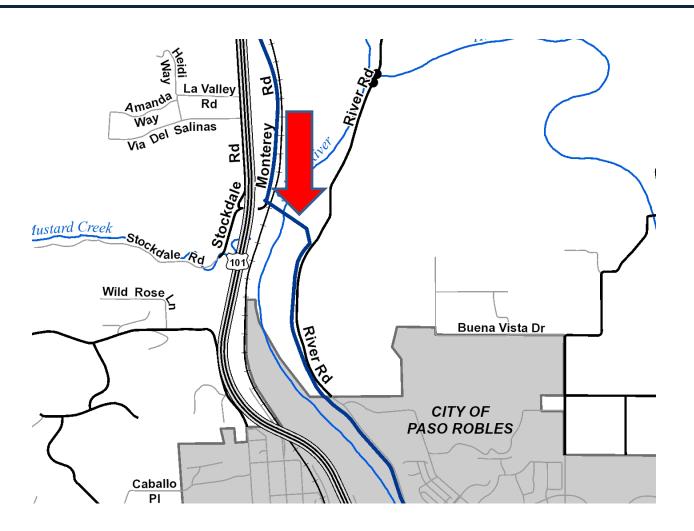
Nacimiento Water Pipeline North Salinas River Crossing Repair Project No. 300641

	FY 2019/20	
Expenditures:	Estimate	Total Project
Emergency Response	\$250,000	\$250,000
Preliminary Engineering	150,000	150,000
Design, Utility Coord., and		
AD-15 Processing	575,000	575,000
Environmental	50,000	50,000
Right of Way	50,000	50,000
Construction	2,000,000	2,000,000
Construction	-,,	
management and		
contingency	1,106,600	1,106,600
Total Expenditures	\$4,181,600	\$4,181,600
Funding Source:		
Nacimiento Operating		
Fund & Nacimiento		
Reserves	\$4,181,600	\$4,181,600
Total Funding	\$4,181,600	\$4,181,600

Note: Project Costs will be updated after construction bids have been processed.

It appears that the County is attempting to recover costs from the firms that constructed the pipeline. The write-up states in part:

The County Counsel office is handling legal matters and will continue to update your Board, as well as their respective Counsel offices in each of the Participating organizations. The construction contract will be prepared using standard County terms and conditions, and County Counsel will also review and approve the construction contract as to legal form and effect prior to advertisement.



The leak is located where the pipeline crosses beneath the Salinas River, making the fix costly.

Item 35 - Hearing to consider a resolution approving the San Luis Obispo Regional Transit Authority (SLORTA) incurring indebtedness (bond, notes, or certificates of participation in a lease agreement in an amount not to exceed \$25,000,000 to construct the San Luis Obispo Regional Transit Authority's planned new transit administration, operations and maintenance facility and making certain findings in connection therewith. The Transit Authority is an independent Special District governed by a Board of Directors from the member jurisdictions:

Heather Moreno - City of Atascadero, Andy Pease - City of San Luis Obispo, <u>Debbie Arnold</u> - Board of Supervisors, District 5, <u>John Peschong</u> - Board of Supervisors, District 1 – Vice President*, <u>Bruce Gibson</u> - Board of Supervisors, District 2, <u>Adam Hill</u> - Board of Supervisors, District 3, Lynn Compton - Board of Supervisors, District 4, Karen Bright - City of Grover Beach, <u>Fred Strong</u> - City of Paso Robles – President*, <u>Ed Waage</u> - City of Pismo Beach*, Jimmy Paulding - City of Arroyo Grande, <u>Robert Davis</u> - City of Morro Bay.

*Executive Committee Members

The write-up stated in part: The Board of Supervisors is being asked to adopt a resolution approving of the incurring of indebtedness by the San Luis Obispo Regional Transit Authority (SLORTA) to implement capital improvements for the Authority's planned new transit administration, operations and maintenance facility.

Why? Apparently, since the proposed facility is located within the boundaries of the county, lenders want assurances that the project is acceptable to the County. The Board letter takes great pains to assert that the County can have no possible financial responsibility for the debt repayment, which is estimated to be about \$750,000 per year. Debt on the old SLORTA facility, which this new facility will replace, is almost fully paid off. The payments for the new facility are projected to be approximately equal to those for the old facility. Simultaneously, and because of the COVID-19 lockdown, SLORTA expects major budget problems. Is this the time to issue major debt?

Item 36 - Hearing to consider protests to a proposed sewer service charges increase for the Los Osos Sewer Service Area and if there is not majority protest, adopt the attached ordinance, which establishes the sewer service charges and requirements for the Los Osos Sewer Service Area. The County staff is proposing rate increases for the Los Osos sewer system. Under the law the property owners are afforded an opportunity to stop the increases by protest vote. In this instance forestalling of the increase would require that owners of 2,632 properties protest.

If there is a majority protest:

 Make a motion that finds that there is a majority protest based on the County's receipt of at least <u>2,632</u> written protests for the <u>5.262</u> parcels subject to rate increase, and that the proposed ordinance shall not be adopted

The cost to residential properties is displayed in the table below:

Single Family Residence Example									
Fiscal Year	Assessment (per month)	Minimum Charge (per month)	Volume by Average CCF	Total (per month) Assessment + Minimum Charge + Volume * CCF					
Current (FY 2019/20)	\$85.83	\$48.85	(\$7.54 * 4.32 CCF) \$32.57	\$167.26					
Year 1 (FY 2020-21)	\$85.83	\$57.80	(\$7.88 * 4.32 CCF) \$34.04	\$177.67					
Year 2 (FY 2021-22)	\$85.83	\$68.40	(\$8.24 * 4.32 CCF) \$35.60	\$189.83					
Year 3 (FY 2022-23)	\$85.83	\$70.45	(\$8.49 * 4.32 CCF) \$36.66	\$192.95					
Year 4 (FY 2023-24)	\$85.83	\$72.57	(\$8.74 * 4.32 CCF) \$37.76	\$196.16					
Year 5 (FY 2024-25)	\$85.83	\$74.74	(\$9.00 * 4.32 CCF) \$38.90	\$199.47					

When the plant was being proposed and built, the County promised the people that the rates would never exceed \$199 dollars per month. It is interesting that the proposed 5-year plan here is tailored to that number. This "coincidence" raises the question of what is the real number, based on staff analysis, experience running the new plant, and "best utility practices". Staff should certify that the numbers present the true case?



A number of impacted residents have requested that the matter be pended until after the COVID-19 lockdown is ended. They believe that the current situation precludes the opportunity be able to rally opposition, thereby thwarting citizens' rights to organize a protest vote. As one engaged member pointed out, "This is Pathetic."

The Board should set this kind of thing aside for the duration. What skin do the County executives and managers have in the game as

these rate payers are laid off and have no income? The County folks are still on the payroll, receiving benefits, and many are at home enjoying a paid staycation.

This one really constitutes pissing on the public and calling it rain.



Added Item 1-(1) - Request for approval to apply for Federal and State disaster assistance on behalf of the County of San Luis Obispo for the COVID-19 pandemic, 2) submittal of a resolution to authorize certain staff to sign disaster recovery documents, and 3) request to approve related Project Assurances for Federal Assistance. The County is now eligible to apply to FEMA for up to 75% of the costs of managing the COVID-19 operations. It can also apply to the State for an additional 12% from the State. If approved, these grants could help pay for some of the

costs outlined in **Item 16** above. More significantly, they could help offset the costs medical supplies, ventilators, overtime, opening the surge medical center at CAL Poly, and other expenses.

LAST WEEK'S HIGHLIGHTS

Supervisor Adam Hill resigned as Chairman of the Board but remains as 3rd District Supervisor. (Although as noted above, is it a resignation or a time out?)

On Saturday evening, April 11, 2020 (exactly one month less a day from when the FBI raided his office and home which was then followed by a subsequent suicide attempt), Supervisor Adam Hill resigned as Chairman of the Board of San Luis Obispo County. He did not resign his position as 3rd District Supervisor. According to CalCoastNews he cited health concerns, including underlying vulnerability from Crohn's Disease¹, which would make him more susceptible to complications if he contracted COVID-19.

It appears that the Supervisor intends to serve for the remainder of his current term, which ends December 31, 2020, and then be sworn in for a new term starting on January 4, 2021.

As we have pointed out, it is not known where the current FBI investigation will lead and what future disclosures, if any, will portend. In the meantime Stacey Koresgaden, who came close to defeating Hill, is available and ready if Hill cannot or does not wish to serve. Whether or not the Governor would appoint her based on her Republican Party affiliation is a potential hurdle. On the other hand, if he refused on a partisan basis and picked a local Democrat like Heidi Harmon, he would be telling 10,513 local voters to go screw themselves, thus perpetuating the life of the corrupt SLO County Democratic left progressive political machine. In such a case his appointment would be ripe for recall. Even some of the 11,100 Democrats who voted for Hill might be fed up at this point.

COVID-19 Operations

So far the planning and operations seem to be going as well as can be expected. The Governor expects the peak of infections, hospitalizations, ICU cases, ventilator use, and deaths to occur sometime in mid-May. It is not certain that SLO County will follow that pattern. The County is largely rural to suburban, does not rely heavily on mass transit, contains little stack-and-pack housing, and is largely populated by an upwardly mobile population made up of people who are accustomed to

¹ Crohn's disease is an inflammatory bowel disease (IBD). It causes inflammation of the digestive tract, which can lead to abdominal pain, severe diarrhea, fatigue, weight loss, and malnutrition. Inflammation caused by Crohn's disease can involve different areas of the digestive tract in different people.

working for the larger good and are motivated to achieve success. Of course, the students are gone or locked in.

It's not as if you live in the projects in Oakland and have to take a bus to BART and then a bus from BART in San Francisco to your actual essential job site at one of the hospitals, clinics, utility plants, corporation yards, etc.

No Board of Supervisors Meeting on Tuesday, April 14, 2020 (Not Scheduled)

The next scheduled meeting will be on Tuesday, April 21, 2020.

Local Agency Formation Commission Meeting of Thursday, April 16, 2020 (Completed)

The meeting was conducted remotely.

Item B-1: Consideration Of The Proposed Fiscal Year 2020/21 San Luis Obispo LAFCO Budget (More Options Than Presented). The Commission went with option 1 below.

Background: The write-up contained two options. The first would occur if the current Deputy Director is appointed to fill retiring Executive Director David Churches' vacancy. The second would occur if the Commission determines to conduct an open recruitment for the position.

FY 20-21 Proposed Budget Options

11 20-211 Toposca Baaget Options									
Line Items	Option #1	% Dec./Inc.		Option #2	% Dec./Inc.				
Salaries	\$255,799	-16%		\$290,351	-5%				
Taxes/Benefits	\$209,053	-12%		\$235,097	-1%				
Services Supplies	\$144,361	+11%		\$176,361	+39%				
Total Budget	\$609,213	-9.3		\$701,810	+4.5%				
Charges to Agencies	\$568,213	-8%		\$660,810	+6.9%				

Option #1 includes funds for a biennial Audit as well, but not for the selection consultant. Both options include Mr. Church's salary through July 24, 2020.

A third option would have been be to dispense with maintaining a separate staff and assign the staff work to existing County staff, eliminate the need for separate counsel, and otherwise reduce costs.

Exhibit A - Option #1 San Luis Obispo Local Agency Formation Commission Proposed Budget - Flacal Year 2020-2021

Proposed 4/16/2020									
EXPENDITURES SUMMARY	Current Year	Expense YTD	Proj. Yr End	Proposed 20-21	Inc/Dec	% Inc/Dec			
Salaries	306,297	237,245	298,000	255,799	-50,498	-16%			
Benefits and Taxes	238,231	171,498	223,319	209,053	-29,178	-12%			
Services and Supplies	127,097	85,755	106,899	144,361	17,264	14%			
Total Expenses	671,625	494,498	628,218	609,213	(62,412)	-9.3%			

EXPENDITURES DETAIL	Current Year	Expense YTD	Proj. Yr End	Proposed 20-21	Inc/Dec	% Inc/Dec
Salaries and Benefits						
Salaries	306,297	237,245	298,000	255,799	-50,498	-16%
Benefits and Taxes	238,231	171,498	223,319	209,053	-29,178	-12%
Subtotal Salaries & Benefits	544,528	408,743	521,319	464,852	(79,676)	-14.6%
Variable Costs (%):						
FICA -Employer Match	18,990	13,571	19,176	15,860	-3,130	-16%
Medicare - Employer Match	4,441	3,678	4,500	3,709	-732	-16%
Retirement-Employer Contribution *	103,595	77,440	100,953	90,742	-12,853	-12%
Retirement-Employer for Employee	31,647	24,989	31,951	26,520	-5,127	-16%
Retirement - Employee Contribution *	22,313	14,339	18,640	22,723	410	2%
Pension Obligation Bond Payment	20,439	15,111	20,739	15,973	-4,466	-22%
SUI-Employer Contribution	2,500	378	500	2,500	0	0%
Fed Unemploy Tax-Employer Cont	300	0	0	300	0	0%
Fixed Costs (\$):						
Health Plan/Café Cash	45,000	28,331	35,100	41,700	-3,300	-7%
Life Insurance	0	0	0	750	750	0%
Def Comp - EO Employer Match	11,000	8,000	10,400	11,000	0	0%
Total Benefits	238,231	171,498	223,319	209,053	-28,859	-12%

[±] Split Employer/Employee 2.6% pension rate increase

Services and Supplies	Current Year	Expense YTD	Proj. Yr End	Proposed 20-21	Inc/Dec	% Inc/Dec
Food	800	234	400	800	0	0%
Maintenance - Equipment	300	0	0	300	0	0%
Maintenance - Software	500	360	360	500	0	0%
CALAFCO/Other Memberships	4,400	4,707	4,707	7,000	2,600	59%
Office Supplies	2,500	802	1,500	2,500	0	0%
Commissioner/Consultant/Sick Leave Payout	10,000	4,378	7,000	18,000	8,000	80%
Publication/Legal Notices	800	1,027	1,027	1,000	200	25%
Rent	38,000	30,565	36,700	38,000	0	0%
Small Equipment	400	0	0	400	0	0%
Large Equipment	1,000	73	500	1,000	0	0%
Computer Software	500	186	200	500	0	0%
Employee Mileage	200	0	0	200	0	0%
Commissioner Mileage	1,800	755	1,000	1,800	0	0%
Airfare/Public Transportation	500	0	0	500	0	0%
Accommodations/Travel	4,000	2,270	2,270	4,000	0	0%
Auto Allowance	5,400	4,154	5,400	5,400	0	0%
Training/Conf Registration	4,500	3,790	3,790	4,500	0	0%
Utilities	4,000	3,112	4,000	4,000	0	0%
Car/Vehicle Rentals	1,000	916	916	1,300	300	30%
Postage	1,000	160	200	1,000	0	0%
Custodian	1,000	640	1,000	1,000	0	0%
Copying	800	0	400	800	0	0%
ITD-SAP/Board Chambers	850	0	700	850	0	0%
Phones	2,600	1,198	2,400	2,800	200	8%
County Auditor	8,247	8,247	8,247	8,511	264	3%
Insurance/Worker Comp/Property/Liability	8,000	7,632	7,632	12,500	4,500	56%
Legal Counsel/Other Co Billings	24,000	10,550	16,550	25,200	1,200	5%
Subtotal Services & Supplies	127,097	85,755	106,899	144,361	17,264	14%
Total Expenses	671,625	494,498	628,218	609.213	-62.412	-9.3%

A good deal of the overhead listed in the detail here could be eliminated.

A fourth option would have been to use an independent contractor as opposed to career benefited government employees. There are a number of freelancers around who are LAFCO and Cortese/Knox experts, and who could do it for \$300,000 instead of \$600,000. In fact, the Commission might find

someone who is both a LAFCO expert and an attorney. In an emerging epoch where revenues are likely to plunge, why not take the opportunity to save?

Supervisor Hill Speculation & Box Score

This Week: As noted at the top of This Weeks's Highlights above, there could be some question as to whether the Chairmanship resignation is a true resignation or merely a timeout?

Last Week: Supervisor Adam Hill resigned his Board Chairmanship on Saturday evening April 11, 2020.

Two Weeks Ago: The Board meeting was canceled. The staff had been diverted to managing the COVID-19 problems and was not bringing forward major business items. Hence, the Supervisor Hill situation remained in limbo. Vice Chair-Compton continued to provide leadership beyond the bureaucratic versions. According to the CalCoastNews, on April 8th, Hill's wife Dee Torres took some sort of legal action to attach the Supervisor's retirement account. This could portend several future paths, including his possible regular retirement or perhaps an application for a disability retirement. On the other hand it could be that they agreed to protect Torres in the future.

Separately, the Republican Party of SLO County sent out an alert encouraging people to request that the Board of Supervisors remove Supervisor Hill as Chairman of the Board. Unsurprisingly, and without even doing a news story, the San Luis Obispo Tribune immediately jumped on this idea editorially with all four feet, calling it a "Cheap Shot." All the while and simultaneously, they were saying that they have questions about Hill's behavior, treatment of others, and past eruptions. Nevertheless they are quick to continue to provide air cover. Is it OK to do bad things as a public official if you are severely depressed? If someone else committed some minor politically incorrect faux pas, such as admiring a colleague's clothing, the left and Tribune would be yowling for disciplinary action.

Three Weeks Ago: On Monday, March 30, 2020, Supervisor Hill issued a news release to the SLO Tribune. Several Tribune articles have since then resulted. According to the articles (so far the actual news release does not seem available generally), Supervisor Hill stated that he did attempt suicide. He also stated that he wished to return to the job he loves. There is some speculation that his wife Dee Torres actually prepared the release. In that case it is not known if Hill actually authorized it. Some cynics theorized that she wants to keep him employed so that he can keep his County health insurance. In any case, he reportedly indicated that he was depressed because of the stress of the reelection process.

This in turn has generated more speculation and questions:

- 1. Hill seemed ebullient during the Board meeting of March 10th, by which time it was becoming clear that he had eked out a narrow victory over Stacey Korsgaden. He cheerfully presided over the meeting, glad-handed people in the audience, and was courteous to the other Board members. The next day, after the after the FBI raided his home and office under provisions of a sealed warrant, he attempted suicide because he was "depressed."
- 2. The question then arises whether he was actually depressed by the election campaign or the import of the FBI raids. An important underlying question is whether he is a subject or a witness in the FBI investigation.
- 3. Is he healthy enough to resume his duties as Chairman of the Board of Supervisors, particularly given the COVID-19 operations and major uncertainty about the ultimate rate of infection and ability of the County to deal with the impacts while at the same time running its normal operations? Add an earthquake, public power shutdowns, large conflagration, civil unrest, other Supervisors becoming sick and incapacitated, or a combination of any of these. Should someone who is vulnerable be filling a slot on the Board, let alone serving as the chief elected official? Should he be the spokesperson and leader of the County in a major health/public safety crisis? For example, suppose the County needs to make a special plea for aid to the Governor or another agency, would Hill have the necessary stature and credibility at this point?
- 4. There is also the issue of the FBI investigation. Hill may not be a suspect, or whatever is alleged may be found not to have happened. He could be a witness or could have been thought to have records or materials pertaining to a suspect. The press release said that he was cooperating with the FBI. This could mean anything from helping them on the case or to ratting out accomplices in some alleged illegal activity to obtain a lesser charge.
- 5. Hill was reportedly on a 5150 psychiatric hold for several days. This is a short-term process to confine patients who are determined to be a danger to themselves and/or others.
- 6. If the seat becomes vacant, the Governor appoints the successor. As noted below in the background section, there had been some speculation that Pismo Beach City Councilman and Coastal Commissioner Eric Howell, a Democrat, might be a potential appointee. Alarmingly, we have heard that SLO Mayor Heidi Harmon might have a shot.
- 7. All of this combined with Hill's erratic and repeated bullying behavior puts a cloud over the entire Board of Supervisors and senior management. So far and prior to this latest episode, the Board has refused to undertake an investigation of Hill's other repeated irruptions. Even if the FBI investigation evaporates, the basic ongoing problem remains.

Four Weeks Ago: Supervisor Hill did not attend the March 26 Board meeting. Recent news reports indicate that his home was also raided by FBI agents simultaneously with his office back on March

11th. Staffers reportedly attempted to locate him to sign an emergency Declaration as Board Chairman but were unsuccessful.

Five Weeks Ago: As of Saturday, March 21, no new information had been provided. The County's top of the list website public information posting, in addition to COVID-19, concerned an airline that has cancelled service to Las Vegas

Six Weeks Ago: So far (and as of Saturday, March 14, 2020), the County had provided no official explanation of what happened to its Board Chairman, his medical condition, his whereabouts, when he might return to duty, or anything else. A spokesperson simply stated that he had been released from the hospital and was currently under a physician's care. The County justifies this lack of information on the basis of privacy concerns. This is bizarre, as Hill is the Chairman of the Board of Supervisors (the highest elected local official in the County) and has demonstrated successive episodes of erratic behavior over the years. Once someone takes on the mantle of visible public office, he or she forsakes the usual confidentiality customs. Hill is not exactly a Typist I in a remote office.

Background: On March 11, FBI agents arrived at the County Administration building before opening hour and tossed Hills's office. Later that day medical units were dispatched to Hill's residence. It is alleged that the police had to break the door down to enter, and the Hill was found unconscious, a suspected suicide attempt.

You would think that the County would have access to the presenting diagnosis by the paramedics, and, Health Information Privacy Act concerns aside, it would inform the public of the status of its chief elected official.

County leadership and the SLO Tribune (which has gone out of its way to provide air cover for Hill for years) are going along as if he had an appendicitis or wrist fracture.

Meanwhile speculation about a successor has ramped up with the notion that if the position were to become vacant, Pismo City Councilman and Coastal Commissioner Eric Howell would be a likely pick for appointment by Governor Newsom. On the other hand folks could walk into the next Board meeting and find Hill smiling and glad-handing as if nothing had ever happened. It is of course unknown if the FBI will make a case or if arrests and indictments will come down.

Economic Recovery Efforts update

As the frontline County forces are dealing with the pandemic, the REACH Project (Reach, Recovery, Resilience - the former Hourglass Project) and the Economic Vitality Corporation (EVC) are

mobilizing to assist the business community survive and then recover from the COVID-19 lockdown. Since last week the REACH site has been updated at:

 $\frac{https://www.recoverslo.org/en/covid19.aspx?fbclid=IwAR0qaBTsfvE1b89W4ZbxfD_ZOAlxcAb-WvtQyb2MMs1YnDxG1DS2vkFSM9U$

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COVID-19 TESTING MISSTEPS ILLUSTRATE FAILURES OF THE REGULATORY STATE

BY GLENN E. ROPER

At this point in the COVID-19 pandemic, slowing the dangerous virus's spread in the United States requires a two-pronged approach: altering behaviors through practices such as social distancing and sheltering in place, and widespread testing. Unfortunately, the second prong has been lacking, largely because of bureaucratic red tape and the failures of government agencies.



Although <u>more than 1 million</u> Americans have been tested, the ramp-up was anything but smooth. Despite early <u>warnings</u> about the need to produce fast, easy-to-use tests, our testing program was plagued with confusion and delay. As a result, we simply don't know with any certainty who has been infected or where the virus is spreading.

Contrast South Korea. The first cases of COVID-19 were detected there on Jan. 20 — the same day as in the U.S. — but the testing response was vastly different. South Korean leaders moved to streamline approval for diagnostic tests, get private medical companies involved and launch drive-by test centers. Such rapid-fire innovations helped South Korea flatten its curve.

Why the difference in the U.S.? It is at least partially because of what critics call the "<u>regulatory</u> <u>state</u>" — the massive bureaucracy that infects nearly every facet of American life. Even in ordinary times, the regulatory state places enormous expense and burden on everyday citizens. That's bad enough. But more fundamentally, our elected representatives have allowed it to accumulate power from all three branches of government — legislative, executive and judicial — in violation of the separation of powers embodied in the Constitution.

In other words, the regulatory state has been given the power to create binding rules, enforce its own rules, and punish anyone it deems to have violated the rules. The more this unofficial "fourth branch" of government grows in size and strength, the more it restricts the nation's ability to properly respond in a time of crisis. The consequence is that American doctors, entrepreneurs and medical supply businesses are frequently forced to act only by permission of government officials, rather than by using their own judgment.

Among the agencies that make up the regulatory state is the Centers for Disease Control and Prevention (CDC), which <u>claimed exclusive control</u> over the initial round of COVID-19 laboratory tests. But the CDC's tests were not shipped until more than a month after we learned of the outbreak. And even then, the tests proved <u>unreliable</u>, a <u>setback</u> that <u>put U.S. testing on hold</u> during a critical window for containing the virus. The regulatory state made it illegal for private labs, or even local public agencies, to jump into action with their own solutions.

For weeks, the CDC also insisted on restricting tests to those who had recently traveled to coronavirus hot spots or had personal contact with an infected person. According to the CDC's website, until the end of February, the U.S. was only testing about 100 samples per day; at the same time, South Korea was testing about 10,000 per day. These missteps left us in the dark about the true scope of the problem.

The regulatory state also includes the sprawling U.S. Food and Drug Administration (FDA), which made the <u>initial decision</u> to <u>prevent</u> state, academic and commercial labs from developing COVID-19 diagnostic tests. Even once it opened the door to additional development, the FDA's cumbersome mandatory approval process made things <u>drag on for weeks</u>. And on March 20, the FDA <u>shut down</u> efforts to make available at-home testing kits, claiming that without the regulators' stamp of approval, such testing simply couldn't be trusted.

Of course, federal agencies can help in a crisis by providing information and coordination. But bureaucratic restrictions that prevent top-notch research firms from fighting a worldwide pandemic make no sense.

A pandemic health crisis demands a nimble response, but regulatory agencies are anything but nimble. A faster, more robust testing regime could have freed doctors, entrepreneurs, and private medical services to do their jobs — thereby reducing the number of infected Americans. And it would give individuals and health care workers crucial information that they need during a crisis.

So what would a more effective regulatory system — one that allows for that more nimble crisis response — look like? For starters, it should be focused on information transparency and coordination with states and the private sector, rather than on imposing top-down control. It should promptly relax regulatory requirements in a time of crisis, rather than continuing business-as-usual — or worse, clamping down. And it should respect our constitutional framework, where government power is divided and where binding laws are enacted only by elected representatives, not unaccountable bureaucrats.

Eventually, this pandemic will end. Let's hope it's sooner rather than later, and with far less suffering and loss than the early projections suggest. When that happens, Washington must get serious about examining the chokeholds that kept the government from responding to COVID-19 as effectively as it might have. One can only hope that the bureaucracy's slow-footed response to this crisis will lead us to rethink the size, growth and power of the regulatory state.

Glenn E. Roper is an attorney at <u>Pacific Legal Foundation</u>, which litigates nationwide to achieve court victories enforcing the Constitution's guarantee of individual liberty. This article first appeard in the April 7, 2020 edition of the Hill.

END THE SHUTDOWN BY THE WALL STREET JOURNAL



The shutdown of the American economy by government decree should end. The lasting and far-reaching harms caused by this authoritarian precedent far outweigh those caused by the COVID-19 virus. The American people—individuals,

families, businesses—must decide for themselves how and when to reopen society and return to their daily lives.

Neither the Trump administration nor Congress has the legal authority to shut down American life absent at least baseline due process. As Judge Andrew Napolitano <u>recently wrote</u>, business closures, restrictions on assembly and movement, and quarantines are not constitutionally permissible under some magic "emergency" doctrine. At a minimum, the federal government must show potential imminent harm by specific infected individuals at some form of hearing or trial.

These due process requirements are not suspended.

State and local officials may claim, or even possess, lawful police powers to shut down their communities. We offer no analysis of such powers or claims under the myriad of state constitutions and authorizing legislation. But they should resist exercising these powers. The governor of Virginia, in particular, deserves admonition for unilaterally imposing a lengthy period of virtual house arrest.

We do not know, and cannot yet know, how many Americans will become sick or die from the virus. We do know that predictions regarding infection and death rates are highly unreliable. Even actual deaths attributable to COVID-19 are not so easy to count, as Italy has discovered. Age, general health, and comorbidity are difficult variables to assess, and people may die "with" the virus but not "from" it. It is also very difficult to assess the lethality of the virus relative to previously known types of flu and colds.

To date, COVID-19 deaths in the US are far fewer than deaths in ordinary flu seasons or from past pandemics such as the H1N1 virus. This understanding is critically important to put the virus, and the government response to it, in perspective. Even during past pandemics, depressions, and world wars, Americans went to work.

In 1850, French economist Frédéric Bastiat helped the world understand the "seen and unseen costs" of state policies. It is simple to see how quarantines and lockdowns will slow the spread of COVID-19. It is critical, but not so simple, to see the costs and harms caused by the economic shutdown.

Only then can we rationally understand the tradeoffs involved.

How many Americans suffering from other illnesses cannot see a doctor now? How many Americans will lose their jobs, their life savings, their retirement prospects, and their incalculable feeling of self-worth? How many will succumb to depression, drug or alcohol abuse, and suicide? How many will lose their homes, divorce their spouses, or suffer abuse? How many will never recover in their careers? How many small businesses, including the vital ones of doctors, dentists, and veterinarians, will vanish from your community? How many young people will "fail to launch"?

Worse still, will grocery stores and gas stations remain open and stocked? Will crime spike? Will the American social fabric, already thin from politics, tear apart?

These questions are not rhetorical. All of these things happened, to a degree, following the Great Recession of 2008. They will happen again—very soon—if we fail to act immediately. Tomorrow, on

April 1, millions of Americans will not pay rent or mortgages. Millions of small businesses will shutter, just as many large employers such as Macy's, Kohl's, airlines, and hotels already have. Millions of service workers are unemployed already, but many more jobs will be lost. The effects will cascade.

There is no conflict between humanitarian and economic concerns; in fact they are flipsides of the same coin. A poorer America will be a much less healthy America, one more vulnerable to future illness and disease. Technology, modern medicine, and market actors can address a virus; already we see entrepreneurs producing cheaper ventilators and doctors using cheap generic drugs with very promising results.

This local, bottom-up approach is the only effective way to confront the virus. The federal government, as we see now and have in the past, is comically incapable of competence in times of crisis.

On a fundamental level, freedom really is more important than security—or, in this case, an illusion of security. We all demonstrate this in our personal lives every day, from flying to driving to riding bicycles, to consuming unhealthy food and drink simply because we like it. Security has never been the sole or even primary goal for a country born in rebellion.

Government cannot decide what aspects of our lives are essential or nonessential. The American people cannot simply sit at home and wait for government checks written on funds that government does not have.

End the shutdown.

Author: The Editors



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MEMBERS	HIP OPT	IONS:									
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