COLAB
San Luis Obispo County
The Coalition of Labor Agriculture and Business

WEEKLY UPDATE
MAY 17 - 23, 2020

[1]

THIS WEEK

THE UN-BUDGET PRESENTED
IT DOES NOT INCLUDE THE COVID LOCKDOWN IMPACTS AND WILL REQUIRE PIECEMEAL REDO

3RD QUARTER FINANCIAL REPORT
MANY PROBLEMS PRIOR TO COVID-19 DEVASTATION

PENSION STUDY – RATES WILL HAVE TO RISE
BAD NEWS FOR NEXT YEAR'S BUDGET

[1] **Cartoon by Lisa Benson, Washington Writers Group.**

PARKS AND GOLF REVENUES TANK

LAST WEEK

MAY 12TH BOS MEETING WAS CANCELLED

INTEGRATED WASTE BOARD MEETING MAY 13TH

CHANCE TO SUSPEND BOTH PLASTIC BAG AND POLYSTYRENE BANS MUFFED

MEETING DISSOLVED INTO HUGE FIASCO

SOME CITY MEMBERS ARE TOTALLY LOONY

PLANNING COMMISSION MAY 14TH

APPROVES NICE PET SUPPLY DISTRIBUTION CENTER IN NIPOMO

COASTAL COMMISSION MAY 13TH

UNANIMOUSLY ADOPTED SEA LEVEL RISE MYTH OF 3.5 FT FOR 2050 EVEN THOUGH SOME OF THE BRIGHTER BULBS QUESTIONED IT THEIR STAFF LIED ABOUT THE DATA

SLO COLAB IN DEPTH

SEE PAGE 21

CALIFORNIA IS READY TO GET RID OF NEWSOM

BY EDWARD RING

BACK OFF THE BEACH AND THE RISING SEA? NO WAY, CALIFORNIA CITIES SAY

BY STEPHEN FRANK

THIS WEEK'S HIGHLIGHTS

Item 9 - 2020 Actuarial Experience Study Results - Presentation by Paul Wood, Plan Actuary of Gabriel Roeder Smith - (Discuss, Direct Actuary and Staff as necessary – recommend Approval). As a result of the study, the actuaries project that the system could achieve a rate of return of 6.4% over the long term. The current assumption rate is 7% (the discount rate). The Pension Board will not be adopting the rate until its June meeting; however, the reality is that the County will have to contribute substantially more in pension payments in the next fiscal year. **Item 10**, immediately below, discusses rate-setting options in more detail.

The basic assumptions are outlined below:

2020 Experience Study

Economic Assumptions – Discount Rate

• Reasonable range for the discount rate based on 2019 Capital Market Expectations is between 6.4% (median return) and 7.00% (mean return).

• 2020 expectations will most certainly be lower.

• COVID-19 will have significant impact on the expectation of returns going forward.

• Ultimate decision will depend heavily on the risk tolerance of the Board.

• Recommendation is to consider a rate between:– 7.00% nominal return (2.25% inflation + 4.75% real return).

– 6.75% nominal return (2.25% inflation + 4.50% real return).

Background: The Triennial Actuarial Experience Study is a very detailed and comprehensive analysis of the actual experience compared with the system's current assumptions. It also looks forward and makes projections. On the basis of the analysis, it recommends new updated assumptions. The Pension Trust Board may accept or modify the assumptions, which the actuaries will then apply to setting the system's actuarial valuation and ultimately the rates necessary to cover the obligations of the system to current and future retirees.

2020 Experience Study

Purpose

• Experience was last studied in 2018

• Assumptions are not static; they should occasionally change to reflect:

– New information and changing knowledge
– Mortality improvement
– Changing patterns of retirements, terminations, etc.
– Implementation of improved technology and processes

• The analysis will address these questions for each assumption

– What was the plan's actual experience?
– How does that compare with current assumptions?
– Is a change warranted?

2020 Experience Study
Assumptions Studied

• Economic Assumptions
– Inflation Rate
– Discount Rate
– Plan Specific COLA Increase Rate
– Individual Salary Increase
– Payroll Growth Rate

• Demographic Assumptions
– Mortality
– Termination
– Disability
– Retirement
– Other

Continued on next page:

2020 Experience Study
Cost Impact by Category of Change

	Valuation Results as of January 1, 2020									
	UAAL ($ in 000s)		Funded Ratio		Normal Cost %		Amort %		Total ADC %	
Baseline	$ 699,938		66.9%		20.35%		25.23%		45.58%	
Assumption Updated:	Change	Total	Change	Total	Change	Total	Change	Total	Change	Total
Retirement	$ 11,796	$ 711,734	-0.4%	66.6%	0.18%	20.53%	0.43%	25.66%	0.61%	46.19%
Withdrawal	(1,883)	709,851	0.1%	66.6%	-0.06%	20.47%	-0.07%	25.59%	-0.13%	46.06%
Mortality	10,476	720,327	-0.3%	66.3%	0.06%	20.53%	0.38%	25.97%	0.44%	46.50%
Using Recommended Assumptions and 7.00% Discount Rate	$ 720,327		66.3%		20.53%		25.59%		46.50%	
Recommended Assumptions and 6.875% Discount Rate	32,982	$ 753,309	-1.0%	65.3%	0.51%	21.04%	0.91%	26.[illegible]8%	1.42%	47.92%
Recommended Assumptions and 6.75% Discount Rate	66,860	787,187	-2.0%	64.3%	1.05%	21.58%	1.83%	27.80%	2.88%	49.38%

The bottom line is that change is warranted.

At the safer 6.75 rate the unfunded pension liability leaps from $700 million to $787 million,

In Item 10 below, the staff recommends that the Board raise the rates from the current 45.58% of payroll to either 47.92% or 49.38%. Thus, for every dollar of salary expended, another almost 50 cents would be required for pension costs.

The unfunded liability is likely to increase even more due the decline in the stock market.

The report is full of comprehensive information which you cannot see in other reports, such as annual salary increases, payroll growth, history of salary increases, history of average annual salary increases, rate assumptions, and much more are included at the website:

https://www.slocounty.ca.gov/Departments/Pension-Trust/Board-of-Trustees-Meetings/BOT-Meeting-Documents/Agendas/2020/05-May-18-2020-Agenda-Board-Materials-BoT-v1.aspx

Item 10 - Actuarial Valuation – 2020 Actuarial Assumptions Approval - (Discuss, Direct Actuary and Staff as necessary – Recommend Approval). In this item the Pension Board is requested to approve one of the rates developed in **Item 9** above. The write-up states in part:

Based on the 2020 Actuarial Experience Study, SLOCPT's Actuary recommends changes to major assumptions noted above. The Discount Rate is a highly sensitive assumption and is recommended by the Actuary to be in a range of 6.400% to 7.000%. The approved Discount Rate will determine the resulting Actuarially Determined Contribution (ADC) rate increase.

The summary impacts of the choices are displayed in the table below:

Contributions as a % of pensionable pay	7.000% Discount Rate	6.875% Discount Rate	6.750% Discount Rate
Total Normal Cost UAAL Amortization TOTAL ADC	20.53% 25.97% 46.50%	21.04% 26.88% 47.92%	21.58% 27.80% 49.38%
Current Charged Rate	44.32%	44.32%	44.32%
Difference in Charged Rate to ADC = Recommended Rate Increase *	**2.18%**	**3.60%**	**5.06%**
UAAL $ millions	$720	$753	$787
Funded Ratio	66.3%	65.3%	64.3%

This will simply add to the County's budget problems, which are now exacerbated by the destruction caused by the government-imposed COVID-19 lockdown.

Board of Supervisors Meeting of Tuesday, May 19, 2020 (Scheduled)

Item 1 - COVID-19 Status Report. This will be a verbal report which is likely to be an update on the statistics and the status of County appeals to the State to move forward with reopening.

Item 30 - Submittal of the FY 2019-20 Third Quarter Financial Status Report and request to approve various financial actions as detailed in Section 4 (one or more actions require 4/5 votes). The third quarter report covers 3/4ths of the 2019-20 fiscal year – July 1, 2020 through March 31, 2020. Even though the COVID lockdown did not start impacting finances until mid-March 2020, there are a number of accumulated problematic issues which existed prior to the lockdown. The largest and ongoing problem is the County policy of not budgeting for some labor negotiations and then funding the shortfall from its contingency account and/or chance expenditure underruns in some departments. This rolling retro-active budgeting has been sliding along for years. Now, and with the prospective large shortfalls in revenues for the 4th quarter of this year and larger shortfalls next year, the chickens come home to roost. There will be little contingency left from the current year to help with the huge revenue shortfalls that will occur next fiscal year.

Requested General Fund Contingencies

Department	Amount
Balance as of March 31, 2020	**$10,267,127**
Sheriff-Coroner Unbudgeted salary and benefit and overtime expenses	$-4,217,041
Health Agency – Behavioral Health Unbudgeted expenditures	-$1,288,566
Social Services – Foster Care and Adoptions Assistance Unbudgeted expenditures	-$983,370
Social Services – General Assistance Unbudgeted expenditures	-$200,349
Parks and Recreation – Golf Courses Maintain adequate cash balance	-$485,000
Projected balance at year end	**$3,092,801**

3RD QUARTER ISSUES

Issue

Sheriff : Unbudgeted salary and benefit and overtime expenses of $4.7 million

Planning and Building: $1.8 million revenue shortfall.

Court operations: $852,000 revenue shortfall

Behaviorial Health: $1.4 million revenue shortfall.

Social Services – General Assistance: $331,000.

Social Services – Foster Care and Adoptions – combined renveue shortfall and higher expenditures: $1.4 million.

Parks and Rereation golf renenue shortfall – General Fund portion: $485,000.

Parks and Recreation – Regional Parks revenue shortfall: $1.6 milliion.

Library unbudgeted slarty increases: $210,000.

Los Osos Sewer System: Insufficient revenues : unknown.

Item 31 - Parks System Revenue Shortfalls. As we projected back on April 12, 2020, the lockdown obliterated parks revenues in camping, day fees, and golf. Golf was already in trouble anyway. The Board is asked to make substantial loans from the General Fund to allow the system, which is primarily run on fees, to survive until June 30, 2020. The County has announced that it will open some facilities to County residents only. It is not known how this might impact the budget going forward from this point and on into next fiscal year. Reportedly, the County is strongly advising potential visitors to the County parks and private facilities such as hotels to stay away. The fear is that the visitors from LA and the San Joaquin Valley will bring COVID-19 into the County.

Item 32 - Submittal of the Proposed FY 2020-21 Annual Operating Budget and Five-Year Capital Improvement Budget. This is the Un- Budget. The Budget will be reviewed on June 8, 10, and if more time is needed during the week of June 8th. The annual budget is the most important annual policy document for any governmental entity. It is not simply a compilation of revenues and expenditures. Importantly, through the deployment of those revenues and expenditures, the budget operationalizes the overall polices of the governing body. Legally, California counties are administrative subdivisions of the State, and as such, have limited authority over many programs which are delegated to them by the State. In effect, the counties are retail units for many State and Federal programs. One might think of the County as a giant Sears or passenger railroad with a line of products, delivery mechanisms, systems, pricing, and culture that are largely controlled by its corporate franchisor.

Like many corporations which have died, such as Sears, Xerox, Yahoo, Kodak, Pan Am, Tower Records, and others, the State and counties have roots that lie frozen in late 19th and early 20th Century organizational culture models. To survive, they need endless tax and fee increases, which are ultimately secured by governmental force. Separate from their ostensible purpose of providing public health, safety, justice, and some services, they have become patronage machines for the enhancement of pensions, endless pay raises, contractor overruns, permitting consultants, specialist lawyers, environmental rackets (including green energy schemes, all “electric” fleets, community choice aggregation, banning natural gas, etc.), and literally millions of dependents.

The annual budget presentation and adoption process by the peoples’ elected representatives has become a sterile ritual without rigor, challenge, or controversy. In the case of SLO County, the budgets are reviewed and adopted within a few hours. The sessions are love fests where the Supervisors praise the staff for their excellent work.

This Year's Submission – The Un-Budget

The County staff has presented the Budget as if the COVID-19 impacts were not happening. The rationale is that the COVID lockdown did not begin until March 12th, the last month of the3rd financial quarter. The staff rationalizes it on the basis that actual data about the negative revenue impact of the lockdown did not occur until the end of the 3rd quarter. Accordingly, they did not have time to calculate the potential impacts for the FY 2019-20 4th quarter or Fiscal Year 2020-21.

In this regard the CAO's Budget Message states in part:

Due to timing and uncertainty, this Recommended Budget does not adjust for impacts related to COVID-19. Though we are only just beginning to understand how COVID-19 will impact the County's budget, we expect that significant mid-year adjustments to this Recommended Budget will be necessary to counteract the economic slowdown and expected decreased revenues from the State and tax receipts locally, both of which are compounded by actions that we are taking in the current year to protect our community.

And

As noted, we expect that COVID-19 will significantly impact our budget in both the current year and coming budget years. The impacts are likely to be so pervasive that a multi-year strategy to achieve structural balance will be necessary. As we have in the past, we will look to your Board's Budget Balancing Strategies and Approaches as a guide. We will also look to the State for guidance, as more than 40% of our Governmental Funds budget is funded through revenue received from the State and Federal government.

And

Because we had made significant progress in developing the budget for FY 2020-21 by the time that COVID-19 began to spread across the State, the Recommended Budget generally supports status quo operations as requested by departments. At this point in time, we expect that we will conduct our Budget Hearing as planned, beginning on June 8, so that departments have a new budget to begin the fiscal year. We will revisit the budget and make adjustments in the fall, once we have an understanding of what the State's budget including the August Revision will include and have a better picture of how COVID-19 has impacted our local economy and the County organization's budget.

What Are the Impending Deficits on Both FY 2019 -2020 and FY 2021?

You would think someone would have made some estimates by now and would have described a few scenarios.

All this is troubling in that the staff could have pretty much projected which revenues would be sensitive to reductions resulting from the shutdown. We listed some of these back on April 12, 2020 and suggested that staff prepare some scenarios for reductions at different levels.

Revenue	2020 Budget
Sales Tax	$11,780,000
TOT Tax	11,181,886
Camping Fees	3,999,052
Building Pmt. fees	1,973,956
Plan Check Fees	1,902,437
Property Trans tax	3,497,500
Land use permits	2,617,494
Prop 172 Sales tax	26,598,563
Traffic School fees	$1,300,000
Total	$64, 850,888

A 30% decline in these fees and taxes would necessitate a $19,455,266 reduction in the FY2020 -21 budget for next year when the full impact could be realized. Current year reductions during March and the 4^{th} quarter will be less but will also have an impact. The State is allowing businesses to defer sales taxes.

It should be noted that in addition to the revenues listed to the left, the County will lose millions in formula sales tax subventions which are tied to mental health, probation, and clinical health. Sample slides from one jurisdiction are shown below as an example of these types of scenario planning's

COVID-19 Impacts
FY 2019-20

Major Revenue Categories		
General Fund Discretionary Revenues	$	2,245,300
1991 & 2011 Realignment (PHD, BW, DSS)		11,513,300
Transportation Revenues (SB 1 Gas Tax, HUTA, Measure A)		3,989,000
Prop 172 Public Safety Sales Tax		2,000,000
Total Estimated Revenue Loss	$	19,747,600
Response Cost Categories		
Alternative Care Sites	$	450,000
EOC Operations, Public Health DOC, and Overtime Response Staffing		2,682,000
Temporary Shelter and Accommodations		500,000
COVID-19 Testing and Contact Tracing		500,000
Paid Leave Time Provided to Employees		1,250,000
Total Estimated Response Cost	$	5,382,000
Total Estimated Impact	$	**25,129,600**

COVID-19 Impacts
FY 2020-21

Major Revenue Categories	
General Fund Discretionary Revenues	$ 3,597,000
1991 & 2011 Realignment (PHD, BW, DSS)	10,618,000
Transportation Revenues (SB 1 Gas Tax, HUTA, Measure A)	3,916,000
Prop 172 Public Safety Sales Tax	3,616,000
Total Estimated Revenue Loss	$ 21,747,000

Response Cost Categories	
Alternative Care Sites	$ 2,750,000
EOC Operations, Public Health DOC, and Overtime Response Staffing	1,000,000
Temporary Shelter and Accommodations	850,000
COVID-19 Testing and Contact Tracing	750,000
Paid Leave Time Provided to Employees	250,000
Total Estimated Response Cost	$ 5,600,000
Total Estimated Impact	**$ 27,347,000**

As real data accumulates, the scenarios could be adjusted to allow for a comprehensive Budget review and adoption in June. This would allow the Board to adopt a more complete and strategic Budget rather than major piecemealing strung throughout the fiscal year.

Summary tables for the proposed FY 2020-21 Budget are displayed below:
These will have to be substantially reduced as the assumptions have been annihilated.

State Controller Schedules | San Luis Obispo County | Schedule 1
County Budget Act | All Funds Summary
November 2014 | Fiscal Year 2020-21

	Total Financing Sources				Total Financing Uses		
Fund Name	Fund Balance Available as of June 30, 2020	Decreases to Obligated Fund Balances	Additional Financing Sources	Total Financing Sources	Financing Uses	Increases to Obligated Fund Balances	Total Financing Uses
1	2	3	4	5	6	7	8
Governmental Funds							
General Fund	$32,768,135	$365,641	$543,838,870	$576,972,646	$573,265,814	$3,706,832	$576,972,646
Special Revenue Funds	1,181,986	5,599,292	62,961,778	69,743,056	59,024,559	10,718,497	69,743,056
Debt Service Funds	427,000	0	16,367,521	16,794,521	12,640,721	4,153,800	16,794,521
Capital Projects	0	0	7,232,000	7,232,000	7,232,000	0	7,232,000
Total Governmental Funds	**$34,377,121**	**$5,964,933**	**$630,400,169**	**$670,742,223**	**$652,163,094**	**$18,579,129**	**$670,742,223**
Other Funds							
Special Revenue Funds	$3,292,964	$887,573	$7,808,214	$11,988,751	$11,429,853	$558,898	$11,988,751
Enterprise Funds	0	3,474,348	22,898,837	26,373,185	26,373,185	0	26,373,185
Internal Service Funds	0	8,902,822	58,308,000	67,210,822	66,681,298	529,524	67,210,822
Total Other Funds	**$3,292,964**	**$13,264,743**	**$89,015,051**	**$105,572,758**	**$104,484,336**	**$1,088,422**	**$105,572,758**
Total All Funds	**$37,670,085**	**$19,229,676**	**$719,415,220**	**$776,314,981**	**$756,647,430**	**$19,667,551**	**$776,314,981**

State Controller Schedules	San Luis Obispo County	Schedule 2
County Budget Act	Governmental Funds Summary	
November 2014	Fiscal Year 2020-21	

	Total Financing Sources				Total Financing Uses		
Fund Name	Fund Balance Available as of June 30, 2020	Decreases to Obligated Fund Balances	Additional Financing Sources	Total Financing Sources	Financing Uses	Increases to Obligated Fund Balances	Total Financing Uses
1	2	3	4	5	6	7	8
General Fund							
General Fund	$32,768,135	$365,641	$543,838,870	$576,972,646	$573,265,814	$3,706,832	$576,972,646
Total General Fund	**$32,768,135**	**$365,641**	**$543,838,870**	**$576,972,646**	**$573,265,814**	**$3,706,832**	**$576,972,646**
Special Revenue Funds							
Road Fund	$0	$1,345,876	$28,965,751	$30,311,627	$30,311,627	$0	$30,311,627
Community Development	0	0	3,530,589	3,530,589	3,530,589	0	3,530,589
Public Fac Fees Svcs	0	196,943	1,668,009	1,864,952	400,000	1,464,952	1,864,952
Parks Fund	756,486	0	6,138,685	6,895,171	6,029,880	865,291	6,895,171
Co-Wd Automatn Repl	0	0	3,870,033	3,870,033	700,508	3,169,525	3,870,033
Gen Govt Bldg Repl	0	2,600,000	3,703,657	6,303,657	2,600,000	3,703,657	6,303,657
Tax Reduction Rsv	0	174,908	1,515,072	1,689,980	174,908	1,515,072	1,689,980
Roads - Impact Fees	0	1,272,439	0	1,272,439	1,272,439	0	1,272,439
Wildlife and Grazing	0	3,935	4,308	8,243	8,243	0	8,243
Drivng Undr Influenc	10,000	0	1,506,900	1,516,900	1,516,900	0	1,516,900
Library	415,500	0	11,230,387	11,645,887	11,645,887	0	11,645,887
Fish and Game	0	5,191	27,387	32,578	32,578	0	32,578
Emergency Med Svcs	0	0	801,000	801,000	801,000	0	801,000
Total Special Revenue Funds	**$1,181,986**	**$5,599,292**	**$62,961,778**	**$69,743,056**	**$59,024,559**	**$10,718,497**	**$69,743,056**
Debt Service Funds							
COP Loan DSF	$0	$0	$3,568,521	$3,568,521	$3,568,521	$0	$3,568,521
Psn Oblig Bond DSF	427,000	0	12,799,000	13,226,000	9,072,200	4,153,800	13,226,000
Total Debt Service Funds	**$427,000**	**$0**	**$16,367,521**	**$16,794,521**	**$12,640,721**	**$4,153,800**	**$16,794,521**
Capital Projects							
Capital Projects	$0	$0	$7,232,000	$7,232,000	$7,232,000	$0	$7,232,000
Total Capital Projects	**$0**	**$0**	**$7,232,000**	**$7,232,000**	**$7,232,000**	**$0**	**$7,232,000**
Total Governmental Funds	**$34,377,121**	**$5,964,933**	**$630,400,169**	**$670,742,223**	**$652,163,094**	**$18,579,129**	**$670,742,223**

State Controller Schedules	San Luis Obispo County	Schedule 5
County Budget Act	Summary of Additional Financing Sources by Source and Fund	
November 2014	Governmental Funds	
	Fiscal Year 2020-21	

Description	2018-19 Actuals	2019-20 Estimated	2020-21 Requested	2020-21 Recommended
1	2	3	4	5
Summarization by Source				
Taxes				
Current Property Taxes	$143,729,421	$149,538,535	$155,403,320	$155,403,320
Other Taxes	65,643,391	70,718,420	72,881,622	72,721,275
Total Taxes	**$209,372,811**	**$220,256,955**	**$228,284,942**	**$228,124,595**
Licenses, Permits, and Franchises	$12,156,793	$11,929,746	$11,907,396	$12,127,391
Fines, Forfeitures, and Penalties	4,480,593	4,420,117	5,205,419	5,262,189
Revenue from Use of Money & Property	7,420,990	4,580,067	4,282,169	4,282,169
Intergovernmental Revenue	265,470,304	306,324,373	287,980,670	288,667,460
Charges for Current Services	34,571,017	31,421,978	31,647,828	31,854,315
Other Revenues	17,821,769	16,154,646	21,766,246	21,555,214
Interfund	11,357,604	8,332,124	12,218,415	12,492,559
Other Financing Sources	31,438,362	22,645,395	18,858,270	26,034,277
Total Summarization by Source	**$594,090,243**	**$626,065,401**	**$622,151,355**	**$630,400,169**

Local Agency Formation Commission Meeting (LAFCO) of Thursday, May 21, 2020 (Scheduled)

The meeting contains a light agenda, covering the adoption of its FY 2020-21 annual operating budget and status reports on various studies.

One study which LAFCO should conduct is a survey of the ability of the seven cities' in the County to provide services as a result of the negative impact of the COVID-19 lockdown. Since the cities are all relatively small, they will probably not be eligible for Nancy Pelosi's blue state bailout program.

LAST WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, May 12, 2020 (Canceled)

The meeting was canceled. The staff is undoubtedly exhausted with keeping up with all the permutations of the COVID-19 and demands for ending the lockdown, not to mention that Governor Newsom has moved the goal posts for meeting the related State requirements. It is likely that staff was also struggling with the preparation of the 3rd quarter Financial Report and the FY 2020-21 Annual Budget in the teeth of the lockdown economic disaster. Staff could also be in conversations with the various unions about measures to forestall layoffs.

The next scheduled meeting is set for Tuesday, May 19, 2020. The public will be able to see information on the extent of the negative financial impacts.

Integrated Waste Management Authority Meeting of Wednesday, May 13, 2020 (Completed)

Two No Brainers - End Bans on Polystyrene Containers and Plastic Bags

Item 15 -

> **Consider Postponement of Ordinance No. 2019-1, "An Ordinance Regulating Polystyrene and Expanded Polystyrene (EPS) Food Containers and Products"**

In the end the IWMA Board voted 7-4 to postpone the implementation of the polystyrene container ban for 10 months due to the COLAB-19 lockdown and the need for curbside and home delivery food service. All of the County Supervisors except Hill, who was not present on the Zoom call, voted for the postponement. Gibson had misgivings and hates the polystyrene containers, but reasoned that the agency had already announced the postponement in March. This action was a revote because of fouled up procedures during the March vote.

There was considerable public comment opposing the postponement. It appears that there is a large claque of self-absorbed enemies of polystyrene, plastic bags, fossil fuels, and plastic in general who keep after the elected officials. Worse yet, some of the city council representatives on the IWMA Board are clearly petty thinkers and master trivializers. During a protracted deliberation some of them wandered off into a discussion that plastic cutlery handed out by restaurants during the lockdown should be banned.

One would think that with thousands of their constituents unemployed, businesses facing failure, their schools shut down, Cal Poly (and its 20,000 customer students) going to remote learning, and their city services at risk, they would rise to a higher level of public sensitivity. It is especially depressing to observe this very low level of situational awareness during what is fast becoming the worst American crisis since the Civil War. Of course if this were 1863, most of the male members would have volunteered or been drafted into the armies.

In the end, the postponement may have to be bought back for yet another vote because there was an error in the posted phone number for call-ins during public comment. Some callers were not able to participate. IWMA Counsel preliminarily ruled that the actions at the meeting are void and will have to be re-agendized next time. The Board terminated the meeting early.

BACKGROUND:

IWMA's Ordinance No. 2019-1, "An Ordinance Regulating Polystyrene and Expanded Polystyrene (EPS) Food Containers and Products" approved October 2019, was scheduled to take effect on April 9, 2020. Due to the impact of COVID-19 and the "Shelter at Home" order, many restaurants, grocery stores, and other retailers are only offering customers take-out food services. Staff is recommending the Board postpone implementation of the ordinance to facilitate retailers' service options, to allow the COVID-19 threat to expire, and to encourage economic recovery for a time period to be determined by the Board.

The IWMA Board should approve this recommendation and then schedule a new item to rescind the ordinance permanently.

Item 16 -

Discussion Regarding Single-Use Plastics in San Luis Obispo County During COVID-19 Environment

The meeting broke down as the dicussion of this item began.

BACKGROUND:

On April 22, 2020, California Governor, Gavin Newsom, executed Executive Order N-54-20, which suspends the state's single-use bag ban/fee for 60 days as a result of impacts of the COVID-19 State of Emergency. However, the State suspension does not apply to agencies that implemented a local single-use bag ban prior to 2015. The San Luis Obispo Integrated Waste Management Authority adopted Ordinance No. 2012-1 on January 11, 2012 (prohibiting the free distribution of single-use plastic bags/adding a $0.10 fee per bag), therefore the County is not affected by the State's Executive Order. Staff recommends the Board discuss issues related to the use of single-use plastic/fee during the current COVID-19 "Shelter at Home" as follows:

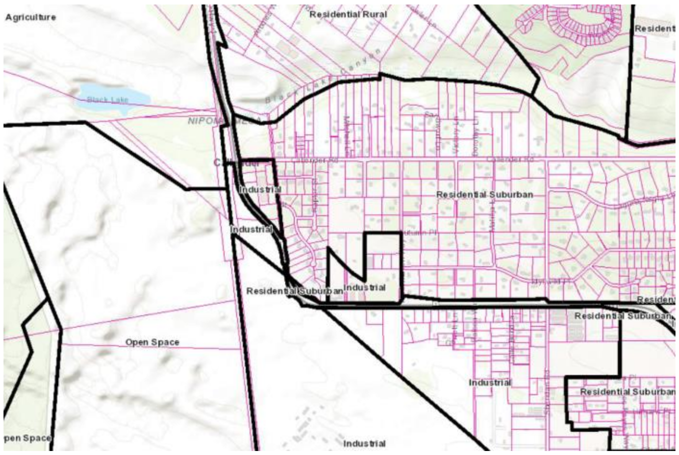
1. Does the IWMA desire to suspend Ordinance No. 2012-1 (and the associated fees) for a certain period of time to allow the temporary use of single-use plastic bags?
2. Given the fact that restaurants are currently providing "take-out-only" service, does the Board desire to request and/or demand that restaurants supply single-use plastic eating utensils and accessories only upon request?

The IWMA should be abolished and the County should oversee the landfills and the recycling programs. All aspects of that operation would be contracted out to competitively bid private sector operations. If some of the cities don't like it, let them figure out how to run and finance solid waste on their own. The ratepayers in the unincorporated area and the more reasonably governed cities should not have to suffer from the loony policies of a few spoiled narrow-minded idiots elected by a few hundred isolated constituents. If the city constituents wish to ban plastic forks, let them run and pay for their own system.

Planning Commission Meeting of Thursday, May 14, 2020 (Completed)

Item 11 - Hearing to consider a request by Gary Bagnall for a Conditional Use Permit/Coastal Development Permit (DRC2017-00057) to allow construction of approximately 140,000 square feet of industrial floor area in two buildings on a 9.1-acre parcel. The project will result in the disturbance of approximately 7.8 acres and removal of approximately 5.9 acres of eucalyptus trees in two phases, beginning on the northern portion of the site with construction of a 46,500 square-foot industrial building in Phase I. Phase II would continue on the southern portion of the site with construction of the remaining 93,300 square feet of industrial building floor area. Improvements include the installation of an on-site water and wastewater system and two 70,000-gallon fire suppression storage tanks. The parcel is outside of the Coastal Zone, but the southern

property boundary abuts the Coastal Zone boundary at the Willow Road right-of-way; therefore, required offsite improvements on Willow Road require a Coastal Development Permit. The project was approved 4/0 (the 4th District seat is vacant). The Commission was very impressed by the project, including its rural barnlike design and the care taken to protect the Monarch Butterflies.



California Coastal Commission Meeting of Wednesday, May 13, 2020 (Completed)

Item - W6g Briefing and consideration of adopting "Making California's Coast Resilient to Sea Level Rise: Principles for Aligned State Action." The Commission adopted the 3.5 sea level standard for 2050 (in just 30 years from now). They adopted the standard even though several commissioners asked staff where the 3.5 ft. metric had come from.

The staff never provided a direct answer. Instead a remote Zoom-based bureaucrat stated that the staff had compared projected numbers developed by other agencies and in the end settled on one from a State Agency called the State of California Ocean Council. The Council is made up of the State Resources Secretary, the State Comptroller, the Director of the State Lands Commission, a representative of the Assembly, a representative of the Senate, and 2 citizen members who are heavy enviros. The basic data for sea level rise developed by the Council is contained in the publication *State of California Sea Level Rise Guidance*. It presents projected sea level rise models for 12 points along the California coast.

The table for Port San Luis is displayed below. Note that the projection for 2050, and assuming a high rate of greenhouse gas emissions, never reaches 3.5 feet even by 2100. In fact in the Council's most statistically likely scenario projects a rise of only ½ foot by 2050 and .7 of a foot by 2100.

The Commission accepted the 3.5 ft. answer without ever delving into the facts. Essentially they don't care. The science actually means nothing. They simply want to socialize coastal California, sweep private property owners away, and reap billions of dollars when they lease the property back to their cronies.

In this case the staffer lied and the Commission accepted it.

Please see the table on the next page below.

		Probabilistic Projections (in feet) (based on Kopp et al. 2014)					H++ scenario (Sweet et al. 2017) *Single scenario
		MEDIAN	LIKELY RANGE		1-IN-20 CHANCE	1-IN-200 CHANCE	
		50% probability sea-level rise meets or exceeds...	66% probability sea-level rise is between...		5% probability sea-level rise meets or exceeds...	0.5% probability sea-level rise meets or exceeds...	
				Low Risk Aversion		Medium - High Risk Aversion	Extreme Risk Aversion
High emissions	2030	0.3	0.2 -	0.5	0.5	0.7	1.0
	2040	0.5	0.3 -	0.7	0.8	1.2	1.6
	2050	0.7	0.5 -	1.0	1.2	1.8	2.6
Low emissions	2060	0.8	0.4 -	1.1	1.4	2.2	
High emissions	2060	1.0	0.6 -	1.3	1.7	2.5	3.7
Low emissions	2070	0.9	0.5 -	1.3	1.7	2.9	
High emissions	2070	1.2	0.8 -	1.7	2.2	3.3	5.0
Low emissions	2080	1.0	0.6 -	1.6	2.1	3.6	
High emissions	2080	1.5	1.0 -	2.1	2.8	4.3	6.4
Low emissions	2090	1.1	0.6 -	1.8	2.5	4.5	
High emissions	2090	1.8	1.1 -	2.6	3.4	5.3	8.0
Low emissions	2100	1.3	0.7 -	2.1	2.9	5.4	
High emissions	2100	2.1	1.3 -	3.1	4.1	6.7	9.9
Low emissions	2110*	1.4	0.8 -	2.2	3.1	5.9	
High emissions	2110*	2.3	1.5 -	3.2	4.2	7.0	11.6
Low emissions	2120	1.5	0.8 -	2.4	3.5	7.0	
High emissions	2120	2.6	1.8 -	3.7	4.9	8.2	13.8
Low emissions	2130	1.6	0.9 -	2.7	4.0	8.0	
High emissions	2130	2.9	2.0 -	4.3	5.7	9.6	16.2
Low emissions	2140	1.7	0.9 -	3.0	4.5	9.2	
High emissions	2140	3.2	2.1 -	4.8	6.4	11.1	18.7
Low emissions	2150	1.9	0.8 -	3.3	5.1	10.5	
High emissions	2150	3.6	2.3 -	5.4	7.3	12.6	21.5

**Most of the available climate model experiments do not extend beyond 2100. The resulting reduction in model availability causes a small dip in projections between 2100 and 2110, as well as a shift in uncertainty estimates (see Kopp et al. 2014). Use of 2110 projections should be done with caution and with acknowledgement of increased uncertainty around these projections.*

Because the numbers are too low they have invented the low risk column to justify making them bigger

6. Current policy decisions are shaping our coastal future.
Before 2050, differences in sea-level rise projections under different emissions scenarios are minor but they diverge significantly past mid-century. After 2050, sea-level rise projections increasingly depend on the trajectory of greenhouse gas emissions. For example, under the extreme H++ scenario rapid ice sheet loss on Antarctica could drive rates of sea-level rise in California above 50 mm/year (2 inches/year) by the end of the century, leading to potential sea-level rise exceeding 10 feet. This rate of sea-level rise would be about 30-40 times faster than the sea-level rise experienced over the last century.

The Commission will impose this standard on all the coastal and estuarine cities and counties via their coastal plans and ordinance conformance. In turn this will severely restrict coastal development and maintenance.

B. Summary of Principles for Aligned State Action

1. Develop and utilize best available science

• Apply best available science to planning, decision-making, project design, and implementation

• Utilize a minimum target of 3.5 feet of sea level rise by 2050, and more protective targets for 2050/2100 for critical infrastructure

2. Build coastal resilience partnerships

• Coordinate regularly on SLR resilience issues, policies, planning, processes, mandates, permitting, information, funding, and projects

• Collaboratively collect, share, and publicize the latest information on SLR

• Build strong relationships with all partners at all levels of government, and with the public, nonprofits, businesses, and other stakeholders

• Coordinate and partner with tribes to ensure inclusive and multicultural stewardship of lands and waters subject to SLR

3. Improve coastal resilience communications

• Align SLR messaging and implement a coordinated public awareness and education campaign

• Increase transparency, efficiency, and alignment of state and local coastal resilience processes, policymaking, and decision-making

4. Support local leadership and address local conditions

• Support local planning and adaptation policies and projects that address local and regional conditions

• Evaluate and learn from local conditions

• Prioritize early protection of and capacity building for the most under-resourced and vulnerable frontline communities

5. Strengthen alignment around coastal resilience

• Develop and apply baseline, Administration-wide SLR assumptions, projections, targets, terms, and standards into coastal projects, retrofits, planning, funding, regulatory, and permitting initiatives

• Ensure that up-to-date SLR resilience planning is in place coastwide

• Collaboratively work to pursue and develop specific funding sources

• Avoid creating unnecessary duplication of existing state agency authority

6. Implement and learn from coastal resilience projects

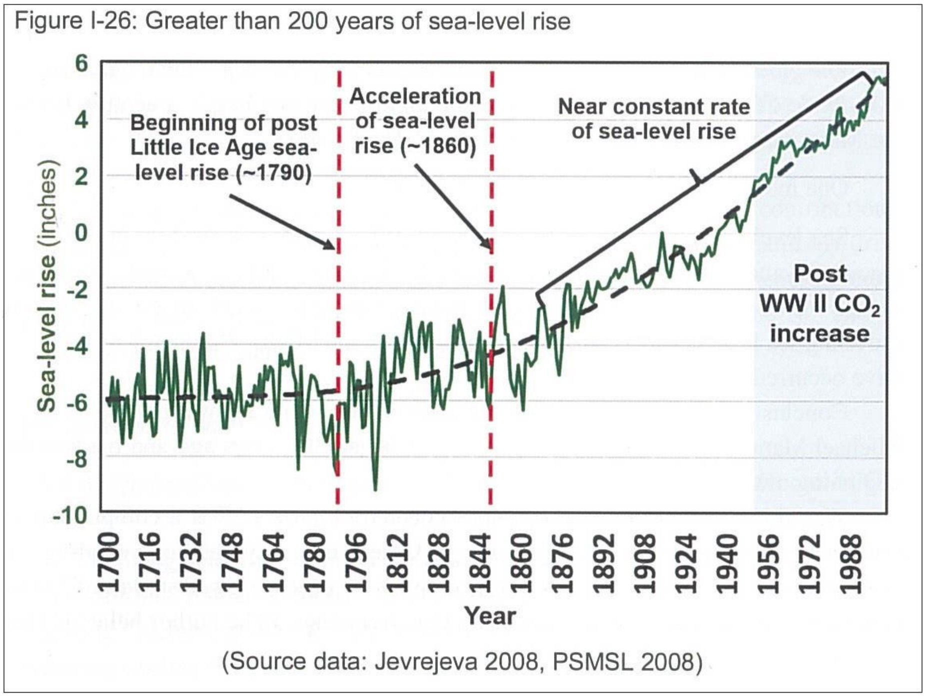
• Protect and enhance public trust natural and cultural resources

• Protect critical public water-dependent infrastructure, ports, harbor districts, and other evolving public trust needs and uses

• Prioritize the use of nature-based adaptation measures

• Build coastal resilience by increasing the number of restoration and adaptation projects

• Prevent impacts from SLR to public access



The Federal Oceanic and Atmospheric Administration (NOAA) data on Sea level rise continues to increase at a rate of about one-eighth of an inch per year. Thus it will take 8 years for it to rise 1 inch or 48 years to rise one foot. How did the Coastal Commission get 3.5 feet in only 30 years? Its staff lied about the numbers actually included in the State Ocean Council's own Guide which staff cited as its source.

Supervisor Hill Speculation & Box Score

Last Week: There was no meeting of the Board of Supervisors. Hill did not attend the Integrated Waste Management Authority meeting last Wednesday in person or by zoom. The CalCoastNews reports that the FBI is talking to the other 4 Supervisors. They may want to know why the County never investigated his erratic and bullying behavior, the latter being prohibited under a number of County anti-harassment and conduct standards.

COLAB IN DEPTH

IN FIGHTING THE TROUBLESOME, LOCAL DAY-TO-DAY ASSAULTS ON OUR FREEDOM AND PROPERTY, IT IS ALSO IMPORTANT TO KEEP IN MIND THE LARGER UNDERLYING IDEOLOGICAL, POLITICAL, AND ECONOMIC CAUSES

CALIFORNIA IS READY TO GET RID OF NEWSOM

BY EDWARD RING

Across California on May 1, tens of thousands protested in defiance of the lockdown orders. In Sacramento, the west lawn of the state capitol building was filled with protesters, with thousands more marching along the sidewalk surrounding the capitol grounds. Additional thousands driving their cars and honking their horns created three hours of total gridlock on the streets that looped around the capitol. Noteworthy protests have occurred in San Diego, Encinitas, Laguna Beach, Huntington Beach, Paso Robles, Santa Rosa, and even tiny Lakeport on the shores of Clear Lake. There is no end in sight.

While the media has typecast these growing protests as populated by right-wing extremists, Trump supporters, and remnants of a geriatric Tea Party movement, the reality in California is different.

In Laguna Beach, the protest was organized by surfers. Overall, these protests included people who claimed they have never been involved in politics, people who identified themselves as former Democrats, and young people. Thousands and thousands of youth; children, teenagers, college students, twenty-somethings. A generation is waking up.

And among the constituencies outraged by the shutdown are not only people who can't work, or people who can't run their businesses, or free speech advocates, defenders of the 2nd amendment, and anti-vaccine activists, but also devout Christians.

As perhaps the biggest and most politically neglected constituency in California, in poking Christians, Newsom may have poked a sleeping giant one time too many. An inflection point will be reached this month, as growing numbers of pastors in California and across the nation have declared they will open their churches to congregants.

Of course the question boils down to this: is this health emergency sufficiently dire to merit an ongoing lockdown that has turned the entire nation into a minimum-security prison? And unfortunately, there isn't much information available to Americans that doesn't come with an agenda.

Why have the data on death rates been skewed upwards? Why have the social media and search monopolies suppressed contrarian information, such as the possible efficacy of hydroxychloroquine, azithromycin and zinc? Why can't general practitioners prescribe these drugs, or try other promising therapies, before the disease becomes life-threatening?

Questions are endless and urgent. Is there enough focus on therapies, along with trying to develop a vaccine? Why, at a time like this, has the media attacked every move by the president, while defending every move by Democrats? Why is the media defending the fascist regime of China? Why didn't Americans try the Swedish approach, encouraging social distancing and prioritizing resources to protect the most vulnerable? Why does the United States stand on the brink of economic suicide, when maybe, just maybe, other tactics could have managed the pandemic without destroying the economy?

It isn't unreasonable to ask these questions, and when the answers are unsatisfactory, anger grows.

Newsom's Record Invites Criticism

It's also not unreasonable to take issue with Newsom's performance as governor before this crisis began.

Apart from doing whatever the public employee unions and his left-wing billionaire donors tell him to do, he really hasn't pleased anyone. If you work as an independent contractor, Governor Newsom put you out of a job by signing AB 5. This draconian and poorly conceived law, written for the state legislature by the unions, requires companies to hire independent contractors as employees. Instead, and in an instant, most of them lost their jobs.

How does that work, if you're a "non-essential" writer, musician, or artist, or, more to the point, an "essential" nurse, caregiver, or truck driver? Essential or non-essential, workers need to work. With one signature, Newsom robbed millions of Californians of that right. *Before* the pandemic hit.

And then there's California's 150,000 homeless, seeded with tens of thousands of criminals granted early release to relieve overcrowding, or released because in California drug and theft crimes now carry less punishment than traffic tickets.

These homeless, some of them merely down on their luck, others hardened predators, have turned California's streets and sidewalks into a public toilet, with many of them stealing to support their drug habits, and none of them held remotely accountable for their behavior. They could have been rounded up and treated, overnight. The national guard could move them onto public land and help them recover. Because among other things, the homeless constituted a health emergency. *Before* the pandemic hit.

So why is it Governor Newsom could lock up nearly 40 million residents of his state, at the same time as he lets the homeless consolidate their control of entire cities? Could it be the homeless are a useful political tool? Never mind that Democratic policies created unaffordable housing, decriminalized petty theft and hard drugs, and emptied the jails.

Now the Democrat allies in the media and the well-heeled nonprofits can point their cameras at these squalid "urban refugees" and scream "social injustice." Taxes must be raised. Bureaucrats must be hired. Massive borrowing must be approved for affordable housing bonds. And developers make tens of billions, building a handful of palaces for a lucky few, solving nothing, at an average cost to the taxpayer of $500,000 per unit.

One of Newsom's Democratic cronies, Los Angeles Mayor Eric Garcetti, presides over a city council that is considering using federal bailout money to buy up homes where landlords have been prohibited from evicting tenants.

Let that sink in. Instead of using federal bailout money to help tenants pay rent, the Los Angeles city council is poised to wait till the small landlords go belly up so they can buy their live-in duplexes and triplexes out of foreclosure, evict them, and fill those homes with homeless people. Eventually their developer friends will consolidate the properties and demolish them to build high rises. You can't make this stuff up.

Newsom can blame the pandemic for the imploding revenues that doom his state to budget deficits that will make the great recession look like a picnic, but voters will see right through that.

Did Gavin Newsom ever stand up to the teachers unions, and tell them they'll never get another dime until they agree to reform CalSTRS, the teachers' pension fund? No, but he let these unions successfully advocate for curricula that, among other things, "challenges binary concepts about gender" in *third grade*.

Did Gavin Newsom ever put forward a pension reform measure to save CalPERS, the largest public employee pension fund in the world, along with CalSTRS and dozens of other pension systems catering to California's public employees? No. Everybody knew these pension funds were bankrupting California's cities and counties and state agencies *before* the pandemic hit.

With a record like that, you'd think Governor Newsom would realize he was on thin ice. But how did he cope with the pandemic? He became King Newsom, issuing executive orders without consulting the legislature. He even spent $1.0 billion of taxpayer money to buy masks from a Chinese company, and the public still doesn't have the details of that transaction.

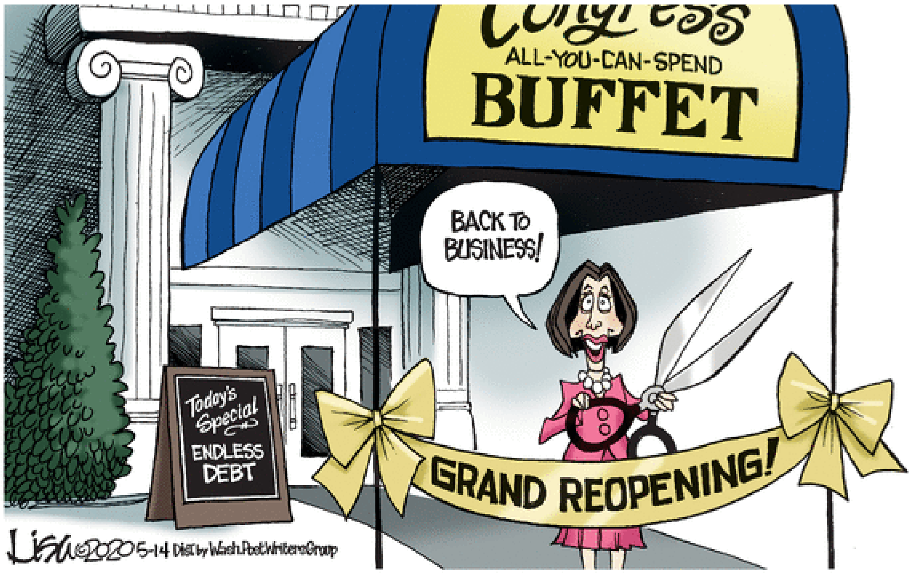
Newsom's Coronavirus "task force" is led by billionaire Tom Steyer, who when he isn't paying for Democrat ballot harvesting, wants to save the planet by forcing Californians to live in small apartments and ride trains everywhere. Joining Steyer on Newsom's dream team are dozens of other grandees, including none other than the disgraced Gray Davis, who may take comfort in knowing he may not be the only California governor to be recalled much longer.

A few months ago a rag tag team of volunteers, with no money and little previous experience in politics, gathered nearly 300,000 valid signatures in a failed attempt to recall Gavin Newsom. While this wasn't even close to the just over 1.0 million signatures they needed, this is nonetheless an unprecedented accomplishment. They learned a lot, and now they're trying again, this time with the ability to ride the momentum of an awakened electorate.

Have you lost your business? Have you lost your job? Do you think it was worth it, or do you think things could have been handled differently?

Gavin Newsom has a lot of explaining to do. But it may well be too little, too late to save his political career.

This article originally appeared on the website American Greatness . Edward Ring is a contributing editor and senior fellow with the California Policy Center, which he co-founded in 2013 and served as its first president. He is also a senior fellow with the Center for American Greatness, and a regular contributor to the California Globe. His work has also appeared in the Los Angeles Times, the Wall Street Journal, the Economist, Forbes, and other media outlets. Ring's undergraduate degree is in Political Science from UC Davis, and he has an MBA in Finance from USC.



BACK OFF THE BEACH AND THE RISING SEA? NO WAY, CALIFORNIA CITIES SAY

BY STEPHEN FRANK

Paul Ehrlich told in the 1070's that in twenty years we would have food wars internationally. He lied, but made millions from his scam. Al Gore told us twenty years ago the ocean s would rise and flood the California coast. In April Bill Gates paid $43 million for a mansion on the Del Mar waterfront. Fifteen years ago, Al Gore spent $9 million buying a mansion in Montecito, near the beach, with Oprah Winfrey as a neighbor. He knew he was scamming the people to make hundreds of millions.

"But then, for many local residents the words "managed retreat'' came to stand in for two more dire words: "eminent domain," government taking private property. Officials repeatedly tried to make clear that there is no policy to forcibly take homes. But the mistaken impression took hold, and it's proven nearly impossible to put the genie back in the bottle.

In public meetings across California, homeowners, developers and real estate groups began to pelt local officials with questions: Is the state going to take my home? What about property values? How can I be sure I'll be able to get insurance?

What the state saw as a prudent, forward-thinking approach to an admittedly slow-moving disaster begat a full-on coastal revolt. Under pressure from constituents, towns that had included managed retreat in their plans tore up the documents and called a time out. In some cities, the controversy hijacked the entire coastal planning process and adoption of other, noncontroversial aspects of coastal planning has languished."

Government has turned into a scam to take away private property, constitutional freedoms and our future. We need to stop participating in these scams and defeat those who promote a totalitarian style government.

At Lake Tahoe there is no sea level rise but the Tahoe Commission, the California State Lands Commission, and the various counties regulate the heck out of anyone who wants to build a home, put in a dock, or even a mooring buoy. The Incline Village Community Service District chases the Canada Geese so they won't poop up the beaches.

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NATIONAL RADIO AND TV COMMENTATOR HIGH HEWITT AT COLAB DINNER

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(Revised 2/2017)