

BOARD OF SUPERVISORS MEETING
December 19, 2017

"For all items NOT on the agenda"

(Each Speaker Limited to 3 Minutes)

Voluntary Sign-In Sheet

1. Cindy Calderon
2. Charles L. Cranco
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Supervisor Sundburg,

I just received the agenda for the December 19 Board of Supervisors meeting. I strongly disagree with item number three of the Consent Calendar, Letter Requesting Removal from Assembly Bill 186 (Eggman), Safer Drug Consumption Program (Supervisor Rex Bohn).

First, This resolution is completely inappropriate for the consent calendar. This is not a routine matter. This is a contentious issue in the County and deserves full discussion and public participation.

Second, I fully support safe consumption sites in Humboldt County, AB 186 is a step towards that.

I ask that you have the letter removed from the Consent Calendar so that the public has a chance to weigh in on this important decision regarding the opioid emergency. I also ask that, in general, you support a safe consumption site in Humboldt County.

On another note, great job with the Eureka Coastal Zone Cannabis issue. That will be a big step forward for the area! Keep up the great work!

Thank you for your public service.

Matt Kurth

(530) 503-5602

3215 Halfway Ave.

McKinleyville

Supervisor Sundburg,

Thank you so much for pulling the item for discussion and thank you for requesting more information from Director Black. I do not see any reason that our county should not be named in SB 186. As I read it SB186 exempts the county from certain drug enforcement laws IF the county decided to allow a safe drug consumption site. AB 186 does create a safe use site but it does allow the county do do so if we choose. Why not have the option and the choice in the future? The state is trying to give us a little autonomy and local control and I say we take it.

More broadly, please do consider a safe use site and harm reduction practises as one tool in the tool box that we use to combat the opioid emergency. Our communities approach in the past up to this point has not created results and it is time to try something different. Harm reduction has proven to have positive health, economic and standard of living impacts in communities where it has been implemented. I would like you to know that as your constituent I fully support instituting the following harm reduction tactics as soon as possible:

Supervised safe drug consumption sites.

Needle collection kiosks.

Continue the current successful needle exchange program.

A Housing First approach to homelessness.

A day center for the houseless with services, showers etc..

Please do include my e-mails in the public record. Thank you so much for your service and consistent response to your district.

Matt Kurth

(530) 530-5602

3215 Halfway Ave.

McKinleyville, CA 95519

Point

*CalPERS exposes taxpayers to needless risks***By Jon Coupal**

Listing all the deficiencies of the California Public Employees Retirement System would be a daunting task. A long history of corruption involving so-called "placement fees," dysfunctional governance, undue union influence and poor rates of return are themselves reasons why California needs fundamental pension reform.

Now we can add to that list how CalPERS's mindless pursuit of progressive, feel-good causes exposes taxpayers to even greater risk.

In a scathing report, the American Council for Capital Formation blamed CalPERS' poor investment results over the last decade on its increasing focus on "sustainable" investing strategies. Often referred to as ESG policies (environmental, social and governance) this strategy applies subjective opinions in an effort to measure the sustainability and "ethical impact" of an investment in a company or business. Of course, ESG judgments are as malleable as the varying opinions of those

judging the criteria. Applying ESG standards as a primary investment strategy is the polar opposite of looking at actual financial performance.

According to the report, "During this time of increased ESG investing and activism, the fund's performance has suffered, converting a \$3 billion pension surplus to nearly \$140 billion deficit over the past 10 years."

The shift by CalPERS away from basing investment decisions on objective financial performance has also caught the eye of current employees and retirees who depend on CalPERS for their pensions. According to a recent Sacramento Bee article entitled, "Before CalPERS can save the world, public workers want it to save their pensions," a police officer testified before the

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CalPERS board on ESG investing. The officer, who was also the treasurer of his local police association, stated, "We cannot afford to lose funding for law enforcement officers in exchange for a socially responsible investment policy."

This is not to suggest that investors — either public or private — should shun investments in companies that have strong ethical standards or are focused on clean technologies. Quite the opposite. Many of those companies are solid performers. But so too are oil companies and gun manufacturers.

As noted above, even public employees are beginning to question ESG investment strategies by CalPERS, as well they should. But let's not forget who remains the ultimate backstop for California's public employee retirement plans — California taxpayers. Bad investment decisions and dysfunctional governance have already taken their toll as the slice of general fund budgets for both state and local governments dedicated to pension costs continues to "crowd out" other public needs.

Nothing could be more suc-

cinct than this statement from the Council of Institutional Investors: "When the managers take their eyes off the ball and the funds are mismanaged, taxpayers often have to make up the difference, especially with public systems like CalPERS — the largest public U.S. pension fund."

Ultimately, the answer is phasing out California's system of defined benefits and, as other states have begun to do, shift to defined contributions. For the employees, the latter are similar to 401(k) retirement plans; are portable and allow the employee to choose the level of risk that is right for them. The best feature, however, is eliminating future risk to taxpayers because their financial obligation would be met at the close of every pay period. That's much better than having hundreds of billions in unfunded pension obligations that will burden future generations for decades.

In the meantime, however, Exxon and Smith & Wesson are still good investments.

Jon Coupal is president of the Howard Jarvis Taxpayers Association.

344 BILLION FUN
BALANCE

140 BILLION
DEFICIT

40% OF
FUND DEFICIT

Slanted 'study' on the role of ESG falls completely apart

By Marcie L. Frost

The American Council for Capital Formation has released a report critical of CalPERS' investment strategy on sustainability — what's often known as environmental, social, and governance, or ESG. The report argues that our efforts to engage with companies on policies that can impact their bottom line have harmed returns. The report is dead wrong.

The Washington, D.C., group is a pro-business organization that believes investors should have little say in how a company they put their money into is operated. It professes to advocate for "policies that encourage savings and investment, economic growth, and job creation." But the four recommendations in this so-called "study" — including lowering the discount rate to around 4 percent — would do serious damage to many California cities, counties, other public agencies, and schools. If implemented, they would forever jeopardize the retirement security of millions of current and retired California public employees and their beneficiaries.

We'd like to believe these suggestions simply represent a fundamental misunderstanding about CalPERS' investment strategy and operations. But the truth is this report cherry picks a thin set of loosely-related facts to subliminally promote an anti-pension ideology. That's certainly the crystal-clear conclusion drawn by one of its big supporters, who in praising the work also briskly calls for end to "California's system of defined benefits."

In its story on this report, Pensions & Investments said the American Council for Capital Formation "offers little evidence" in its claim that investment returns have suffered because we ask companies to tell us what impact climate change is having on their business. Or that we want them to open up the process by which talented and qualified candidates are selected to serve on their boards.

MarketWatch echoes that point: "It is important to note that ACCF's report doesn't conduct a comprehensive impact of ESG investing on the pension fund's performance."

Let's be clear. ESG issues are important because they can greatly impact a company's performance. It's precisely because we're fiduciaries responsible for paying benefits for generations that we work and engage with companies on issues that can have a material impact on their financial future. We have a constitutional obligation to sustain and protect the CalPERS fund. We need these companies to get it right. When they succeed, we succeed.

ACCF's report cites four "environmental" investments as proxies to feebly argue its anti-ESG message. They're correct — these private equity funds haven't done well.

But here's the context that was willfully ignored: These are just four funds totaling about \$600 million out of about 240 in a \$26.4 billion private equity portfolio.

And this: Private equity earned 13.9 percent last fiscal year, 11.5 percent for the preceding five-year period, and 11.3 for the preceding 20-year period. In fact, our private equity program

has produced higher returns for the CalPERS fund than any other asset classes.

ACCF's analysis of the poor performance of five public solar companies falls victim to the same dismal logic. At nearly half of the entire CalPERS fund, our public market holdings represent the vast majority of all listed global companies — around 10,000 — and largely follows a passive, index-like investing approach.

We don't stock pick or try to time the market. What we do pick is a long-term investing strategy — with a 50- to 60-year horizon — and we stick to it.

As MarketWatch notes, ACCF is funded in part by the Koch Brothers and energy companies like Exxon, Chevron, and Occidental (all of which, by the way, we own). That's why it's not surprising that one of its four recommendations is that public pension funds insist that outside managers "not vote for proposals that require additional disclosures beyond those mandated by regulatory authorities."

That tired and tortured argument really means this: ACCF wants us to act like the index funds we invest in — passive and silent.

We won't surrender our rights to engage with companies to help improve their governance practices or environmental stewardship, or to adequately plan for the impacts of climate change. It would be dereliction of our fiduciary responsibility. We work within the parameters of our five-year ESG Strategic Plan, and have a long and successful track record of talking with companies to encourage better behavior or op-

erations and improving the bottom line.

And studies have shown that engagement works. Companies with better governance and more diversity perform better. Companies that respect their employees and show care for their supply chain perform better. Companies that adequately account for natural resource allocation in their business plans perform better. And companies that evaluate how their operations are susceptible to the pending effects of climate change, and then plan accordingly to deal with those effects, will be better prepared to deliver value to investors for decades to come.

We vote our proxies and engage the companies we own because it's our duty to do so as an informed investor. Our beliefs inform our actions on these issues, not because they make us feel good but because there is sound economic reasoning to do so. That's why as a founding member of the Climate Action 100+, which includes over 220 large investors with \$27 trillion in assets, we are proud to join the newly launched effort urging the 100 major greenhouse gas emitters to fight climate change by cutting greenhouse gas emissions.

We raise our voice because our members, partner agencies, and taxpayers trust us to be a responsible steward of the more than \$344 billion entrusted to us so that we can pay promised benefits to California's public employees after a career dedicated to public service.

Marcie L. Frost is chief executive officer of CalPERS.

344 BILLION + -

Date: ?????

To: Everyone

Subject: **Experience Minority**

Merry Christmas

With a sound mind and body, being nonpolitical, and 73 plus of age, over the years I have provided undisputed information. The way I have been treated forces me to think recipients consider me as just an old person spouting crazy stuff. With no interest shown, **maybe** I am wasting my remaining time on this earth talking to my county supervisor and others

Without understanding what I was saying, I had a nice chat with a couple county employees who referred me to **CAO**. With confusing hi-tech not providing answers and lacking knowledge and experiences in real world problems which old and young working, rural, and average folks face everyday, this CAO person has not contacted me.

As professional field (emphasizing "field") forester all my fifty plus years of working, rural, landowning, and paying taxes, I see average voter does **not understand** my reinforced belief that those in charge pay attention to those experienced-in whatever is involved.

Attached provides examples of seeing a lack of experience in those who lead humans not understanding what can happen, getting old is unavoidable, humans are in trouble, and as portrayed in Fox's Lisa Lang story and high cost of housing in populated areas, my money would be on revolutionary war between rural folks and populated areas and/or possibility of world war III.

With my county supervisor and other humans who run the world needing to read what I present in writing, accepting what **inexperienced** folks say is making humans SOL

Charles L Ciancio

(Old tired field forester who has lived in real world and been ignored)

California Registered Professional Forester (RPF) 317

P.O. Box 172, Cutten (near Eureka in redwood country), CA 95534

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CIANCIO'S LIST OF SOME LEARNED THINGS THAT ARE GOING WRONG

With producers like farming, ranching, harvesting trees, and other rural workers, population areas think their natural resources needs magically appear. Trump, others like him, media, legalese, politicians, preservationists, protectionists, Fourth Branch of Government (Regulators), and some with money and some without money "lack" experience in the field and few in charge lack an understanding of how rural areas fulfill their needs. Knowing this, I don't believe what is said by this group.

As a lead supervisor over Elk Creek Plantation, I learned everything (I emphasize everything) depends on sunlight, water, and nutrients (or food)

Natural order of things has women as smart as males and males are frequently bigger to protect females.

With Christians (or many others like a God) taught their wrongs can be forgiven, many believers and non-believers will be at each other's throats, forever

As a graduate of Humboldt College playing first team center in football when they were winning, I saw head coach Saboe shake his head when Coach Van Duran pulled me from the game with Humboldt near the goal with four downs to go; I believe Humboldt tied with Sacramento in the far Western Conference; and Sacramento lost to Boise State.

Having been in many marijuana gardens, never accepting a bribe, and having a good friend killed by an illegal marijuana grower, I got a concealed weapon's permit, and when in the field, was always armed

Around 80% of the wood used in California comes from out of California

As someone who has used hi-tech, I know when hi-tech is wrongly used

Has fought uncontrolled and controlled fire and know what it takes to have fire

Missed is the divide between those who pay taxes in Humboldt County (landowners, farmers, timber folks, ranchers, and other providers of natural resources), and those who use tax monies. With heavy dependence on tax money, I see rural areas like Humboldt County (along with many in the rest of the world) getting the short end

I have learned a lot more, but limited input time prevents me from providing some of what I have learned in my lifetime.