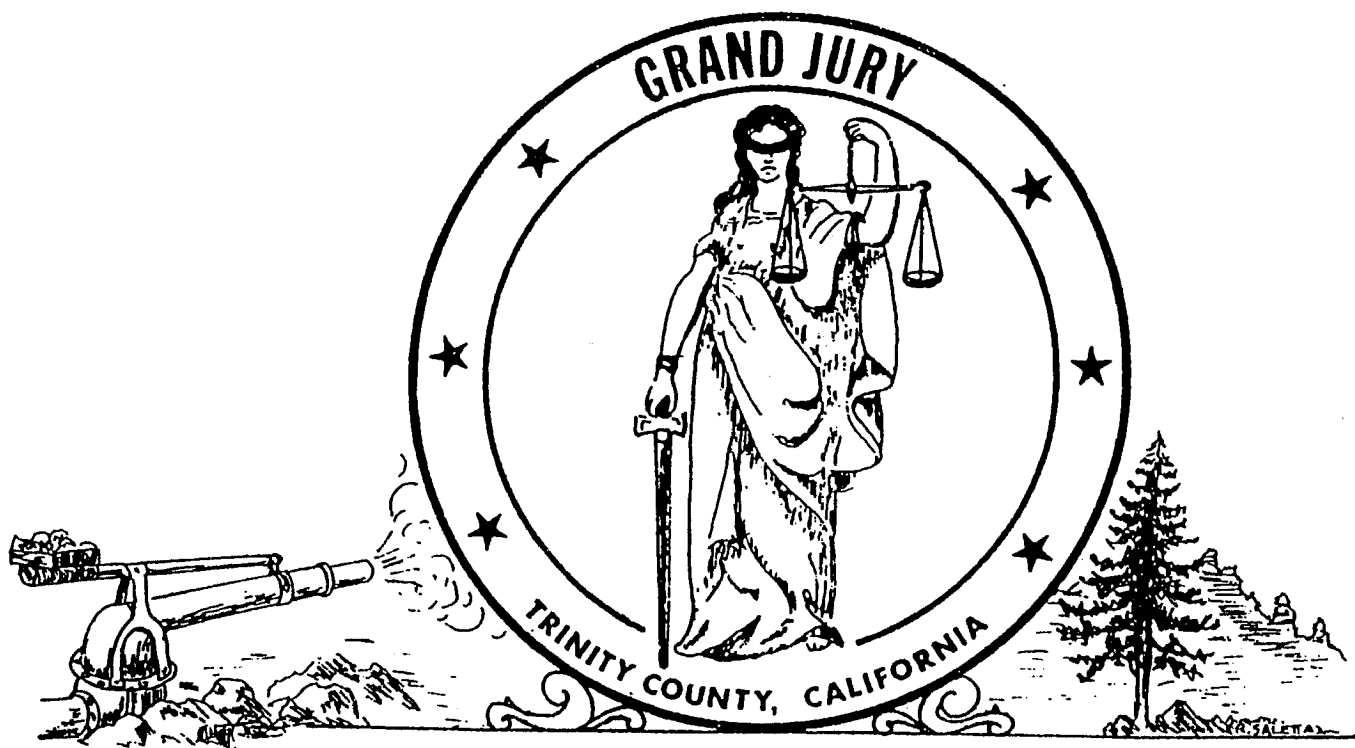


FINAL REPORT OF THE
TRINITY COUNTY
GRAND JURY

2000 - 2001



TRINITY COUNTY GRAND JURY

FINAL REPORT

2000 - 2001

2000 – 2001 TRINITY COUNTY GRAND JURY ROSTER

FRANK ASCHERT	HYAMPON
ELLEN M. COOKE	BIG BAR
DONNA CROSSWHITE	WEAVERVILLE
HERSHEL DUNAETZ	HAYFORK
PHILIP ERATH	JUNCTION CITY
CHARLEY FITCH	WEAVERVILLE
DWIGHT GLASS	WEAVERVILLE
HELEN GRAVETTE	WEAVERVILLE
JOHN HUMBORG	DOUGLAS CITY
EDNA KAYA	BURNT RANCH
CHARLSIE B. McDONALD	TRINITY CENTER
RAYMOND PATTON	HAYFORK
JACQUELINE ROGERS	DOUGLAS CITY
LEO SCHUSSMAN, Jr.	LEWISTON
CLAUDE A. "HERK" SHRINER	WEAVERVILLE
DONALD STEWART	WEAVERVILLE
JAMES E. TAYLOR	WEAVERVILLE
ALTON E. TURNER	TRINITY CENTER
REGAN TRENT WOOD	HAYFORK

FOREPERSON: Claude A. "Herk" Shriner
FOREPERSON PRO TEM: Phil Erath
SECRETARY: Donna Crosswhite
CONTROLLER: Helen Gravette



TRINITY COUNTY

TRINITY COUNTY GRAND JURY

P.O. Box 1117

Weaverville, CA 96093

Phone: (530) 623-1369

Confidential Mail: P.O. Box 2308

July 1, 2001

Hon. John K. Letton, Presiding Judge
Trinity County Superior Court
P.O. Box 1258
Weaverville, CA 96093

Dear Judge John K. Letton:

As prescribed by law, the 2000-2001 Trinity County Grand Jury respectfully submits its report to you.

This year's Jury was filled with people whose personal lives were very busy. I can't praise them enough for their sacrifice fulfilling the duties of the Jury. For some, their dedication to duty and the citizens of this county put their personal lives on hold for a year. There are little thanks, except for a job well done.

The Jury received ten complaints. When a complaint covered a topic of general interest and importance in the community where the complaint originated, the Jury felt compelled to issue a public report on the investigation and conclusion. Due to the depth of key investigations by Jury members, some complaints will be forwarded to the next Jury. Each Jury must complete their own investigation and not accept partial work by previous Juries.

The Jury revisited the issue of morale at the Hospital again, but only to determine whether last year's final report by the Health Committee was accurate, or the rebuttal by the administrator and board was the correct version. Once again, the issue is of such importance to the citizens of this county, that this Jury felt it necessary to investigate the extreme opposing positions held by the previous Jury and the hospital administrator and board of directors.

It was not an easy decision to survey the hospital staff and personnel again. No one wanted to put the organization under two years of scrutiny, but the question still remained. The enclosed report will put to rest the questions, but the recent resignation of

the hospital administrator may make the question mute. However, the survey conducted this year will be a good guide to aid the next administration on changes necessary to improve the situation. Health care is a vital component in the welfare of any community, but doubly so in rural areas. All efforts should be made to keep our hospital financially sound and operating in this county. It is a proven fact that when communities lose their hospitals, the loss precipitates an economic decline.

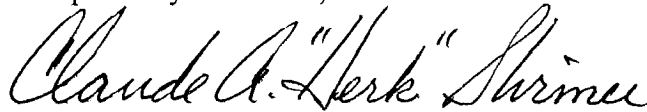
In a sparsely populated county it is difficult to find Jurors without a conflict of interest with at least one area under investigation. All conflicts of interest were stated early in the year. For most of the conflicts, Jurors were assigned other work, except for one in particular. That Juror left the Jury room when deliberations concerning the department under conflict were discussed and at no time voted or influenced the final report.

The attitude of this Jury has been exemplary. The members have exhibited constraint and firm resolve. The course of this Jury was to conduct our duty with understanding, compassion and courtesy.

I thank you for your support this year and the opportunity to serve as Foreman. Your counsel has helped the Jury clarify its position and direction within the parameters of its duty.

The rewards of my tenure as Foreman have been many but the greatest reward has been the knowledge and friendships gained. Thank you for this special opportunity.

Respectfully submitted,

A handwritten signature in cursive script that reads "Claude A. 'HerK' Shriner". The signature is written in black ink and is positioned above the printed name and title.

CLAUDE A. "HERK" SHRINER, Foreman
2000-2001 Trinity County Grand Jury

CAS:dr

**2000-2001 TRINITY COUNTY GRAND JURY
COMMITTEE ROSTER**

Judicial Committee

Jacqueline Rogers
Raymond Patton
Herschel Dunaetz
Ellen Cooke
John Humborg*

Finance & Administration Committee

Charshie McDonald
Ellen Cooke
Herschel Dunaetz
Charlie Fitch
Phil Erath *

Health & Human Services Committee

Charshie McDonald
Edna Kaya
Ellen Cooke
Jacqueline Rogers
Leo Schussman*

Special Committee/Edit

Alton Turner (resigned)
Frank Aschert
Charlsie McDonald *

Development and

Environmental Committee

Helen Gravette
Regan Wood
Frank Aschert
Donald Stewart*

Education Committee

Dwight Glass
Herschel Dunaetz
Phil Erath
Raymond Patton*

Social Services

Dwight Glass
Edna Kaya
Jacqueline Rogers
Leo Schussman
Helen Gravette*

Special Districts Committee

Raymond Patton
Donald Stewart
Charlie Fitch
James Taylor*

Review and Procedures

Alton Turner (resigned)
Regan Wood
John Humborg
Frank Aschert*

Special Investigation Committee

Ellen Cooke
Regan Wood
Donald Stewart
Charley Fitch*

TRINITY COUNTY GRAND JURY

FINAL REPORT

2000 - 2001

DEVELOPMENT AND ENVIRONMENT COMMITTEE

TRINITY COUNTY GRAND JURY

2000-2001

FILED

JUN 29 2001

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK**

DR

**DEVELOPMENT AND ENVIRONMENT COMMITTEE
FINAL REPORT**

**CITIZEN COMPLAINT
DEPARTMENT OF GENERAL SERVICES**

**This report was approved
On June 12, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
DEVELOPMENT AND ENVIRONMENT COMMITTEE
FINAL REPORT**

CITIZEN COMPLAINT

PURPOSE:

This is an investigation of a citizen's complaint against a county agency.

BACKGROUND:

A complaint against the county was received by the Grand Jury. The complaint charges that the Trinity County General Services Department has refused to furnish the complainant a key to the Hayfork Solid Waste facility so that said complainant might access the facility after hours. The complainant also charges discrimination in that his business competitor does have a key to the facility providing access as needed.

METHOD OF INVESTIGATION:

Two members of the committee met with the Director of General Services and learned the following facts. The committee reviewed correspondence between the Director of General Services and the complainant.

FINDING #1:

The Report of Station Information for the Hayfork Transfer Station and Title 14 of the California Code of Regulations, plus the Solid Waste Operation Permit require the following:

- Title 14 – Article 6.2 Section 17409.5 requires load checking upon entering the facility.
- Title 14 – Article 6.35 Section 17418.1 Site Security, states that the County must discourage access to the site after operational hours.
- Title 14 – Article 6.35 Section 17418.2 Site Security, states that the facility shall have an attendant present during operational hours.

RECOMMENDATION #1:

Rules and regulations as stated in finding number one should be adhered to eliminating preferential treatment.

FINDING #2:

A letter of August 18, 2000 signed by the Director of General Services states that the complainant's competitor has been given a key and "grand-fathered in", giving the competitor unlimited access.

RECOMMENDATION #2:

Allow all septic service businesses equal access to transfer sites in order to provide equal business opportunity.

CONCLUSION:

Basic California Code of Regulation, plus Solid Waste Operations Permit requirements are being followed with the exception of septic waste dumping. Grand-fathering of access to one septic service provider presents equal business opportunity for all septic service providers in the county.

The county should look into related health issues including the need to address emergency septic disposal, during closed hours.

RESPONSE:

Trinity County Board of Supervisors, County Administrative Officer, Director of General Services.



TRINITY COUNTY

GENERAL SERVICES DEPARTMENT

P.O. BOX 2700 -- FAX (530) 623-5015

WEAVERVILLE, CA 96093

RECEIVED

SEP 17 2001

September 14, 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

TO: Honorable John K. Letton
Presiding Judge of the Superior Court

FROM: John Whitaker, General Services Director

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
DEVELOPMENT AND ENVIRONMENT COMMITTEE FINAL REPORT
CITIZEN COMPLAINT – DEPARTMENT OF GENERAL SERVICES

Finding #1:

The Report of Station Information for the Hayfork Transfer Station and Title 14 of the California Code of Regulations, plus the Solid Waste Operational Permit require the following:

- *Title 14 - Article 6.2 Section 17409.5 requires load checking upon entering the facility.*
- *Title 14- Article 6.35 Section 17418.1 Site Security, states that the County must discourage access to the site after operational hours.*
- *Title 14- article 6.35 Section 17418.2 Site Security, states that the facility shall have an attendant present during operational hours.*

RESPONSE:

We agree with the findings.

Recommendation 1 Citizen Complaint.

"Rules and regulations as stated in finding number one should be adhered to eliminating preferential treatment."

Response:

We agree in part. The part we agree to is that the Grand Jury has correctly stated the regulations regarding the operation of the facility. The Grand Jury's narrow interpretation of the rules does not account for contracted services and the right of entry for the services.

Finding 2 Citizen Complaint:

A letter of August 18, 2001 signed by the Director of General Services states that the complainant's competitor has been given a key and "grand-fathered in", giving the competitor unlimited access.

Response:

We agree in part and disagree in part. Grand Jury takes a phrase from a letter, and misconstrues the meaning and content of that letter. The letter was written to the complainant, and quotes the regulations for site security and site permitting. The letter states that the key-holder was "grand-fathered in" to provide contracted services, which is the same service they supplied to our sites through Timberline Disposal.

Recommendation 2 Citizen Complaint.

"Allow all septic service businesses equal access to transfer sites in order to provide equal business opportunity."

Response:

We disagree wholly with the recommendation; it will not be implemented because it is not warranted nor adhere to the California Code of Regulation sections quoted above. Plus the committee misleads the reader. They clearly state the applicable codes, however the issue of access is misstated. The disposal site is open six days a week, for 9 hours each day. The complainant has access during those hours. The current key holder provides and has provided contracted service to that site for many years. The code allows for contracted service providers access after hours.

For the past seven years the key holder's septage disposal logs and their customer logs for the amount septage removed have matched, and payments for disposal have been made on time. With the complainant, this is not the case. His disposal logs and his customer logs do not match. This matter has been turned over to the Environmental Health Department who has jurisdiction.

The committee's conclusion is also flawed; there is no equal opportunity question here and no preferential treatment. If a health and safety emergency existed, County would accommodate disposal. The fact that the complainant says there is one does not constitute any health and safety risk or equal opportunity issue. He, like the key holder, should at all times schedule his disposal needs around the site hours of operation.

We request that this response be published.



TRINITY COUNTY

OFFICE OF THE COUNTY ADMINISTRATOR

Administration — Human Resources — Risk Management

Grant Management — Information & Technology

P. O. Box 1613 Weaverville, CA 96093-1613

County Administrator Phone: (530) 623-1382

Human Resources Phone (530) 623-1325 FAX (530) 623-4222

JEANNIE NIX-TEMPLE, County Administrative Officer

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: *Jeannie Nix-Temple*
Jeannie Nix-Temple, County Administrative Officer

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Development and Environment Committee Final Report
Citizen Complaint – Department of General Services

RECEIVED

SEP 18 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

DATE: September 14, 2001

The Grand Jury Development and Environment Committee has requested a written response to their final report on the Citizen Complaint concerning the Hayfork Transfer Station. In my capacity as County Administrative Officer my response is as follows:

Finding #1: I agree with the finding as stated in the California Code of Regulations.

Recommendation #1: This recommendation has been implemented. There does not appear to be any reason to allow any more access than is already provided. I agree that rules and regulations as stated in finding #1 should be adhered to. There are exceptions to the regulations. Exceptions should be clearly stated so that everyone understands what they are and why.

Finding #2: I agree with this finding in that the General Services Director has indicated that there is a current exception from the California Code of Regulations stated in Finding #1. I believe it is appropriate for contracted service providers to have access after hours to service the port-a-potties located at the transfer site.

Recommendation #2: This recommendation will not be implemented. There is no need to provide more access than is currently provided. All providers should be able to schedule their disposal needs around the site hours of operation.

Conclusion: I do not agree with the conclusion of the Grand Jury. I do not think that with the current hours of operation there should be any perception of preferential treatment. I have checked with our environmental health staff and have been informed that we actually permit 8 septic pumpers. Each one has a holding capacity of approximately 2000 gallons. It would be unreasonable to issue keys to providers. In the unlikely event that we were in need of an emergency disposal during closed hours, we would open the facility.

JNT:wt



TRINITY COUNTY

BOARD OF SUPERVISORS

P.O. Drawer 1613 (530) 623-1217
WEAVERVILLE, CALIFORNIA 96093

Dero B. Forslund, Clerk

Jeannie Nix-Temple, County Administrative Officer

RECEIVED

OCT - 9 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

TO: The Honorable John K. Letton
Presiding Judge of the Superior Court

FROM: *R. Berry Stewart*
R. Berry Stewart, Chairman
Trinity County Board of Supervisors

SUBJECT: Trinity County Grand Jury Development and
Environment Committee Final Report
Citizen's Complaint

DATE: October 2, 2001

The Grand Jury Development and Environment Committee has requested a written response to their final report on the Citizen Complaint concerning the Hayfork Transfer Station. In my capacity as Chairman, and on behalf of the Board of Supervisors, by response is as follows:

Finding #1: We agree with the findings as stated in the California Code of Regulations articles and sections listed for the Hayfork Transfer Station and the Solid Waste Operation Permit.

Recommendation #1: The recommendation has been implemented. The rules are regulations are for everyone to adhere to. However, out contracted service provider must have keys because not all transfer stations are open on the same days and hours.

Finding #2: We concur. The Director of General Services is doing a good job.

Recommendation #2: The recommendation will not be implemented. All providers should be able to have more than adequate access with the current hours of operation.

Response to Conclusion: We do not agree with the Grand Jury's conclusion. If we were to conclude that all septic pumpers should have equal access for business opportunity, we would have to issue a key to all six permitted pumpers. This would not be reasonable. If there is some reason for an emergency disposal after hours, we will open the facility.

-7-

RBS:wt

TRINITY COUNTY GRAND JURY

2000-2001

FILED

MAY 31 2001

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK**

**EDUCATION COMMITTEE
FINAL REPORT**

PUBLIC EDUCATION IN TRINITY COUNTY

**This report was approved
On May 8, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
EDUCATION COMMITTEE
FINAL REPORT**

PUBLIC EDUCATION IN TRINITY COUNTY

PURPOSE:

Grand Juries are mandated to investigate the operations of the various governmental agencies within the county from time to time. This report focuses on academic performance and career counseling in the Trinity County public schools.

BACKGROUND:

Various standardized tests are taken by the students in our schools each year, some mandatory and others voluntary. The test scores are a measure of knowledge and academic performance that can, in the case of nationally normed tests, be used as a basis for comparison with other students nationwide.

Utilization of test scores plays a major role in the future of our students. For instance, assessment of student knowledge and progress, future educational opportunities, and school financing are all influenced by test scores.

Individual student test results are confidential, with access to individual scores restricted to the student, his or her parent or guardian, and school officials. Combined class and school results are, however, publicly available where individual confidentiality is not compromised.

A. California Mandated Testing:

The California Public Schools Accountability Act establishes an Academic Performance Index (API) for the purpose of measuring performance and growth at schools. The API is a numeric index that ranges from a low of 200 to a high of 1000; and a school's score on the API is an indicator of a school's performance level. Schools that meet API growth targets may be eligible to receive monetary rewards through three state awards programs; the Governor's Performance Awards, School State Performance Bonus, and Certified State Performance Incentive.

The API is presently based on only the state's Standardized Testing and Reporting (STAR) program. The STAR results presently consist of only the Stanford 9 Achievement Test, Ninth Edition (Stanford 9), which is a standardized, nationally normed test taken by California Students in the 2nd through 11th grades.

This mandated state test may, by law, be declined by a student's parents, thus the test is not taken by every student in California. In the future other standardized

tests may be added to the STAR program; and other indicators such as graduation and attendance rates may be included in the computation of school API's.

In addition to the above mentioned, Stanford 9 test California has mandated a California High School Exit Exam. All students, beginning with the Freshman class of the 2000-2001 school year must pass this test as a requirement to graduate. The test is being given on a trial basis this school year. The High School Exit Exam is not a subject of this report.

B. Voluntary Testing:

Voluntary standardized tests that are nationally normed include the Scholastic Aptitude Test (SAT), the Preliminary Scholastic Aptitude Test (PSAT), and the Armed Services Vocational Aptitude Battery (ASVAB), all of which are high school level tests.

The SAT test is the most widely used college placement admission test in the United States. It is administered by the College Board, a not-for-profit association of 3800 schools, colleges, universities, and other educational associations. The SAT measures verbal and mathematical reasoning abilities which are related to successful performance in college. The PSAT test is a practice test for students preparing for the SAT.

The ASVAB is a voluntary test taken by high school students. Students enlisting for military service are required by the military to take this test.

METHOD OF INVESTIGATION:

Educators from the county level to the local school districts were contacted and interviewed to gain insight into the function of the local education process. The Trinity County Superintendent of Schools, superintendents and principals of most of the individual schools, and the high school academic counselors were interviewed. Test results from the Stanford 9 tests, SAT, PSAT, and ASVAB were reviewed. Additional information was obtained from published descriptions of the above test programs and from the STAR and college Board websites.

FINDING #1:

API scores provide one useful means of comparing the performances of individual California schools, both with respect to other schools and from year to year. API scores are not nationally normed and thus do not provide a means of comparison with schools outside of California.

API scores are calculated for schools in which less than 100 students are tested, but those schools are not ranked by the State Department of Education and are not

eligible for the previously mentioned performance awards; thus eight of the eleven elementary schools in Trinity County are ineligible for those awards.

The State Department of Education uses API scores to rank school performance on both an overall statewide basis and on a similar schools basis. Identification of "similar" schools appears to be subjective at best; and the corresponding ranking's deserve to be viewed with some skepticism.

The awards programs are largely based on improvement in API scores and therefore tend to provide the most benefit to schools that initially are among the lowest scoring schools. If, as contemplated, other standardized tests are added to the STAR program and other indicators are included in the computation of school API's the validity of the calculation of year-to-year improvement is jeopardized for years in which new factors are added to the computation. Somewhat similarly, the addition of indicators such as graduation and attendance rates to the API computation will reduce the correlation between a school's API and the level of knowledge achieved by the students.

API scores for local schools based on Spring 2000 tests have been reported by the media, including the Trinity Journal and Record Searchlight newspapers. Those reports show significant improvement in the Trinity County schools' API scores from Spring 1999 to Spring 2000.

RECOMMENDATION #1:

The Grand Jury does not have any recommendations with regard to the state API program, but believes that school officials and the general public should maintain an awareness of some of the above mentioned perceived strengths and weaknesses of that program. The Grand Jury has chosen not to report on the specific API scores of the Trinity County schools because that information has already been widely reported elsewhere; but the Grand Jury commends the schools for the improvement in those scores.

FINDING #2:

Nationally normed academic tests such as the Stanford 9 are not the only indicator of student and school performance. For example, academic tests typically do not measure motivation, creativity, or special talents. Such tests are, however, the best single indicator of the level of knowledge the student has attained by means of his education.

The Stanford 9 test results show how the student performed on the test compared with other students throughout the United States. This information is presented in terms of National Percentile Rank (NPR). NPR simply indicates the relative standing of a student in comparison with all the students, nationwide, that took the test at a comparable time. For instance, an NPR of 62 indicates that the student's score was equal to or greater than the score of 62% of the students nationwide and less than the scores of 38% of the students nationwide. The NPR's for the individual students has been used to

calculate the average NPR for groups of students such as class average, school average, and countywide average. Table 1 presents the average NPR by subject by grade level and overall for the 1698 Trinity County students that took the Stanford 9 test in Spring 2000. Table 2 presents the average NPR, by subject, for each of the county public schools. Some of the limitations and concerns applicable to the NPR's shown in the tables are mentioned later in this report and should be given due consideration by the reader.

**TABLE 1
TRINITY COUNTY SCHOOLS
TEST RESULTS
STANFORD 9 SCORES, SPRING 2000
NATIONAL PERCENTILE RANK (NPR)**

GRADE

SUBJECT	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	AVE
READING	61	52	58	60	59	56	64	47	41	47	54
MATH	64	65	58	64	69	60	60	64	48	51	60
LANGUAGE	51	53	54	54	59	59	64	59	43	52	55
SPELLING	53	44	52	45	44	50	45	--	--	--	48
SCIENCE	--	--	--	--	--	--	--	55	53	61	56
SOCIAL SCIENCE	--	--	--	--	--	--	--	55	50	65	56

- NOTES: 1. 1698 students tested.
 2. -- = Not Applicable
 3. "AVE" = Mean Percentile of all Trinity student scores

**TABLE 2
TRINITY COUNTY SCHOOLS
TEST RESULTS
STANFORD 9 SCORES, SPRING 2000
NATIONAL PERCENTILE RANK (NPR)**

SCHOOL	SUBJECT					
	Reading	Math	Language	Spelling	Science	Social Science
ALL TRINITY COUNTY SCHOOLS (1698)	54	60	55	48	56	56
TRINITY HIGH (347)	51	61	55	--	62	62
HAYFORK HIGH (128)	45	49	53	--	52	53
SOUTHERN TRINITY HIGH (42)	41	54	50	--	52	49
WEAVERVILLE ELEMENTARY (349)	60	65	58	51	--	--
HAYFORK VALLEY ELEMENTARY (243)	53	52	46	43	--	--
DOUGLAS CITY ELEMENTARY (118)	59	69	61	42	--	--
LEWISTON ELEMENTARY (98)	47	51	50	41	--	--
VAN DUZEN ELEMENTARY (89)	57	66	51	51	--	--
JUNCTION CITY ELEMENTARY (63)	69	64	70	52	--	--
BURNT RANCH ELEMENTARY (61)	55	57	55	49	--	--
TRINITY CENTER ELEMENTARY (35)	72	74	76	58	--	--
HOAGLIN ZENIA ELEMENTARY (22)	68	71	68	58	--	--
COX BAR ELEMENTARY (14)	52	77	62	48	--	--
HYAMPOM ELEMENTARY (10)	65	62	56	43	--	--
COFFEE CREEK ELEMENTARY (5), See Note 4	--	--	--	--	--	--

- NOTES: 1. -- = Not Applicable
 2. () = Total students tested
 3. Scores shown are the mean NPR of Trinity students
 4. Test results for Coffee Creek Elementary are not included because of the limited number of students tested and the unavailability of language and spelling scores from that school.

RECOMMENDATION #2:

- The Grand Jury makes no value judgment on the NPR's contained in Tables 1 and 2. The tables are provided for information and consideration by the reader.

FINDING #3:

The SAT provides a means of comparison of students preparing for college. SAT scores are intended to supplement the secondary school records and help admissions officers put local data – such as course work, grades, and class rank – in a national perspective. SAT scores are the single most important indicator used in determining

admission at most highly regarded universities. SAT tests are usually taken only by students considering attending a college or university; and a high SAT score is essentially a requirement at many universities. Average NPR's for the PSAT and SAT for the Trinity County high school students that took those tests in the year 2000 are summarized in Table 3.

As shown in Table 3 the average NPR of Trinity County students that took the SAT test ranged from 47 at Hayfork High School to 58 at both Trinity High School and So. Trinity High School. The NPR's of 58 indicate that the average student score at Trinity High School and So. Trinity High School was above the 50th percentile nationwide. Looking at the SAT scores from the perspective of the high scores necessary for admission to colleges and universities which admit only a small percentage of applicants, nine Trinity County students had SAT NPR's between 80 and 89, and one student had a SAT NPR between 90 and 100.

RECOMMENDATION #3:

Again, the Grand Jury has chosen to make no value judgment on the student test scores. The Grand Jury does recommend that school administrators and teachers continue to emphasize to students and parents the need for high performance by those students intending to attend major colleges and universities. Additionally, the Grand Jury recommends that the Trinity County Board of Education and the school trustees promote those efforts.

**TABLE 3
TRINITY COUNTY HIGH SCHOOLS
TEST RESULTS
NATIONAL PERCENTILE RANK (NPR)**

TEST

SCHOOL

STANFORD 9, SPRING 2000, GRADES 9-11¹

	Trinity	Hayfork	So. Trinity
READING	51	45	41
MATH	61	49	54
LANGUAGE	55	53	50
SCIENCE	62	52	52
SOCIAL SCIENCE	62	53	49

PSAT, YEAR 2000, GRADE 11¹

	Trinity	Hayfork	So. Trinity
COMBINED VERBAL AND MATH	51	47 ²	58 ²

SAT, YEAR 2000, GRADE 12¹

	Trinity	Hayfork	So. Trinity
COMBINED VERBAL AND MATH	58	47	58 ²

ASVAB, FALL 2000, GRADE 12

	Trinity	Hayfork	So. Trinity
OVERALL	59% ³	56% ³	50% ³

¹ Scores shown are the mean NPR of the students that took the test except for the ASVAB scores which are explained in Note 2.

² Less than 11 students tested.

³ Percentage of students scoring above the national average. This is not NPR. NPR is not available for ASVAB.

FINDING #4:

The results of the ASVAB, taken by students contemplating enlistment in the military, are summarized in Table 3. One-half or more of the students that took the test at each high school had scores higher than the national average. As could be expected there is noticeable correlation between scores on the ASVAB and the Stanford 9 test.

RECOMMENDATION #4:

The Grand Jury has no recommendations on ASVAB.

FINDING #5:

National Percentile Rank (NPR) is a valuable indicator of student and school performance, but certain limitations need to be taken into consideration when drawing conclusions.

First, the Stanford 9 test is not perfectly aligned with California state curriculum standards. Most school officials in Trinity County do not consider this to be a major problem and consider Stanford 9 to be a good, if imperfect, performance indicator.

Second, average scores for small schools can be misleading because when few students take the test the absence or addition of one or more particularly high or low scoring students can significantly affect the average score of the school. Great care must therefore be taken in reaching conclusions based on average scores for a particular year in a very small school.

Third, conclusions about schools should not be based on cursory examinations of scores and their relationships should not be reached without due consideration of the complexities of geographies, demographics, and economics. There is broad acceptance of the belief that socio-economic factors (such as local culture, family income, family stability and guidance, and exposure to drugs and alcohol) all affect student performance but are beyond the schools' control.

Despite the above mentioned limitations, test results of nationally normed tests such as Stanford 9 are being used in Trinity County public schools and are enthusiastically endorsed by some school administrators and teachers. Expressions of support for the Stanford 9 tests were found at some of the schools with the lowest test scores because of the belief that test scores help identify weaknesses that can be corrected.

The Grand Jury found significant variation in the interest of the school district trustees in the NPR results of the nationally normed tests. It is believed that this is at least partially attributable to the emphasis on API scores and the associated monetary awards. Similarly, parents of students are reportedly more aware and interested in API scores and the corresponding ranking of California schools than in NPR's; though parent

interest in NPR is increasing as the parents become more aware of and familiar with the significance of using NPR to interpret test results.

RECOMMENDATION #5:

The Grand Jury recommends that awareness and consideration of NPR's from nationally normed tests such as Stanford 9 and SAT be continued by school officials, and that school district trustees take an increased interest in NPR data as an important indicator of school performance. It is further recommended that school officials foster an increase in student and parental interest in NPR as a primary indicator of individual student performance.

FINDING #6:

In general, the Grand Jury finds that smaller school and class size is an advantage, up to a point. In Trinity County the elementary schools in particular appear to benefit from smaller school and class size. A full complement of college preparatory classes are not generally offered by the smaller high schools, thereby placing an additional burden on individual students who plan to attend a college or university. In most areas, extra classes are offered through junior college or college extension programs. The problem of availability of college preparatory classes is recognized by the smaller Trinity County high schools, and effort is being exerted to mitigate the problem.

RECOMMENDATION #6:

The Grand Jury recommends that the high schools continue to increase efforts that will facilitate the admission of Trinity County students into colleges and universities.

FINDING #7:

One-on-one academic and career counseling takes place at least once each year with every student in all of the Trinity County high schools. Trinity High School has a full-time counselor; and, in Summer 2001, will extend counseling and academic preparation down to 7th and 8th grade students that are expected to attend Trinity High School. Hayfork High School and Southern Trinity High School, being smaller schools, do not have a full-time counselor, but have comprehensive counseling and student tracking programs.

At Hayfork High School the counseling is performed by the school principal who meets with 8th grade students to discuss careers and academic pathways. One-on-one counseling begins in the 9th grade, with parent participation encouraged. Many parents of Hayfork High School students take advantage of this opportunity to participate.

At Southern Trinity High School academic coordination and career counseling is performed on a part-time basis by a dedicated member of the teaching staff. College catalogs and news articles on best jobs and best colleges are used to inform and create

student interest. The Southern Trinity High School web page contains a "Counselor's Corner" which has a menu of information on colleges and careers. The web page is a good source of information for both students and parents.

RECOMMENDATION #7:

The Grand Jury, in the belief that early career and academic counseling is an important contributor to student achievement, endorses the above mentioned counseling activities. A joint review, coordinated by the County Office of Education, of the counseling programs, with the aim of identifying the best aspects of the counseling at each school, might make the counseling more effective.

CONCLUSIONS:

Education is only one aspect of life and should not be viewed as the only indication of a useful and successful place in our society. Education is, however, of increasing importance as our society becomes more complex.

Nationally normed tests are an important indicator of a student's preparation for further education and future employment in the national work force. Comparisons with other students throughout the nation by means of test scoring, such as National Percentile Rank, is vital because competition for educational opportunities and employment are national in character. Such comparisons can identify strengths and weaknesses in education that can be used to improve the education of the individual student and the entire schools system. NPR scores are believed to be the most important single indicator of the academic knowledge achieved by a student. Comparison of "like" schools is subjective and tends to obscure the message that is contained in nationally normed test scores.

Career counseling is important and beneficial in identifying, for students and parents, career opportunities and the corresponding education requirements. Course selection has lifelong implications; so early selection by students and parents is critical.

Finally, test scores are a good indicator of school performance; but, the limitations must be considered when reaching conclusions, particularly when only a small number of students are tested. The test results included in this report are oversimplified in that only averages are reported.

Parents and others interested can obtain additional information on standardized testing and test scores from sources including the following: Trinity County Office of Education; School administrators at the Trinity County schools; California Department of Education (916-657-2757); California School Board Association (800-266-3382)

RESPONSE REQUESTED FROM:

Trinity County Board of Education, Trinity County Superintendent of Schools, The Boards of Trustees of the following school districts: Burnt Ranch, Coffee Creek, Cox

Bar, Douglas City, Junction City, Lewiston, Trinity Center, Weaverville, Trinity Union High School, Mountain Valley Unified, Southern Trinity Joint Unified.

Responses from superintendents and principals of the Trinity County public schools are optional but will be appreciated.



Trinity County OFFICE OF EDUCATION

<http://www.tcoe.trinity.k12.ca.us>

Honorable Judge Letton
P.O. Box 1117
Weaverville, Ca. 96093

June 11, 2001

RECEIVED

JUN 12 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

Dear Judge Letton,

Below is my response to the 2000-01 Grand Jury Report as required by law.

I would like to thank the Grand Jury for their review of academic achievement in Trinity County schools. I will address each recommendation individually by number.

1. concur
2. concur
3. I would add the following to sentence #2, " the need for high performance by all students", not just those attending major colleges and universities. The majority of our students do not attend major colleges and universities. They attend Shasta College, Chico, and Humboldt State.
4. concur
5. Our office will address NPR in our Annual Report to the Public.
6. concur
7. Our office meets several times per year with school officials to review counseling in the schools, and concur that it is increasingly important for effective transition to adult life.

Sincerely,



Jim French
Trinity County Supt. Of Schools

c: Bob Lowden, THS
Joan Hair, MVUSD
David Albee, STJUSD

James B. French, Trinity County Superintendent of Schools



TRINITY COUNTY

BOARD OF SUPERVISORS
P.O. Drawer 1613 (530) 623-1217
WEAVERVILLE, CALIFORNIA 96093

Dero B. Forslund, Clerk

TO: The Honorable John K. Letton, *Jeannie Nix-Temple, County Administrative Officer*
Presiding Judge of the Superior Court

FROM: Trinity County Board of Supervisors

RECEIVED

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Education Committee Report
Public Education in Trinity County

DEC 11 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

DATE: November 13, 2001

The Grand Jury Education Committee has not requested a written response to their Final Report on Public Education in Trinity County; however, to be thorough in its responses to the Grand Jury's efforts the Board of Supervisors responds as follows:

Finding #1 and Recommendation #1: The Board agrees with the findings and there was no recommendation.

Finding #2 and Recommendation #2: The Board agrees with the findings and there was no recommendation.

Finding #3 and Recommendation #3: The Board agrees with the findings and supports the Grand Jury recommendation that school administrators and teachers continue to emphasize to students and parents the need for high performance (on standardized performance tests) by those students intending to attend major colleges and universities.

Finding #4 and Recommendation #4: The Board agrees with the findings and there was no recommendation.

Finding #5 and Recommendation #5: The Board agrees with the findings and recommendation.

Finding #6 and Recommendation #6: The Board agrees with the findings and recommendation.

Finding #7 and Recommendation #7: The Board agrees with the findings and reserves its opinion on the recommendation. As the Board has no statutory authority over the schools, we feel that it would be inappropriate for us suggest program changes to the County Office of Education.

Conclusion: The Board agrees that testing is a valuable tool in evaluation performance. We also appreciate the time and effort that the Grand Jury spent in their review of the status of Public Education in Trinity County.

Thank you for the opportunity to respond.

Sincerely,

A handwritten signature in cursive script that reads "R. Berry Stewart". The signature is written in black ink and is positioned above the printed name.

R. Berry Stewart, Chairman
Trinity County Board of Supervisors

TRINITY COUNTY GRAND JURY

FINAL REPORT

2000 - 2001

FINANCE AND ADMINISTRATION COMMITTEE

TRINITY COUNTY GRAND JURY

2000-2001

FILED

MAY - 7 2001

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK**

**FINANCE AND ADMINISTRATION COMMITTEE
FINAL REPORT**

ELECTIONS

**This report was approved
On April 10, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
FINANCE AND ADMINISTRATION COMMITTEE
FINAL REPORT**

ELECTIONS

PURPOSE:

The Grand Jury is charged with reviewing county government operations to assure that residents of the county are being well served in general. Members of the Trinity County Grand Jury are normally requested by the County Clerk to observe the vote counting process.

BACKGROUND:

Trinity County began using semi-automated vote counting machines at each precinct in 1999. The automated vote collection, counting, storage, and reporting system is called the "Accu Vote Optical Scan System". The system has been introduced and used successfully with only relatively minor difficulties, the most recent useage being the November, 2000 general election. The Final Report of the 1999-2000 Trinity County Grand Jury Election Committee contains additional background information as well as some findings and recommendations.

This report follows up on the recommendations and responses to the above Grand Jury report and also addresses some issues raised by the difficulties encountered by the State of Florida when counting the votes from the November, 2000 U.S. presidential election.

METHOD OF INVESTIGATION:

Grand Jury members observed the counting of the November, 2000 election absentee ballots at the elections office. Automated collection and tabulating at the elections office of the results from the precincts following the close of the polls was also observed. In addition, the Finance and Administration Committee interviewed the County Clerk, who also serves as the Elections Officer, following the November, 2000 election.

FINDING #1:

Precinct voting and reporting went well for the November, 2000 elections. Minor difficulties with the use of the equipment were promptly corrected, and Trinity County was one of the first California counties to report election results. Precinct workers were better trained with approximately 95% of the workers having attended pre-elections training sessions, typically at the polling places.

RECOMMENDATION #1:

The Grand Jury again recommends that all paid precinct workers be required to receive pre-election training.

FINDING #2:

Communication between the Elections Office and the precinct workers has improved and is an ongoing consideration.

RECOMMENDATION #2:

The Grand Jury endorses the effort to improve communications.

FINDING #3:

The 1999-2000 Grand Jury recommended that the Elections office have a post-election "Lessons-Learned" meeting to which all election workers would be invited. Such a meeting had not been held as of early April, 2001; but the County Clerk is planning to conduct the meeting in the next few weeks.

RECOMMENDATION #3:

The Grand Jury recommends that, in the future, post-election meetings be held within 30 days of the election.

FINDING #4:

The Accu Vote machines read the ballots optically. As a result, votes on ballots that are not clearly marked in accordance with the voting instructions may or may not be counted by the machine. Instructions on how to properly mark ballots are included on sample ballots, on actual ballots, and are posted inside every voting booth. Despite those instructions, a few voters did not mark their ballots properly during the November 2000 election. Trinity County's election officer does not plan to change the voting instructions except as possibly part of any state wide uniformity requirements that may be adopted. Consideration is being given to having precinct workers emphasize to voters the necessity of marking ballots properly; and the County Clerk is also considering a newspaper notice. The Grand Jury finds that the instructions for marking ballots are good and sufficient, but increased emphasis may be beneficial.

RECOMMENDATION #4:

The Grand Jury endorses any additional reasonable and practical effort that the Elections Office makes to instruct voters regarding the proper marking of ballots and the possible consequences of inadequate marking.

FINDING #5:

Since the Accu-Vote machine may or may not count votes on ballots that are improperly marked, it is sometimes possible during a manual recount to ascertain the intent of the voter even though the machine did not detect the mark. This situation raises questions about the responsibility of the voter to mark a ballot in accordance with the instructions; and also opens the possibility of legal challenges to recounts in the case of close elections. The Trinity County Clerk is aware of the need for the preparation and adoption of a written vote counting policy that addresses the above described problem and that will withstand legal challenges. This is being done as part of a multi-county effort by users of the Accu-Vote system.

RECOMMENDATION #5:

The Grand Jury endorses the adoption of a vote counting policy and procedure and recommends that it be in place before the next election.

FINDING #6:

The Grand Jury observers noticed some minor differences in the counting of absentee ballots as compared with voting at the polling places. The Grand Jury finds that the ballots were counted properly and the election results were valid and correct despite the differences in conducting the count.

RECOMMENDATION #6:

The Grand Jury endorses the intent that the vote counting policy and procedure mentioned in recommendation #5 above include provisions to address identical counting of absentee ballots and ballots cast at the polling place.

CONCLUSION:

The November 2000 election was well conducted by the Election Office and the precinct workers. Additional training and increased familiarity with the "Accu-Vote" system used by Trinity County contributed to the success. Adoption of the above recommendations will hopefully improve and strengthen the election system.

RESPONSE REQUESTED FROM:

Trinity County Clerk/Elections Officer and Trinity County Board of Supervisors.



TRINITY COUNTY

Registrar of Voters

P.O. Box 1215
Weaverville, CA 96093
Phone: (530) 623-1222
Fax: (530) 623-8398

RECEIVED
JUL 23 2001
SUPERIOR COURT
JUDGE'S CHAMBERS

July 20, 2001

John K. Letton Presiding Judge
Trinity County Superior Court
P.O. Box 1258
Weaverville, CA 96093

Re: Trinity County Grand Jury Finance and Administration Committee Final Report - Elections

Dear Judge Letton

In Response to the Grand Jury report on Elections I offer the following:

Finding #1 We concur – Since we have stopped requiring the precinct workers to come to Weaverville and we have gone to them the number of workers being trained is much better.

Recommendation #1 We concur – Our policy is to always provide precinct worker training before each election and to require workers to attend.

Finding #2 We concur - Because almost all of the precinct workers are attending training we have much better communication. The training is done at the polling place so we can see first hand what precinct workers have to deal with.

Recommendation #2 We concur - We expect to see continued improvement here.

Finding #3 We concur – Post election meetings of election workers will be a standard part of the election process

Recommendation #3 We concur – Post elections meetings will be scheduled

Finding #4 We concur – We will ask precinct workers to remind each voter of the proper method to mark a ballot. In order to insure that the intent of the voter is properly registered by the vote counting equipment the ballot must be properly marked.

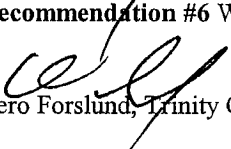
Recommendation #4 We concur – This will continue to be an important part of the training the precinct workers receive.

Finding #5 We concur – All California counties using the Accu-Vote system are participating in developing a procedure manual that will be adopted by the Secretary of State. These procedures will include handling poorly marked ballots.

Recommendation #5 We concur – Once the procedure manual is complete Trinity County will adopt the procedures called for.

Finding #6 We concur – Procedures will include standard counting methods for both absentee and precinct ballots.

Recommendation #6 We concur – Please refer to Recommendation #5


Dero Forslund, Trinity County Clerk Recorder Assessor



TRINITY COUNTY

BOARD OF SUPERVISORS
P.O. Drawer 1613 (530) 623-1217
WEAVERVILLE, CALIFORNIA 96093

Dero B. Forslund, Clerk
Jeannie Nix-Temple, County Administrative Officer

SEPTEMBER 12 2001
SUPERIOR COURT
CLERK'S CHAMBERS

John K. Letton, Presiding Judge
Trinity County Superior Court
Box 1258
RE: Trinity County Grand Jury Finance and Administration Committee Final Report-
Weaverville, California 96093

Elections

Dear Judge Letton,

The Trinity County Board of Supervisors is pleased with the efforts of the county elections office to set a good example for rural counties by effectively automating county elections and by making the election process more user friendly with outreach and additional voting opportunities. We would respond to the Grand Jury's report on elections as follows:

Finding #1 We agree with this finding.

Recommendation #1 We agree and county policy continues to be one that has required election workers to have pre-election training.

Finding #2 We concur with this finding.

Recommendation #2 We agree with the recommendation and will continue to make improvements in communications between the Elections Office and precinct workers.

Finding #3 We agree. It is expected that a post-election meeting of election workers will be a regular part of the election process.

Recommendation #3 We concur with this recommendation and will attempt to have post-election meetings within the recommended 30 day period after elections.

Finding #4 We concur. Precinct workers will be reminding voters of the proper way to mark ballots.

Recommendation #4 We agree with this recommendation and proper marking of ballots will be part of the training of precinct workers..

2.

Finding #5 We concur and recognize the need for a written vote counting policy.

Recommendation #5 We agree and when the Accu-Vote system using counties complete a common procedural manual then Trinity County will adopt those procedures.

Finding #6 We concur with this finding.

Recommendation #6 We agree with recommendation #6. The procedural manual, when adopted, will address the issue of identical counting of absentee and polling place cast votes.

Thank you for the opportunity to respond.

Sincerely,

A handwritten signature in cursive script that reads "R. Berry Stewart". The signature is written in black ink and is positioned above the typed name and title.

R. Berry Stewart, Chairman
Trinity County Board of Supervisors

TRINITY COUNTY GRAND JURY

2000-2001

FILED

MAY - 7 2001

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK**

**FINANCE AND ADMINISTRATION COMMITTEE
FINAL REPORT**

GENERAL REVIEW OF COUNTY GOVERNMENT

**This report was approved
On April 10, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
FINANCE AND ADMINISTRATION COMMITTEE
FINAL REPORT**

GENERAL REVIEW OF COUNTY GOVERNMENT

PURPOSE:

The Trinity County Grand Jury is charged each year to perform a review of county government operations to make sure that the residents of the county are being well served. This report is a follow-up to a portion of the recommendations and responses contained in the 1999-2000 Grand Jury Finance and Administration Committee Final Report of the same title.

BACKGROUND:

The 1999-2000 Grand Jury Final Report in "Background" stated that the county operations are diverse with an annual budget of 32.7 million dollars. Responses to the Final Report assert that the report is incorrect and that understates the budget.

METHOD OF INVESTIGATION:

The Grand Jury Finance and Administration Committee reviewed the 1999-2000 Grand Jury Final Report, responses to the report, and the "Final Budget, Fiscal Year 1999/2000," compiled by the office of the Auditor/Controller and published by order of the Board of Supervisors. The committee interviewed the foreperson of the 1999-2000 Grand Jury, the County Auditor/Controller, the County Administrative Officer (CAO), all members of the Board of Supervisors (BOS), and the County Clerk.

FINDING #1:

The \$32.7 million budget quoted in the Grand Jury report corresponds to the "Final Budget, Fiscal year 1999-2000", published by order of the board of Supervisors. The reason for the discrepancy between the Grand Jury report and the responses to the report has been determined and is explained by the following information prepared by the Auditor/Controller at the Grand Jury's request.

The budget totals for the last two fiscal years are:

	<u>FY 99/00</u>	<u>FY 00/01</u>
Governmental Funds	\$32.7 million	\$44.3 million
Enterprise Funds	<u>12.0 million</u>	<u>12.3 million</u>
Total	\$44.7 million	\$56.6 million

The main enterprise funds are the Hospital and Solid Waste.

An enterprise fund is a type of proprietary fund which is used to account for a government's business-type activities. Business-type activities could be defined as activities that are funded mainly through user charges.

Enterprise funds use traditional, full accrual, business accounting which measures the flow of economic resources to determine if the fund is better or worse off economically. On the other hand, government funds use what amounts to a checking account approach which measures the flow of cash to determine what funds are available for expenditure in the near future.

RECOMMENDATION #1:

The Grand Jury recommends that publications and correspondence containing county budget totals clearly indicate whether the total includes or excludes enterprise funds.

FINDING #2:

The total number of employees of county government is dependent on whether or not the employees in the county enterprises are included. The following information was prepared by the Office of the County Administrator at the Grand Jury's request.

County Government Employee Totals			
	1/1/99	1/1/00	1/1/01
Excluding Enterprises	328	345	377
Enterprise Employees	<u>166</u>	<u>168</u>	<u>161</u>
Total	494	513	538

RECOMMENDATION #2:

Same as Recommendation #1 above.

FINDING #3:

The 1999-2000 Grand Jury recommended that the county adopt a policy of recording all BOS meetings and that the recordings be permanently archived by the County Clerk. The responses to the report are all in general agreement with the recommendation, with some reservations expressed pending a determination of methodology, cost, and legal considerations. A schedule or target dates for adoption and implementation were not included in the recommendation or the responses. The Grand Jury understands that the above mentioned reservations have now been addressed and that a plan of implementation, including cost and schedule can now be prepared for approval by the BOS.

RECOMMENDATION #3:

The Grand Jury recommends that a definitive plan and schedule for implementation be prepared and submitted to the BOS for consideration and inclusion in the Fiscal Year 2001/2002 budget. The recommended date for completion of a plan and schedule is June 30, 2001, with full implementation and operation by December 31, 2001.

CONCLUSION:

The Grand Jury concludes that Trinity County is generally well run by officials and managers committed to good government. The open-minded consideration and acceptance of many Grand Jury recommendations is appreciated and commendable.

RESPONSE REQUESTED FROM:

Trinity County Board of Supervisors, Trinity County Clerk Recorder, Trinity County Administrative Officer and Trinity County Auditor-Controller.



TRINITY COUNTY

OFFICE OF THE COUNTY ADMINISTRATOR

Administration — Human Resources — Risk Management

Grant Management — Information & Technology

P. O. Box 1613 Weaverville, CA 96093-1613

County Administrator Phone: (530) 623-1382

Human Resources Phone (530) 623-1325 FAX (530) 623-4222

JEANNIE NIX-TEMPLE, County Administrative Officer

RECEIVED

MAY 16 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: *Jeannie Nix-Temple*
Jeannie Nix-Temple, County Administrative Officer

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
On General Review of County Government

DATE: May 16, 2001

The Grand Jury Finance and Administration Committee has requested a written response to their Final Report on the General Review of County Government. In my capacity as County Administrative Officer, my response is as follows:

Recommendation #1 & #2: I agree with the Grand Jury. Future publications and correspondence on the budget shall clearly indicate the inclusion or exclusion of enterprise funds.

Recommendation #3: I agree with the Grand Jury. My staff and I will work with the County Clerk and the Information & Technology Department to prepare a plan of implementation for presentation to the Board of Supervisors at regularly scheduled budget hearings.

I wish to thank the Grand Jury members for their time and attention in investigating these matters and for providing me the opportunity to respond.

JNT:wt

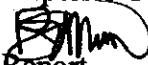


TRINITY COUNTY

BRIAN E. MUIR, COUNTY AUDITOR-CONTROLLER
P.O. BOX 1230, WEAVERVILLE, CALIFORNIA 96093-1230
PHONE (530) 623-1317 FAX (530) 623-1323

RECEIVED
MAR - 7 2001
SUPERIOR COURT
JUDGE'S CHAMBERS

MEMORANDUM

DATE: May 3, 2001
TO: John K. Letton, Presiding Judge of the Superior Court
FROM: Brian Muir, Auditor / Controller 
SUBJECT: 2000-2001 Trinity County Grand Jury Report
General Review of County Government

The following response is provided as requested in the above report:

Recommendation #1

I agree.

Recommendation #2

I agree.

Recommendation #3

I agree that the appropriate time to submit a plan to record and archive Board of Supervisors' meetings would be during Fiscal Year 2001/2002 budget hearings. The plan should be implemented in accordance with whatever schedule the Board of Supervisors approves.



TRINITY COUNTY

Clerk Recorder

P.O. Box 1215
Weaverville, CA 96093
Phone: (530) 623-1215
Fax: (530) 623-8398

July 20, 2001

John K. Letton Presiding Judge
Trinity County Superior Court
P.O. Box 1258
Weaverville, CA 96093

RECEIVED
JUL 23 2001
SUPERIOR COURT
JUDGE'S CHAMBERS

Re: Trinity County Grand Jury Finance and Administration Committee Final Report –
General Review of County Government

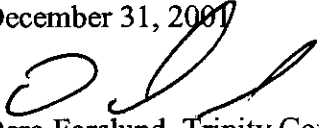
Dear Judge Letton

In response to the Grand Jury report on General Review of County Government I offer the following:

I have limited my response to Finding #3 and Recommendation #3 as these Findings and Recommendations make reference to the County Clerk.

Finding #3 I concur – A procedure to store and archive copies of the video recordings made of the Board of Supervisor meeting is being developed. In the mean time the tapes of the meetings are being saved until the archive process is in place.

Recommendation #3 being implemented – Full implementation will be in place prior to December 31, 2001


Dero Forslund, Trinity County Clerk Recorder Assessor



TRINITY COUNTY

BOARD OF SUPERVISORS
P.O. Drawer 1613 (530) 623-1217
WEAVERVILLE, CALIFORNIA 96093

Dero B. Forslund, Clerk
Jeannie Nix-Temple, County Administrative Officer

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: Trinity County Board of Supervisors

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Finance and Administration Committee Report
General Review of County Government

DATE: November 13, 2001

RECEIVED

DEC 11 2001

**SUPERIOR COURT
JUDGE'S CHAMBERS**

The Grand Jury Finance and Administration Committee has requested a written response to their Final Report on the General Review of County Government. The Board of Supervisors responds as follows:

Finding #1 and Recommendation #1: The Board agrees. The Recommendation has been implemented.

Finding #2 and Recommendation #2: The Board agrees. The Recommendation has been implemented.

Finding #3 and Recommendation #3: The Grand Jury recommends that the County adopt a policy of recording all BOS meetings. This has been done for the last three years on videotape; however, the tapes were not of archival quality. The County Clerk/Recorder has implemented a new program that digitally records the proceedings. The recordings will be archived under the Clerk's care as a permanent record.

Conclusion: The Board agrees that the County is generally well run by officials and managers committed to good government. We also think that a thoughtful, careful Grand Jury is a part of that good local government.

Thank you for the opportunity to respond.

Sincerely,

R. Berry Stewart, Chairman
Trinity County Board of Supervisors

TRINITY COUNTY GRAND JURY

2000-2001

FILED

JUN 1 2 2001

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK**

DR

**FINANCE AND ADMINISTRATION COMMITTEE
FINAL REPORT**

**TRINITY COUNTY FINANCIAL STATEMENTS
AND RELATED ACCOUNTING MATTERS**

**This report was approved
On May 22, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
FINANCE AND ADMINISTRATION COMMITTEE
FINAL REPORT**

**TRINITY COUNTY FINANCIAL STATEMENTS
AND RELATED ACCOUNTING MATTERS**

PURPOSE:

California Grand Juries are charged to act as the public's "watchdog" by investigating and reporting upon the affairs of local government.

This report contains findings and recommendations resulting from the Grand Jury's inquiry and review of the Independent Auditor's Report for the year ended June 30, 2000, the Trinity County general purpose financial statements for that year, and some related accounting matters.

BACKGROUND:

The general purpose financial statements for Trinity County are the responsibility of the County's management. Those statements are audited each year by an independent auditor that has the responsibility to audit and express an opinion on those statements. The Trinity County financial statements for the fiscal year ended June 30, 2000 were audited by Bartig, Basler, and Ray, A Professional Corporation, certified public accountants and management consultants, hereinafter referred to as the independent auditor.

METHODS OF INVESTIGATION:

The Grand Jury in its inquiry and investigation relied on the Independent Auditors Report for the fiscal year ended June 30, 2000, the Trinity County general purpose financial statements accompanying that report, and interviews of the Trinity County Auditor/Controller.

FINDING #1:

The Independent Auditors Report is dated September 13, 2000. The report was not available to the public or the Grand Jury until April, 2001.

RECOMMENDATION #1:

The Grand Jury recommends that the Trinity County Auditor/Controller and the County Administrative Officer (CAO) determine the reason for the discrepancy between the date of the report and the date it became available. The Grand Jury recommends that future contracts for independent audits include a requirement for a timely delivery of the completed audits.

FINDING #2:

The Independent Auditor's Report for the year ended June 30, 2000 is a qualified report. The report contains the following statement:

"Because of the inadequacy of accounting records for fixed assets, we were unable to form an opinion regarding the amount at which the General Fixed Assets Account Group (stated at \$22,944,534), and fixed assets and accumulated depreciation in proprietary fund types (stated at \$5,944,728 and \$1,938,329, respectively), or the amount of depreciation expense (stated at \$382,361) are recorded in the accompanying financial statements as of and for the year ended June 30, 2000."

The Grand Jury finds that, though accounting for fixed assets is a somewhat uncertain activity for county government and some other counties may also have inadequate accounting records, the cited inadequacy of Trinity County records is, at the least, undesirable. Most troublesome to the Jury is that the fixed asset, accumulated depreciation, and depreciation expense records for county enterprises are inadequate. County enterprises such as Solid Waste are supposed to be conducted as a government's business-type activities, separate from the General Fund. Inadequate accounting records for an enterprise make it difficult, if not impossible, to determine the financial condition of that enterprise.

The Grand Jury has been informed that obtaining an unqualified independent auditor's report would require an additional auditing cost of \$8,000 per year, plus an undetermined amount of labor to improve the accounting records. The Grand Jury has also been informed that government accounting requirements have been revised to require depreciation and evaluation of all infrastructure assets by the 2002-2003 fiscal year.

RECOMMENDATION #2:

The Grand Jury recommends that accounting records for the Solid Waste enterprise, as a minimum, and preferably all the Trinity County enterprises, be improved to the extent that the independent auditor's report for fiscal year 2001-2002 is released without qualifications with respect to those county enterprises.

The Grand Jury also recommends that the accounting records and the general purpose financial statements be improved to the extent that the independent auditor's report be entirely without qualifications no later than the 2002-2003 fiscal year.

FINDING #3:

The general purpose financial statements disclose some unexpectedly significant year-to-year differences in several accounts, significant variances between budgets and

the actual amounts for fiscal year ended June 2000, and significant adjustments to accounts. After inquiring, the Grand Jury finds that those significant differences and adjustments are primarily the result of improved accounting, particularly more accurate classification of revenues, expenses, and liabilities and corrections of inaccuracies contained in prior year statements.

The Grand Jury concludes that the improvements in accounting will likely reduce the year-to-year differences in the accounts, smaller budget variances, and fewer and smaller adjustments.

RECOMMENDATION #3:

The Grand Jury recommends continued emphasis on improved accounting and commends the Auditor/Controller Department for the improvement's accomplished to date.

FINDING #4:

One particularly large adjustment disclosed in the financial statements is a negative adjustment of \$3.040 million in the retained earnings of the Solid Waste Enterprise, which reduced retained earnings from \$345,000 to a negative \$2.7 million on June 30, 2000. This adjustment, which was required to book a loan incurred but not booked in the prior year, was not explained in the financial statement.

RECOMMENDATION #4:

The Grand Jury recommends that significant adjustments such as the one described in Finding #4 be explained in the notes to the financial statements to disclose the reason for the adjustments and to facilitate the reader's ability to understand the financial statements.

FINDING #5:

The liability for landfill closure recognized in the financial statements increased from \$1.2 million on June 30, 1999 to \$2.2 million on June 30, 2000. The notes to the June 30, 2000 statements include the following: "It is estimated that an additional \$1,402,910 liability will be recognized as closure and post-closure maintenance costs between the date of the balance sheet and the date the landfills are expected to be closed." The Grand Jury recognizes that the landfill closure and the post-closure maintenance costs are estimates and are subject to changes such as regulatory requirements. However, the Grand Jury finds that the increases in estimated costs, if the trend continues, could adversely affect the financial condition of the Solid Waste enterprise.

RECOMMENDATION #5:

The Grand Jury recommends that the Board of Supervisors (BOS), CAO, and Auditor/Controller review the estimates of the landfill closure and post-closure maintenance costs with the intent to determine the credibility of those estimates and the possible need for corrective action.

FINDING #6:

The financial statements disclose that the County has equipment leases with interest rates that the Grand Jury finds to be excessively high. As of June 30, 2000 leases with relatively high interest rates included principal amounts totaling \$188,602 with annual interest rates ranging from 9.9% to 15%. The Auditor/Controller is prepaying these high interest rates leases to the maximum extent permitted by the terms of the leases.

RECOMMENDATION #6:

The Grand Jury recommends that, if not already in place, the BOS, CAO, and Auditor/Controller put in place financial controls to assure reasonable financing rates in the future. The Grand Jury commends the Auditor/Controller for his effort and progress in reducing high interest rate leases.

FINDING #7:

The Grand Jury finds indications of possible inaccuracies in the cost apportionment of salaries of county officials that perform the duties of more than one office.

RECOMMENDATION #7:

The Grand Jury recommends that salary cost apportionment be included in the Job Classification and Compensation Study presently being conducted by the County.

FINDING #8:

A new cashiering procedure requiring unique Auditor/Controller assigned receipt numbers for cash receipts has been adopted by the County. The new procedure provides improved accountability of cash received by the County, which became effective in the Treasurer/Tax Collector's office on April 2, 2001. The Grand Jury has not been able to confirm that the new procedure has been adopted by all the county government departments.

RECOMMENDATION #8:

The Grand Jury commends the Auditor/Controller for improving the cashiering procedures but recommends that the new procedure, if not yet adopted, be required of all the county departments that receive cash payments, effective immediately.

SUMMARY:

- ❖ The Grand Jury recommends that the accounting records of the county be improved to obtain future Independent Auditor's Reports that do not contain qualifications.
- ❖ The Grand Jury recommends that action be taken to obtain Independent Auditor Reports on a more timely basis.
- ❖ The Grand Jury recommends that immediate attention be given to the completeness and accuracy of the financial statements for the Enterprise Fund accounts.
- ❖ The Grand Jury recommends that the estimated landfill closure and post-closure maintenance costs be reviewed.
- ❖ The Grand Jury commends the Auditor/Controller and the Auditor/Controller Department for improvements in the recording and classification of funds.
- ❖ The Grand Jury commends the Auditor/Controller for his efforts to reduce the interest costs of equipment leases.

RESPONSE REQUESTED FROM:

Trinity County Board of Supervisors, Trinity County Administrative Officer, Trinity County Auditor/Controller.



TRINITY COUNTY

BRIAN E. MUIR, COUNTY AUDITOR-CONTROLLER
P.O. BOX 1230, WEAVERVILLE, CALIFORNIA 96093-1230
PHONE (530) 623-1317 FAX (530) 623-1323

RECEIVED

JUN 18 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

MEMORANDUM

DATE: June 11, 2001
TO: John K. Letton, Presiding Judge of the Superior Court
FROM: Brian Muir, Auditor / Controller
SUBJECT: 2000 - 2001 Trinity County Grand Jury Report
Trinity County Financial Statements and Related Accounting Matters

The following response is provided as requested in the above report:

Recommendation #1

The reason for the discrepancy between the date of the Independent Auditor's Report and the date it became available is that the Independent Auditor required the time to prepare the document. The report was available to the public and the Grand Jury the day after it was received by the County Auditor / Controller. The County's contract with the Independent Auditor specifies delivery within six months after the end of the fiscal year.

Recommendation #2

I disagree. The County's accounting records accurately reflect fixed assets and accumulated depreciation. However, in order to give an unqualified opinion, the Independent Auditor would need to conduct an inventory and verification of values. The Independent Auditor quoted a price of \$8,000.00 to perform this service. The Board of Supervisors chose not to pay the additional amount in order to get an unqualified opinion. I agree with their decision that the citizens would be poorly served by such an expenditure.

Recommendation #3

The Auditor / Controller Department will continue its emphasis on improving the County's accounting practices.

Recommendation #4

Significant adjustments in the County's financial statements should be explained through notes. However, the statements are produced by the Independent Auditor, and the County can not control what is presented in the notes. We will request that the Independent Auditor make greater use of explanatory notes.

Recommendation #5

The Auditor / Controller's office assists the Solid Waste Department as needed to estimate the landfill closure and post-closure maintenance costs. The estimates are currently reviewed by the Integrated Waste Management Board as well as the County's Independent Auditor. No further review is necessary.

Recommendation #6

Controls are in place to insure that all contracts and leases, including those involving financing, are reviewed by the Board of Supervisors, the County Administrative Officer, the Auditor / Controller, and the County Counsel.

Recommendation #7

I have reviewed the salary apportionments of County officials, and all apportionments are being made on a logical basis. However, if the contractor is willing to review salary apportionment as part of the classification and compensation study without any adjustment in the total cost to the County, I would certainly have no objection.

Recommendation #8

The Auditor / Controller's cash handling policy has been implemented in almost all departments. I am monitoring the few remaining areas to be sure that the policy is implemented when it is practical to do so.



TRINITY COUNTY

OFFICE OF THE COUNTY ADMINISTRATOR

Administration — Human Resources — Risk Management
Grant Management — Information & Technology
P. O. Box 1613 Weaverville, CA 96093-1613
County Administrator Phone: (530) 623-1382
Human Resources Phone (530) 623-1325 FAX (530) 623-4222
JEANNIE NIX-TEMPLE, County Administrative Officer

RECEIVED
JUN 22 2001
SUPERIOR COURT
JUDGE'S CHAMBERS

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: *Jeannie Nix-Temple*
Jeannie Nix-Temple, County Administrative Officer

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Financial Statements and Related Accounting Matters

DATE: June 21, 2001

The Grand Jury Finance and Administration Committee has requested a written response to their Final Report on the Financial Statements and Related Accounting Matters. In my capacity as County Administrative Officer, my response is as follows:

Recommendation #1: The discrepancy in time was the time allowed for the Independent Auditor to complete their report. Unfortunately we did not have a clause in the contract for a penalty if the report is late. We plan to develop that in the future.

Recommendation #2: I am informed that the records accurately reflect fixed assets and accumulated depreciation. We had an opportunity to contract for this service to do an inventory and verification of values. The Board of Supervisors chose not to expend the additional \$8,000 for that purpose.

Recommendation #3: I concur with the Grand Jury.

Recommendation #4: I concur with the Grand Jury. The Auditor/Controller has indicated that he will request that the Independent Auditor make greater use of the notes in the future.

Recommendation #5: I have no problem reviewing the estimates for landfill closure and post closure. We will do so if the Board of Supervisors desires. I am currently confident that since the Independent Auditor and the Integrated Waste Management Board review these estimates, they are correct.

Recommendation #6: The Board of Supervisors decision to retire high interest debts has placed the County in a better financial position. We are fortunate that we were able to do so. Controls are in place. All contracts, leases, and financing are reviewed by the County Administrative Officer, the County Counsel and the County Auditor/Controller. Those amounting to over \$10,000 are also reviewed and approved by the Board of Supervisors.

Recommendation #7: The firm hired to complete the classification and compensation study is qualified to recommend salaries, benefits and appropriate total compensation for the job being performed. How those salaries are apportioned is a County decision and is based on logic. The salary of a county department head that is responsible for more than one department would be allocated based on the number of full time equivalent positions under his or her control. This does not necessarily mean that they would have to spend an equal amount of time with each. Current salaries are apportioned properly. I respectfully disagree with the recommendation of the Grand Jury.

Recommendation #8: I concur with the recommendation of the Grand Jury.

I wish to thank the Grand Jury members for their time and attention in investigating these matters and for providing me the opportunity to respond.

JNT:wt



TRINITY COUNTY

OFFICE OF THE COUNTY ADMINISTRATOR

Administration — Human Resources — Risk Management
Grant Management — Information & Technology
P. O. Box 1613 Weaverville, CA 96093-1613
County Administrator Phone: (530) 623-1382
Human Resources Phone (530) 623-1325 FAX (530) 623-4222
JEANNIE NIX-TEMPLE, County Administrative Officer

RECEIVED

JUL 10 2001

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

SUPERIOR COURT
JUDGE'S CHAMBERS

FROM: *Jeannie Nix Temple*
Jeannie Nix-Temple, County Administrative Officer

SUBJECT: **Amended** Response to Recommendations of 2000-01 Grand Jury
Financial Statements and Related Accounting Matters

DATE: July 5, 2001

The Grand Jury Finance and Administration Committee has requested a written response to their Final Report on the Financial Statements and Related Accounting Matters. In my capacity as County Administrative Officer, my amended response is as follows:

Finding #1: I agree with the finding.

Recommendation #1: The discrepancy in time was the time allowed for the Independent Auditor to complete their report. Unfortunately we did not have a clause in the contract for a penalty if the report is late. We plan to implement a penalty clause in future contracts.

Finding #2: I disagree with the Grand Jury's finding. I am informed that the records accurately reflect fixed assets and accumulated depreciation. We had an opportunity to contract for this service to do an inventory and verification of values. The Board of Supervisors chose not to expend the additional \$8,000 for that purpose.

Recommendation #2: The recommendation will not be implemented because it is not reasonable.

Finding #3: I agree with the finding.

Recommendation #3: The recommendation has been implemented. The Auditor/Controller's Office is continually upgrading their accounting systems.

Finding #4: I agree with the finding.

Recommendation #4: The recommendation will be implemented with the preparation of the next independent audit. The Auditor/Controller has indicated that he will request that the Independent Auditor make greater use of the notes in the future.

Finding #5: I disagree with the finding. I have no problem reviewing the estimates for landfill closure and post closure. I am currently confident that since the Independent Auditor and the Integrated Waste Management Board review these estimates, they are correct.

Recommendation #5: The recommendation will be implemented if the Board of Supervisors so desires.

Finding #6: I agree with the finding.

Recommendation #6: The recommendation has been implemented. The Board of Supervisors' decision to retire high interest debts has placed the County in a better financial position. We are fortunate that we were able to do so. Controls are in place. All contracts, leases, and financing are reviewed by the County Administrative Officer, the County Counsel and the County Auditor/Controller. Those amounting to over \$10,000 are also reviewed and approved by the Board of Supervisors.

Finding #7: I disagree with the finding.

Recommendation #7: The recommendation will not be implemented. The firm hired to complete the classification and compensation study is qualified to recommend salaries, benefits and appropriate total compensation for the job being performed. How those salaries are apportioned is a County decision and is based on logic. The salary of a county department head that is responsible for more than one department would be allocated based on the number of full time equivalent positions under his or her control. This does not necessarily mean that they would have to spend an equal amount of time with each. Current salaries are apportioned properly.

Finding #8: I agree with the finding.

Recommendation #8: The recommendation has been partially implemented. The Auditor/Controller's Office is in the process of ensuring all County Department handling cash have an adequate cashiering system.

I wish to thank the Grand Jury members for their time and attention in investigating these matters and for providing me the opportunity to respond. I request that my amended response be published with the final report.

JNT:wt



TRINITY COUNTY

RECEIVED

SUPERIOR COURT
JUDGE'S CHAMBERS

BOARD OF SUPERVISORS
P.O. Drawer 1613 (530) 623-1217
WEAVERVILLE, CALIFORNIA 96093

Dero B. Forslund, Clerk
Jeannie Nix-Temple, County Administrative Officer

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: *R. Berry Stewart*
R. Berry Stewart, Chairman
Trinity County Board of Supervisors

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Finance and Administration Committee Final Report
Trinity County Financial Statements and Related Accounting Matters

DATE: August 21, 2001

The Grand Jury Finance and Administration Committee has requested a written response to their Final Report on the Trinity County Financial Statement and Related Accounting Matters. In my capacity as Chairman, my response on behalf of the Board of Supervisors is as follows:

Finding #1: We agree with the finding. The Auditor's report was made available to the public and to the Grand Jury when it was received from the independent auditor.

Recommendation #1: The recommendation has been implemented. The contract for fiscal year ending June 30, 2000 required the audit be completed by December 30, 2000.

Finding #2: We disagree with the finding. As we know and understand, fixed assets and accumulated depreciation are accurately shown on our accounting records. Furthermore, we do not see the need to spend the citizens' tax dollars for an unqualified outside opinion.

Recommendation #2: The recommendation will not be implemented because it is not warranted and would be not a good use of taxpayers' money.

Finding #3: We agree with the finding.

Recommendation #3: The recommendation has been implemented. The Auditor/Controller continually works to upgrade systems within the County.

Finding #4: We agree with the finding.

Recommendation #4: The recommendation will be implemented to the extent possible. We agree with the Grand Jury's recommendation that adjustments described in the findings should be explained in the notes to the financial statements. The County Controller will request detailed notes in future audits.

Finding #5: We disagree with the finding. The finding assumes that there will continue to be substantial increases in the cost of closure. The increases in 1999-2000 resulted from additional requirements from the State.

Recommendation #5 The recommendation will not be implemented, as it is not warranted.

Finding #6: We agree with the finding.

Recommendation #6: The recommendation has been implemented. Financial controls are already in effect and equipment leases are reviewed by the Board of Supervisors, CAO, Auditor/Controller, and County Counsel.

Finding #7: We agree in part and disagree in part with the finding. We agree with the suggestion and the Grand Jury's recommendations for salary cost apportionment, but feel the timing is wrong regarding our contract with the contractor, not to mention the additional costs.

Recommendation #7: The recommendation will not be implemented because it is not warranted.

Finding #8: We agree with the finding. .

Recommendation #8: The recommendation has been partially implemented. The Auditor/Controller is working with all departments to ensure they have adequate cashiering systems.

We wish to thank the Grand Jury members for their time and attention in investigating these matters and for providing the Board the opportunity to respond.

RBS:wt

TRINITY COUNTY GRAND JURY

2000-2001

FILED

JUN 12 2001

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK**

DR

**FINANCE AND ADMINISTRATION COMMITTEE
FINAL REPORT**

**TRINITY COUNTY TREASURER/TAX COLLECTOR
DEPARTMENT AND RELATED COUNTY OPERATIONS**

**This report was approved
On May 22, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
FINANCE AND ADMINISTRATION COMMITTEE
FINAL REPORT**

**TRINITY COUNTY TREASURER/TAX COLLECTOR
DEPARTMENT AND RELATED COUNTY OPERATIONS**

PURPOSE:

California Grand Juries are charged to act as the public's "watchdog" by investigating and reporting upon the affairs of local government. Under Section 925 of the California Penal Code, Chapter 7, "Powers and Duties of Grand Jury" the Grand Jury is charged with duty to investigate and report on problems and irregularities in functioning of local government entities. Section 927 of the Penal Code states that a grand jury may investigate and report on the needs for increase or decrease in salaries of county-elected officials; and Section 928 states that "Every grand jury may investigate and report upon the needs of all county officers in the county and the equipment for, or the method or system of performing the duties of, the several offices."

This report contains findings, recommendations and conclusions resulting from the Grand Jury's inquiry and overall review of the Treasurer/Tax Collector Department and some related county government operations.

BACKGROUND:

The Trinity County Treasurer/Tax Collector is an elected county official that is elected to serve a four year term and has two primary responsibilities. The Treasurer is responsible for cash management, safeguarding and investing county funds, providing a full accountability, and maintaining an effective cash flow. The Tax Collector is responsible for billing and collecting taxes on all secured and unsecured property and collection of transient occupancy taxes.

The official duties and responsibilities of the Treasurer/Tax collector are largely prescribed by the laws of the State of California. The principal defining documents are California Government Code, Sections 27000 through 27137, 27400 through 27401, and 53600, et.seq. In the course of fulfilling those duties and responsibilities, the Treasurer/Tax Collector supervises and directs a department office staff and coordinates the activities of the department with those of other Trinity County departments in accordance with the Trinity County Code and the general policies and procedures of the County government. The 2000-2001 Department budget is \$246,467.

The Treasurer provides general banking services for all county departments, county schools, and special districts. The Treasurer disburses funds by paying county warrants, electronic payments, and electronic payroll. The Treasurer also has

responsibility, under California Law, to manage the county investment portfolio. In fiscal year 1999-2000 the Trinity County Treasurer:

- Processed 2,636 deposits totaling \$67.5 million
- Processed 51,163 warrants totaling \$51.7 million
- Managed an investment portfolio of approximately \$25 million

The Tax Collector bills and collects current and delinquent secured and unsecured property taxes and transient occupancy taxes. The Tax Collector is also responsible for follow-up on delinquent taxes and the sale of properties that the county has the power to sell due to tax defaults. In fiscal year 1999-2000 the Tax Collector:

- Processed approximately 12,000 secured tax bills
- Collected \$6.5 million in secured taxes
- Processed 1,578 unsecured tax bills
- Collected \$308,000 in unsecured taxes
- Processed 500 supplemental tax bills
- Collected \$115,000 in supplemental taxes
- Processed 408 transient occupancy tax bills
- Collected \$158,000 in transient occupancy taxes
- Collected \$416,000 in delinquent prior year taxes

METHOD OF INVESTIGATION:

The Grand Jury, in its inquiry and investigation of the Trinity County Treasurer/Tax Collector Department relied on documents, records and personal interviews.

Background information and an organizational chart for the department were obtained from a "Department Information" pamphlet published by the Treasurer/Tax Collector's Office. California government codes defining county Treasurer/Tax Collector duties and responsibilities were reviewed, as was the Trinity County Code. Job descriptions for the Treasurer/Tax Collector and the employees of the department were obtained from the county Personnel Department which also provided salary and employee turnover data.

The current and a proposed revision of "County of Trinity Statement of Investment Policy" prepared by the Treasurer/Tax Collector's office and "County of Trinity Cash Handling Procedures" prepared by the Auditor/Controller's office were reviewed. Other documents reviewed include "Trinity County Treasurer's Monthly and Quarterly Investment Reports" and the notebook prepared by the Treasurer for the March 27, 2001 meeting of the Trinity County Treasury Oversight Committee. A listing of errors in Orders to Receive as received at the Treasurer's Office during the period from September 12, 2000 through November 6, 2000 was prepared by the Treasurer's Office at the request of the Grand Jury. Selected items of interdepartmental correspondence applicable to subjects of the Grand Jury inquiry were requested and reviewed.

The Finance and Administration Committee of the Grand Jury interviewed the Treasurer/Tax Collector on six different occasions during the period of September 21, 2000 through April 26, 2001. All of the Treasurer/Tax Collector Department employees were individually interviewed in early December 2000, and three past employees of the department were interviewed. A guided tour of the department was conducted for the Finance and Administration Committee of the Grand Jury prior to the employee interviews. All the present members and one past member of the Trinity County Board of Supervisors (BOS), the County Administrative Officer and Head of the Personnel Department (CAO), and the Auditor/Controller were also interviewed.

Finally, a survey of Treasurer/Tax Collector salaries for 14 counties in Northern California was conducted by mail.

Internal financial audits are conducted by the Trinity County Auditor/Controller, and the county financial statements are audited annually by an independent auditor. The Grand Jury's inquiry into the independent Auditor's Report is described in a separate Grand Jury Report.

The Grand Jury chose not to conduct a full management audit, but to inquire and investigate several selected aspects of the Treasurer/Tax Collector Department operations. The primary topics of inquiry were:

- The performance of the primary mandated Treasurer/Tax Collector duties and responsibilities
- Employee turnover and training
- Cash handling procedures
- Proposed operational improvements such as electronic download of hospital payroll and school warrants into the check management system
- Delinquent tax collection and property sales for taxes in default
- Interdepartmental relations and teamwork involving the Treasurer/Tax Collector, Auditor/Controller, CAO and BOS
- The Treasurer/Tax Collector's salary

FINDING AND CONCLUSIONS #1:

The Grand Jury finds that the Treasurer/Tax Collector Department despite being short staffed in 1999 and 2000 has performed its essential functions in a timely manner. Tax bills and notices have been mailed by required deadlines and tax payments have been processed promptly. Cash deposits from other county departments have been handled daily, as required; and county warrants have been reconciled daily. The county investment portfolio has been monitored on a daily basis and a summary report has been distributed to the Auditor/Controller, CAO, and BOS monthly.

Because of being short staffed as mentioned above and later in this report, some activities that were not essential to the day-to-day departmental operations were delayed and postponed until the third quarter of fiscal year 2000-2001. The Grand Jury concludes

that, though postponements were undesirable; the essential departmental functions were not adversely affected and the priorities established by the Treasurer/Tax collector were correct. The responses to the Public Service Questionnaires, that are available at the service counters of all the county departments, have reportedly been favorable for the Treasurer/Tax Collector Department, and the Grand Jury found no public dissatisfaction with the department.

The Treasurer/Tax Collector Department is located in the basement of the Trinity County Courthouse in Weaverville. The physical location in the building is less than ideal; but the work-stations are thoughtfully arranged, the department has an organized but busy appearance, and there is good counter space for service to the public. The Grand Jury concludes that the windowless facility and the furnishings are adequate though somewhat spartan.

RECOMMENDATION #1:

The Grand Jury has no recommendation regarding Finding and Conclusions #1; but believes that the public is being well served by the Treasurer/Tax Collector Department and commends its performance.

FINDING AND CONCLUSIONS #2:

The Treasurer/Tax Collector Department is logically organized. The organization consists of the elected Treasurer/Tax Collector, a Chief Deputy Tax Collector that reports directly to the Treasurer/Tax Collector, two Account Technicians that perform tax collections and related duties and one Account Technician that performs treasury duties. A third Account Technician position for tax collection is unfunded. Temporary help is employed on an as-needed basis to handle peak workloads that occur concurrent with preparation of property tax bills and receipt of property tax payments.

Training consists primarily of on-the-job training by the Treasurer/Tax Collector and the Chief Deputy. Considerable effort has gone into preparing and maintaining procedures manuals and job descriptions, and the staff is unanimously complimentary about the training and the written procedures.

Employee turnover in the Treasurer/Tax Collector Department has been higher than in other comparable departments. The present employees of the department were all hired in the year 2000. The time needed to replace employees in 1999 and 2000 coupled with the time required to train new employees placed a strain on the department; however, essential operations were conducted in a timely manner. Since there are few employees in the department and the department is staffed at a minimum level, any vacancy has a significant impact on employee workload and department capability.

The Grand Jury concludes that there was no single factor that caused the high turnover; but all of the following are contributing causes:

- A demanding working environment in which accuracy is absolutely essential, deadlines must be met, and workloads are heavy at times.
- Opportunities for increased compensation elsewhere.
- A perception by some employees that their salary is not commensurate with their duties.
- Limited opportunities for advancement within the department because of its small size.
- The windowless basement environment was also mentioned by some of the people interviewed.

Despite the fact that the workload is heavy at times, all of the present employees and the past employees interviewed by the Grand Jury stated that their workload was not unreasonable. No employee grievances have been filed. The morale in the department is good at the present time, the atmosphere is congenial, and the staff appears to be happy and not looking to leave.

RECOMMENDATION #2:

The Grand Jury recommends continuation of the effort to maintain and improve morale within the department. Similarly, continued attention to on-the-job training and maintenance of good written procedures is encouraged, as they affect both efficiency and morale.

In the interest of improving employee job satisfaction and reducing turnover, the job classifications and salary ranges for the department employees should be carefully reviewed as part of the county government job classification and compensation study presently being conducted by the county.

The Grand Jury recommends that the Treasurer/Tax Collector Department continue to be staffed at its present level; but that filling any future staff vacancies as they occur be given the highest practical priority.

FINDING AND CONCLUSIONS #3:

As mentioned earlier in this report, job vacancies and the training of new employees in the Treasurer/Tax Collector Department caused some management functions to become delinquent. One result was that some employee performance reviews were delayed. That situation has now been corrected and there are no past due performance reviews. The Treasurer/Tax Collector has now set up an intradepartmental database to track performance review due dates. Timely periodic employee performance reviews are an essential part of good management practices.

RECOMMENDATION #3:

The Grand Jury recommends that the Treasurer/Tax Collector and the Personnel Department make a cooperative effort to ensure timely employee performance reviews. Implementation of a computerized data base to track the status and alert managers of pending due dates for performance reviews of all county government employees should be considered. Ideally, the data base would not only flag pending due dates but also trigger transmittal of forms and follow-up by the Personnel Department.

FINDING #4:

California Government Code, Section 27130 – 27137 establishes the requirement for a county treasury oversight committee. The committee is, by code, advisory in nature with the charge of reviewing the county's investment policy and causing an annual audit of compliance with the code. Committee meetings shall be open to the public.

The formation of the oversight committee in Trinity County was delayed after the original formation attempt in late 1996 until early 2001. Causes included job vacancies in the Treasurer/Tax Collector Department and the flooding and subsequent restoration of the office and documents in 1997. The first meeting of the committee was held February 28, 2001, followed by a meeting on March 27, 2001. The committee is now functioning and meetings will be held quarterly, with the next meeting scheduled for June, 2001.

The Grand Jury finds that the delay in formation of the Trinity County Treasury Oversight Committee caused friction in the relationship between the Treasurer/Tax Collector, the CAO, and some members of the BOS. There was no adverse impact on the investment of county funds because the committee has an oversight role that is advisory in nature, investments were managed by the Treasurer/Tax Collector in accordance with the California Code and the existing Trinity County Investment Policy and the investment portfolio is monitored on a daily basis. An investment report is distributed monthly by the Treasurer to the Auditor/Controller, CAO, and BOS and quarterly to the schools and special districts that participate in the county investment pool.

The objectives when investing and managing public funds are defined in California Government Code 53600.5 in order of importance:

1. Safeguarding of Principal
2. Liquidity
3. Return on Invested Funds.

The Treasurer/Tax Collector has complied with these objectives. As of March 31, 2001 a total of approximately \$25 million was invested, of which approximately \$21 million was invested with the State of California Local Agency Investment Funds (LAIF) and approximately \$3 million was invested in money market accounts and mutual funds. At that time the average annual yield on investment was approximately 5.8%. There have been no realized losses of investment principal. The Grand Jury concludes that the

Treasurer/Tax Collector has managed the investment of county funds wisely and in accordance with legal requirements with the exception of the previously mentioned delay in formation of the Trinity County Treasury Oversight Committee.

RECOMMENDATION #4:

The Grand Jury recommends that Treasurer/Tax Collector continue to invest county funds without significant change in investment policy. Meetings of the Trinity County Treasury Oversight Committee should continue on a regularly scheduled basis to improve the understanding and support of the Treasurer/Tax Collector's investment decisions.

FINDING #5:

The Treasurer/Tax Collector has the power to sell property five years after taxes are in default. Interest and penalties accrue in delinquent taxes until the delinquent taxes are paid or the property is sold by the county. Tax sales require a significant amount of labor and expenditure of funds to satisfy all the presale legal requirements. For that reason, efforts to collect delinquent taxes are normally more cost effective than tax sales and are an essential part of the Tax Collector's duties.

Trinity County's last tax sale was in 1996. As of October, 2000 there was a total of \$405,000 of delinquent taxes and penalties for which the Treasurer/Tax Collector had power to sell. A significant but unknown portion of the \$405,000 will not be recoverable through a property sale because of a number of factors, including property with little or no market value, property with market value less than the accrued taxes and penalties, and property for which no bids are received.

The Treasurer/Tax Collector Department has started preparations for a tax sale which is tentatively scheduled for Spring 2002.

RECOMMENDATION #5:

The Grand Jury recommends continuing with preparations for a tax sale in Spring 2002.

FINDING #6:

New cash handling procedures were instituted in 2000 in accordance with comprehensive document, "County of Trinity Cash Handling Procedures", prepared by the Auditor/Controller's office. Departments depositing money into the County Treasury must normally do so daily and deliver the money with an order to receive (OR), which is essentially a deposit receipt, to the Treasurer's office. Each OR must have a number which is assigned by the Auditor's Office. Under the new procedure the error rate in the OR number for OR's delivered to the Treasurer's office is significant. A tally prepared at the Grand Jury's request shows that 16 OR's with incorrect OR numbers were delivered

to the Treasurer's office from September 12, 2000 through November 6, 2000. The Grand Jury concludes that the OR error rate is not a major problem (most errors are caught and corrected promptly), but it is desirable for efficiency reasons to reduce the error rate.

RECOMMENDATION #6:

The Grand Jury recommends that the Cash Handling Procedures be jointly reviewed by the Auditor/Controller and the Treasurer/Tax Collector with the aim of reducing the number of error's in OR's. The Grand Jury suggests that the error rate could be reduced by routing OR's to the Auditor's office, which has responsibility for OR numbers prior to delivery of the OR to the Treasurer's office.

FINDING #7:

The Treasurer/Tax Collector must approve payment of county warrants by the bank on a daily basis. Included in those warrants are school warrants and hospital payroll warrants. The schools issue approximately 2000 warrants per month totaling approximately \$1.8 million per month. Hospital payroll warrants, excluding electronic deposits, are fewer in number with a total of 50 to 60 each month.

The "checks issued" files produced by the hospital payroll computer system and the school computer system have formats that cannot be electronically downloaded by the Auditor's Office into the county check management system at the present time. The hospital payroll warrants are hand keyed daily into the county check management system by the Auditor's office; which, although a small job, is inefficient compared to electronic transfer and is prone to human error. The school warrants are never entered into the county check management system; thus the Treasurer is unable to perform appropriate checks and balances on school warrants.

The Treasurer/Tax Collector, in the belief that it is economically practical, included computerizing the transfer of school and hospital payroll warrant data to the county check management system as a goal in her memorandum to the BOS on July 26, 2000. The Treasurer/Tax Collector, Auditor/Controller, Superintendent of Schools, and the staff have now attended meetings on this subject; but there is no plan to eliminate hand keying of hospital payroll warrant data, and a firm plan and commitment to proceed with electronic transfer of school warrant data has not been made.

RECOMMENDATION #7:

The Grand Jury, in the belief that it is feasible, recommends that an economically practical plan for electronic transfer of school warrant data be prepared and executed in the reasonably near future. The Grand Jury believes that a cooperative effort by the Treasurer/Tax Collector, the Auditor/Controller, the Data Processing Department and the Trinity County Superintendent of Schools is needed.

The Grand Jury further recommends that the Auditor/Controller and the Treasurer/Tax Collector jointly again review and reconsider the practicality of eliminating hand keying of hospital payroll warrant data.

FINDING AND CONCLUSIONS #8:

A ten county salary survey for department heads was conducted by the Trinity County Personnel Department in 1997. The survey showed that the Treasurer/Tax Collector was one of the most underpaid elected officials in Trinity County. Despite salary increases since 1997, little progress has been made to close this gap. As of April 1, 2000 the Treasurer/Tax collector's salary of \$3,852 per month is 75% of the average salary of other Trinity County elected officials (excluding members of the BOS) and 84% of the next lowest elected official's salary. The Treasurer/Tax Collector is also the lowest paid Trinity County department head, either elected or appointed. The Grand Jury finds that elected officials' salaries should generally be higher than appointed officials' salaries because of the generally greater responsibilities, the cost of running for elected office, and the uncertainty of being re-elected.

The 1997 salary survey showed that the average Treasurer/Tax Collector salary in the ten small northern California counties surveyed was \$828 per month greater than the salary of the Trinity County Treasurer/Tax Collector. The April, 2001 survey of the same counties shows that the difference is now \$684 per month.

In 1997 the BOS adopted a policy of granting salary increases to county officials based on longevity of service. In January, 2001 the Treasurer/Tax Collector was up for a 5% longevity increase. That increase was not recommended by the CAO nor granted by the BOS on the basis of the deferred Treasurer/Tax Collector functions mentioned earlier in this report and disagreements on managerial effectiveness.

The BOS conducts annual performance reviews of appointed department heads that report to the CAO and BOS. The performance of elected officials is not subject to annual review by the BOS because elected officials are elected by the public to perform the duties and responsibilities of the office to which they are elected in accordance with statutory requirements. Being representatives of the public, duly elected to office, and answerable to the public through the election system, elected officials do not have a role subservient to the BOS and thus are exempt from annual performance reviews. By requiring actions and managerial style changes that are beyond statutory requirements as a prerequisite condition for a salary increase the CAO and BOS have created a defacto performance review of an elected official and, in doing so have overstepped their authority.

The Grand Jury has not found any withholding of longevity based salary increases for Trinity County elected officials other than the one described above.

RECOMMENDATION #8:

The Grand Jury recommends that the salary of the Trinity County Treasurer/Tax Collector be increased by 5% retroactive to January 1, 2001, to conform to the longevity increase due at that time. The Grand jury also recommends, in accordance with Section 927 of the Penal Code, that the salary of the Trinity County Tax Collector be increased by an additional 8% effective July 1, 2001. These recommended actions will bring the Treasurer/Tax Collector's salary up to a point essentially equivalent to the next lowest paid department head in Trinity County government.

FINDING AND CONCLUSION #9:

The Grand Jury finds and concludes that in the interest of encouraging long term employment, salary increases based on longevity are justifiable for appointed officials and managers. The county benefits from a stable and experienced workforce.

The Grand Jury, on the other hand, finds no such justification for longevity based salary increases for elected officials. Elected officials are elected to perform their duties in accordance with statutory requirements and length of service is determined by the electorate, with dedication by the official to long term service being only an ancillary consideration. Awarding salary increases based on longevity to elected officials will surely lead to the illogical and irrational situation in which a newly elected official that obtains office by defeating an incumbent will receive a lower salary than the incumbent was receiving, despite being chosen by the electorate as the best candidate for that office.

RECOMMENDATION #9:

The Grand Jury recommends that the BOS eliminate longevity based increases for elected officials in Trinity County. The Grand Jury recommends that salaries of elected officials be based solely on the duties and responsibilities of the office. When determining salaries, due consideration should be given to the salaries of the elected and appointed officials in Trinity County, the salaries of officials in the same office in similar counties, and prevailing local wages. This recommendation should not be construed as a recommendation for a salary decrease for any elected Trinity County official that may have received a longevity based salary increase.

FINDING #10:

A contract has been awarded for a Trinity County Government Job Classification and Compensation Study. This study, which is scheduled for completion in April, 2002 will cover the complete range of county government jobs from elected officials, including the BOS, to entry level positions.

During the Grand Jury's review and investigation of the Treasurer/Tax Collector's salary, the Grand Jury found indications of probable inequities in the salaries of other Trinity County Government Department Heads and the BOS. The Grand Jury did not

conduct an investigation sufficient to justify a specific recommendation regarding those perceived inequities.

RECOMMENDATION #10:

The Grand Jury enthusiastically endorses the Job Classification and Compensation Study as a means of correcting any compensation inequities that may be identified.

FINDING AND CONCLUSIONS #11:

The Grand Jury finds that Trinity County Government officials are dedicated to performing their duties well and to good government in general. The Grand Jury does find, however, friction and personal conflict in the relationships between various department heads, the CAO and some members of the BOS. This undermines morale, cooperation, and teamwork. The Grand Jury concludes that improvement in this area is desirable and achievable.

RECOMMENDATION #11:

The Grand Jury believes that a spirit of cooperation between various offices within the County government is in the best interest of the citizens of this county. To this end it is recommended that all Department Heads actively pursue respectful and cooperative relationships with other departments and department heads. It is understood that many personalities are involved, however, relationships should be conducted professionally. The citizens of the County should expect no less.

The Grand Jury further recommends that individual members of the BOS that are concerned about the performance of any department or department head personally visit that department for a first hand review.

SUMMARY:

- The citizens of Trinity County have been and are being well served by the Treasurer/Tax Collector Dept.
- The Treasurer/Tax Collector Department operations were hampered by high rate of employee turnover, but essential services were not adversely affected.
- The Treasurer/Tax Collector Department employee morale is good and the workforce appears to have stabilized.
- The Treasurer/Tax Collector has an ongoing interest in improving efficiency and integrity of treasury and tax collection operations. Numerous improvements have been made and others are under consideration by the Treasurer/Tax Collector and other related departments.
- The Treasurer/Tax Collector is severely underpaid and the Grand Jury recommends immediate increases.

- The Grand Jury recommends abandonment of longevity based salary increases for elected officials and that it be replaced with a reasonable process to keep the salary of elected officials in parity with similar positions.

RESPONSE REQUESTED FROM:

Trinity County Board of Supervisors, Trinity County Administrative Officer,
Trinity County Auditor/Controller, Trinity County Treasurer/Tax Collector,
Trinity County Superintendent of Schools



TRINITY COUNTY

BRIAN E. MUIR, COUNTY AUDITOR-CONTROLLER
P.O. BOX 1230, WEAVERVILLE, CALIFORNIA 96093-1230
PHONE (530) 623-1317 FAX (530) 623-1323

RECEIVED

JUN 18 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

MEMORANDUM

DATE: June 14, 2001
TO: John K. Letton, Presiding Judge of the Superior Court
FROM: Brian Muir, Auditor / Controller
SUBJECT: 2000-2001 Trinity County Grand Jury Report
Trinity County Treasurer / Tax Collector Department and Related County Operations

The following response is provided as requested in the above report:

Recommendation #1

The Treasurer / Tax Collector Department completes the essential functions needed to keep County government running.

Recommendation #2

I agree.

Recommendation #3

It is an essential duty of each department head, not the Personnel Department, to ensure that employee performance reviews are completed in a timely manner. Failure to complete reviews has a detrimental effect on morale.

Recommendation #4

The Treasurer / Tax Collector should work with the County Treasury Oversight Committee to develop a better return on invested funds while still safeguarding principal.

Recommendation #5

I agree. In addition, a tax sale should be conducted on an annual basis. Conducting a sale

once every five years deprives the County and its citizens of property tax revenue.

Recommendation #6

I disagree. Cash handling procedures are the sole responsibility of the County Auditor / Controller. The current method of handling OR's eliminates the need for a trip to the Auditor / Controller's office by employees making a deposit in the treasury. Errors do not present a problem as they are easily corrected with a telephone call.

Recommendation #7

I disagree. It is unnecessary to have electronic transfer of school warrant data. Inexpensive alternatives to electronic transfer have been discussed with the Trinity County Superintendent of Schools. Since the schools would bear the cost of implementing an electronic system, I have informed the County Superintendent that the Auditor / Controller's office will support whatever decision he makes in this matter.

The decision on how hospital payroll data is entered in the accounting system rests with the Auditor/Controller. I have determined that the most cost effective way is to hand key the entries. The citizens would not be well served by paying for the automation of a task which takes one person about 20 minutes per month.

Recommendation #8

It is inappropriate for me to comment on the Treasurer / Tax Collector's compensation. However, in my opinion the Board of Supervisors has done an excellent job of setting department head salaries after considering the availability of funds, the nature of the position, the necessary education, and, most importantly, the performance of the incumbent.

Recommendation #9

Salaries of elected officials should be based on performance on the job as well as the duties and responsibilities of the office. If the Board of Supervisors feels that performance improves with experience in office, then the current system makes sense.

Recommendation #10

I agree.

Recommendation #11

I agree. It is my experience that County department heads do maintain respectful and professional business relationships with one another. I also find that members of the Board of Supervisors visit County departments on a regular basis.



TRINITY COUNTY

OFFICE OF THE COUNTY ADMINISTRATOR

Administration — Human Resources — Risk Management

Grant Management — Information & Technology

P. O. Box 1613 Weaverville, CA 96093-1613

County Administrator Phone: (530) 623-1382

Human Resources Phone (530) 623-1325 FAX (530) 623-4222

JEANNIE NIX-TEMPLE, County Administrative Officer

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: *Jeannie Nix-Temple*
Jeannie Nix-Temple, County Administrative Officer

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Finance and Administration Committee Final Report
Trinity County Treasurer/Tax Collector Department
And Related County Operations

DATE: June 21, 2001

RECEIVED

JUN 22 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

The Grand Jury Finance and Administration Committee has requested a written response to their Final Report on the Trinity County Treasurer/Tax Collector Department and Related County Operations. In my capacity as County Administrative Officer, my response is as follows:

Recommendation #1: There are no recommendations necessary.

Recommendation #2: The job classifications and compensation for employees is being reviewed for all county departments. It has been over 15 years since a Classification and Compensation Study has been undertaken. All county employees are looking forward to the results.

Recommendation #3: The Grand Jury proposes that our Personnel Department make a cooperative effort to ensure timely employee performance reviews, including creation of a database to track said reviews. Within six months our Human Resources and Information Technology Departments plan to establish an automated system for this purpose. In the meantime, all department heads have a responsibility pursuant to Trinity County Policy number 1-99(P) to evaluate employees annually. Our current system provides reminders to department heads who are delinquent in their responsibility to evaluate employee performance. Failure to complete employee evaluations is a violation of county policy and has a negative effect on employee compensation and morale if the employee is eligible for a merit increase.

Recommendation #4: I agree that the Treasurers Investment Oversight Committee should continue and be expanded to increase understanding and dialogue about county investments.

Recommendation #5: I strongly agree that the Treasurer/Tax Collector should proceed with a Tax Sale in the spring of 2002. I am very pleased that those plans are being made.

Recommendation #6: Any modification to the process of handling cash is the responsibility of the Auditor/Controller.

Recommendation #7: I believe that any decisions regarding electronic transfer of school warrant data should be made by the Auditor/Controller in cooperation with the Superintendent of Schools.

Any decision regarding input of hospital payroll data should be left up to the Auditor/Controller.

Recommendation #8: The County Administrative Officer and the Board of Supervisors do have authority and control over budgetary issues for all county departments. The CAO with authority delegated by the County Board of Supervisors is the Risk Manager for the county. County Department heads, whether elected or appointed, have the ability to create significant liability for the County. The County Board of Supervisors has adopted policies that relate to the operation of county government and reduction of losses. The CAO has a responsibility to see that those policies are followed. The only control over elected department heads is either their salary or their budget. I respectfully disagree with the Grand Jury's recommendations regarding salary for any individual department head.

Recommendation #9: The longevity based increase for department heads was developed through a department head salary survey conducted over 4 years ago by our former director of Human Resources. The survey indicated that longevity pay increases for department heads was not an uncommon practice in many counties. Organizations generally benefit from the experience a long-term employee brings to the job. I respectfully disagree that the practice should be eliminated for elected department heads.

Recommendation #10: I concur with the Grand Jury. The classification and compensation study will shed light on many inequities, real or perceived.

Recommendation #11: I concur in part with the Grand Jury. It is in the best interest of the citizens of the County that a spirit of cooperation exists between the various County departments. I believe, however, that the condition currently exists. In the operation of any organization of this size, there are bound to be some disagreements. I believe that when they occur they are handled in a respectful way.

I wish to thank the Grand Jury members for their time and attention in investigating these matters and for providing me the opportunity to respond.

JNT:wt

**Trinity County
Lynda Hymas
Treasurer-Tax Collector**

Memo

RECEIVED

AUG - 9 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

To: The Honorable John K. Letton, Presiding Judge of the Superior Court
From: Lynda Hymas, Treasurer-Tax Collector
CC: Trinity County Board of Supervisors
Date: August 1, 2001
RE: Trinity County Grand Jury 2000-2001
Finance and Administration Committee Final Report
Trinity County Treasurer/Tax Collector Department and Related County Operations



The following are responses requested in the above report.

Recommendation #1:

The Grand Jury made no recommendations. The Treasurer-Tax Collector thanks the Grand Jury for commending the department's performance and service to the public.

Recommendation #2:

I agree with the finding.

On the job training and written procedures continue to be a high priority. Procedures are maintained in shared files on PC's and are revised as needed.

The Treasurer-Tax Collector staff completed the job classification studies, which were reviewed by both their supervisor and department head, then forwarded to the contractor performing the study. Each member of staff and the department head requested and met with the contractor for further clarification.

The department head and Chief Deputy work with Personnel to fill vacancies as quickly as possible when they occur.

Recommendation #3:

I agree with the finding.

There are no past due performance evaluations at this time. The department is now utilizing a database created for this department to track due dates. I agree that a countywide system of tracking and early notification to managers by personnel would be useful to all departments.

Recommendation #4:

I agree with the finding.

The Trinity County Treasury Oversight Committee has been formed, and met on 2/28/01 and 3/27/01. The next scheduled meeting will be 8/14/01. A committee member binder has been prepared and delivered to all committee members prior to the Feb. 2001 meeting. A public binder is available at each public meeting. The binders include, among other items; pertinent government codes, investment reports, investment policy, and market information.

I agree that the Committee members serve in an advisory capacity, as stated in code. The purposes of the Committee are: 1.) To review and monitor the Treasurer's investment policy. 2.) Cause an annual audit. Section 27137 of Government Code states: Nothing in this article shall be construed to allow the county treasury oversight committee to direct individual investment decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the county treasury.

Recommendation #5:

I agree with the finding.

A tax sale takes a number of months and many steps to process. There are a number of mandated notifications and deadlines in order to legally notify someone that they will lose their property at a public auction. A tax sale should not be considered only for its potential to increase county revenues. A tax sale can result in a loss due to expenses paid to outside vendors, even if a property does not sell. I have started the process for a tax sale, and if fully staffed should be able to complete for Spring 2002. Tax sales require a commitment from county officers to budget the required funding and staffing to complete a tax sale. For the majority of the last 12 years this office has not received budget funding for an approved position.

Recommendation #6:

I agree with the finding. I respectfully add that Govt. Code § 27008 states: a.) The treasurer shall not receive money into the treasury or for deposit with him as treasurer, unless it is accompanied by the certificate of the auditor. b.) ... the auditor and treasurer may establish alternate control procedures. The current procedure as developed by the Auditor prevents the Treasurer's compliance with the code until after the money is deposited in the bank. I would also like to add that changes made to OR's are time consuming due to the need to contact both auditor personnel and affected department personnel. All three departments retain copies of the transaction, which can lead to discrepancies if all copies are not changed in the same manner. The Treasurer has found it necessary to ask all departments to create an extra copy in order to retain a copy in the Treasurer's office at the time of receipt. And must retain and file two copies in order to obtain a receipt from the Auditor.

I do not believe that the recommendation will be implemented, due to at least two meetings with the Auditor during which my recommendation that departments complete their transaction with the Auditor's office first was not consider. The Auditor's procedure is to enter the information the following day and by this office placing their copy in the interoffice mail or delivering at the end of each day, their procedures would not have to change.

Recommendation # 7

I agree in part. I respectfully add. The Treasurer is responsible for money in his or her custody. A number of counties have sustained losses on erroneous checks, with a high percentage drawn against schools/colleges. The schools issue approximately 50 % of county issued checks. They are of significant number and amount for the Treasurer to take into consideration when determining how best to protect the county bank accounts from loss due to forgery, counterfeiting, stop payments, and erroneous amounts. I believe, and have confirmed with the county's accounting software provider, that both the schools and the hospital files can be downloaded to the county's check management system without the need to create special programs/interfaces. This could be accomplished with no additional cost to the schools, county or hospital, except in staff time. Present methods require staff time due to manual processing and errors associated with manual processing. Automated processing could save staff time, and in addition would add a great deal of protection to county/taxpayer assets.

I have met with the schools, auditor, data processing, and hospital on a number of occasions. As mentioned in the finding, this type of process requires co-operation from all of those departments. I will continue to provide the schools and Auditor information with regard to losses/potential losses experienced in other counties. I have talked with auditor personnel in two other counties in which the schools and county have the same software as Trinity and it is working in those offices. The majority of California counties have long had computerized processing in place.

Recommendation #8

I agree in part. I respectfully add. I do not have specific information on all salary surveys quoted nor do I know the salaries of all county employees. I do have information, from a recent survey, that out of 58 county Treasurer-Tax Collectors Trinity is in 58th position by a significant amount. The amounts recommended have been in the approved Treasurer-Tax Collector's budgets, for 1999/2000 and 2000/01. I feel that I have complied with Board Policy regarding 5% longevity for elected officials, by reporting goals and their accomplishment at budget and mid-year budget reviews.

I cannot comment on the potential for implementation as it is beyond my control.

Recommendation #9

I respectfully disagree in part. The last study of elected officials job duties and salary was completed in the late 1980's. The survey completed in 1997 identified large discrepancies in salaries of a number of appointed and elected department heads. No action was taken based on that survey. Absent a defined program on the review of elected officials salaries, elected officials receive fewer benefits than other county employees. As an example: employees receive step increases and paid sick and vacation leave. When an employee leaves county service, and they have met the guidelines, they receive a portion of any unused sick and vacation leave. Elected officials do not have these benefits.

I cannot comment on the potential for implementation as it is beyond my control.

Recommendation #10

I agree.

I cannot comment on the potential for implementation, as it is beyond my control, other than to assist on identification of any funding needed if increases are recommended.

Recommendation #11

I agree

RECEIVED

SEP 19 2001

SUPERIOR COURT
JUDGE'S CHAMBERS



Trinity County OFFICE OF EDUCATION

<http://www.tcoe.trinity.k12.ca.us>

Honorable Judge Letton
P.O. Box 1117
Weaverville, Ca. 96093

June 11, 2001

Dear Judge Letton,

Below is my response to the 2000-01 Grand Jury Report Finance & Administration committee as required by law.

I will address only those recommendations that are pertinent to our office.

4. I'm pleased that the county treasury oversight committee has been formed as prescribed by law. With schools being the largest contributor to county investments, our review is appropriate.

7. We have met with the county treasurer and the auditor to explore the possibility of electronic transfer of warrants. Our systems are not currently compatible for easy transfer. We will continue to meet to explore reasonable alternatives to address the treasurer's concerns, which the auditor and our office view as less than high priority currently.

No other recommendations directly affect our office. Thank you.

Sincerely

Jim French
Trinity County Supt. Of Schools

-78-

James B. French, Trinity County Superintendent of Schools

P.O. Box 1256 • 201 Memorial Drive • Weaverville California 96093-1256 • (530) 623-2861 Fax (530) 623-4489



TRINITY COUNTY

BOARD OF SUPERVISORS
P.O. Drawer 1613 (530) 623-1217
WEAVERVILLE, CALIFORNIA 96093

Dero B. Forslund, Clerk
Jeannie Nix-Temple, County Administrative Officer

RECEIVED

SUPERIOR COURT
JUDGES CHAMBERS

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: *R. Berry Stewart*
R. Berry Stewart, Chairman
Trinity County Board of Supervisors

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Finance and Administrative Committee Report
Trinity County Treasurer/Tax Collector Department and Operations

DATE: September 14, 2001

The Grand Jury Finance and Administrative Committee has requested a written response to their Final Report on the Trinity County Treasurer/Tax Collector Department and Operations. In my capacity as Chairman, my response on behalf of the Board of Supervisors is as follows:

Finding & Conclusion #1: We agree with the finding.

Recommendation #1: There is no recommendation to be implemented.

Finding #2: We agree with the finding.

Recommendation #2: The recommendation has been implemented. We recognize the employee turnover of the Treasurer/Tax Collector Department is higher than other departments and is due, in part, to the conditions and causes as stated by the Grand Jury. We are currently undertaking a classification and compensation study and all duties and wages are under review.

Finding #3: We agree with the finding.

Recommendation #3: The recommendation will be implemented. We acknowledge the need for an intradepartmental database to track performance review by specific due dates. We are presently proceeding in that direction through our Human

Resources and Information & Technology Departments in establishing such a system throughout all departments.

Finding #4: We agree with the finding.

Recommendation #4: The recommendation has been implemented. We are in total agreement in regards to the findings and conclusions regarding the Treasurers Investment Oversight Committee's continuation of expansion of various dialogues and investment decisions.

Finding #5: We agree with the finding.

Recommendation #5: The recommendation has been implemented. We are in complete agreement with the Treasurer/Tax Collector in regards to a tax sale in 2002.

Finding #6: We agree with the finding.

Recommendation #6 Cash handling modifications are the duties of the Auditor/Controller, and concur with the Grand Jury's suggestion of a joint review to reduce any errors in OR's.

Finding #7: We disagree with the finding. The electronic transfer of school warrant data at this time is not economically feasible, and those decisions lie with the Auditor/Controller and the Trinity County Superintendent of Schools.

Regarding hospital payroll data, this system rests entirely with the Auditor/Controller.

Recommendation #7: The recommendation will not be implemented because it is not economically feasible.

Finding #8: We disagree with the finding. The Grand Jury erroneously concludes that elected officials are not subject to supervision of the Board of Supervisors. There is no law cited by the Grand Jury to support its erroneous conclusion.

Government Code section 25303 provides in relevant part:

"The board of supervisors shall *supervise the official conduct of all county officers*, and officers of all district and other subdivisions of the county, and particularly insofar as the functions and duties of such county officers and officers of all districts and subdivision of the county relate to the assessing, collecting, safekeeping, management or disbursement of public funds. It shall see that they faithfully perform their duties, direct prosecutions for delinquencies, and when necessary, require them to renew their official bond, make reports and present their books and accounts for inspection." (Emphasis added.)

The purpose behind section 25303 is to assure that there will not be a failure of performance of duties by county officers; this assurance is gained by subjecting the official acts of county officers to review, inspection and supervision by the board of supervisors.

Recommendation #8: The recommendation will not be implemented because it is not warranted and is based on erroneous findings.

The Board of Supervisors disagrees with the Grand Jury in its recommendation that the Tax Collector's salary be increased 5% retroactive to January 1, 2000, to conform to the longevity increase due at the time. Longevity increases under County policy are not mandatory and specific criteria must be met, which were not in this case. The Grand Jury's recommendations goes against the Grand Jury's statement that it "finds no such justification for longevity based salary increases for Elected Officials." The County for the year 2001 has undertaken the study of all salaries within County Government. Adjustments will be forth coming for all employees, officers, and elected officials, as they are warranted and funds allow.

Finding #9: We agree in part and disagree in part with the finding. Longevity based increases were developed through a salary survey and they are not uncommon, and are beneficial in several avenues.

Recommendation #9 The recommendation will not be implemented unless it is supported by a majority of the elected department heads.

Finding #10: We agree with the finding.

Recommendation #10: The recommendation has been implemented. Again, adjustments will be forth coming for all employees, officers, and elected officials, as they are warranted and funds allow.

Finding #11: We agree with the finding.

Recommendation #11: The recommendation has been implemented. We concur as to the Grand Jury's findings and recommendations of what is in the best interest of the citizens of the County. This Board has taken a positive leadership role in building cooperation between department heads, CAO, and other elected officials. This is an ongoing process and as we experience various changes and disagreements, we will handle them in a professional and respectful way.

I wish to thank the Grand Jury members for their time and attention in investigating these matters and for providing the Board the opportunity to respond.

RBS:wt

TRINITY COUNTY GRAND JURY

FINAL REPORT

2000 - 2001

HEALTH AND HUMAN SERVICES COMMITTEE

TRINITY COUNTY GRAND JURY

2000-2001

FILED

JUN 12 2001

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK**

DR

**HEALTH COMMITTEE
FINAL REPORT**

CITIZENS COMPLAINT

**This report was approved
On May 22, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
HEALTH COMMITTEE
FINAL REPORT**

CITIZENS COMPLAINT

PURPOSE:

The 2000-2001 Grand Jury received a citizen's complaint alleging that Trinity Hospital staff privileges had been inappropriately granted to a cardiologist who had been placed on probation by the California State Division of Medical Quality, for gross negligence. This report is a result of the Grand Jury's investigation of that complaint.

BACKGROUND:

On July 14, 1998, an Accusation alleging ten causes for discipline was filed by the California State Department of Justice before the Division of Medical Quality, against Dale Robert Stemple, M.D. a cardiologist. The Accusation referred to ten separate patients treated and/or evaluated by Dr. Stemple. Nine of these patients were treated and/or evaluated by Dr. Stemple between August of 1994, and January of 1995. The remaining patient was evaluated and treated by Dr. Stemple in January and February of 1992.

The Accusation alleged gross negligence, negligence, and incompetent conduct by Dr. Stemple, summarized as follows:

- A. Inappropriately recommended the performance of invasive procedures in the absence of clear symptomatology, evidence of ischemia by non-invasive testing, or severity of stenosis which would warrant such recommendations or interventions;
- B. Inappropriately ordered a second angiogram when a no-reflow situation was already present;
- C. Inappropriately prescribed anticoagulants to persons for whose condition the medications were contraindicated;
- D. Failed to order echocardiograms or thallium treadmill tests in situations where such tests were indicated;
- E. Failed to recognize serious complications and failed to implement appropriate procedures in response to those complications;
- F. Failed to observe hospital policy and procedures regarding PTCA, coronary stent placement;

G. Recommended stent placement in patients without severe stenosis and/or who were asymptomatic;

H. Failed to appropriately document the patients' charts with sufficient information to assist other physicians and hospital staff in the care and treatment of the patient;

I. Failed to observe hospital medical staff policy regarding the scheduling levels for PTCA and coronary atherectomy;

J. Failed to appropriately monitor patients and/or discharged them prematurely.

NOTE; PTCA, (Percutaneous Transluminal Coronary Angioplasty)

On July 12, 1999, the Division of Medical Quality adopted a "Stipulation and Order for Settlement of Disciplinary Action," which revoked Dr. Stemple's certification to practice medicine. In the same "Stipulation and Order," the Division of Medical Quality stayed the revocation and placed Dr. Stemple on probation for five years. (Dr. Stemple had signed his acceptance of the "Stipulated Settlement and Disciplinary Order" on June 18, 1999).

METHOD OF INQUIRY:

Public documents prepared by the California Department of Justice and the State Medical Board were reviewed. The Health Committee interviewed all members of the Trinity Hospital Board of Directors, as well the Trinity Hospital Chief of Staff. The Hospital Administrator and the Chairman of the Hospital Board of Directors were interviewed at a Grand Jury general meeting. .

FINDING:

In early 2000, the Trinity Hospital Chief of Staff, acting at the request of the Trinity Hospital Administrator, interviewed Dr. Stemple as a candidate for staff privileges at Trinity Hospital. Subsequently, Dr. Stemple was interviewed by the remaining members of the Hospital Medical Staff. The Chief of Staff reported that Dr. Stemple voluntarily disclosed his probationary status and the reasons therefore. Dr. Stemple also disclosed that his earlier requests for staff privileges at Redding Medical Center, and Mercy Hospital, had been denied. Following a thorough discussion of the allegations and disciplinary order, the Medical Staff decided to recommend Dr. Stemple be granted staff privileges subject to the following probationary requirements as set forth by the State medical Quality Division:

He would be prohibited from performing invasive procedures.

His practice would be monitored by members of the hospital Medical Staff.

The decision to recommend Dr. Stemple for staff privileges was made at the March 20, 2000 meeting of the Medical Staff.

At the April 20, 2000, meeting of the Hospital Board of Directors, Dr. Stemple's request for staff privileges was presented for approval by the Hospital Administrator. The Board approved Dr. Stemple's request for hospital staff privileges at the April 20th meeting. The Grand Jury finds that the Hospital Board was not fully informed at the time of the April 20, 2000 meeting. Although two of the Directors recalled the Administrator stating, "he, (Dr. Stemple) comes to us with some baggage", or words to that effect, they were given no additional background information about Dr. Stemple by the Hospital Administrator. When interviewed, the Chief of Staff was unable to recall being present at the April 20th meeting. However, he was quite certain he had never discussed Dr. Stemple's background or probationary status with the Board of Directors.

CONCLUSION:

The Hospital Administrator did not advise the Hospital Board of Directors of Dr. Stemple's probationary status as established by the State Medical Quality Division, or the reasons for that probation. He did not provide the Board with copies of either the accusations filed by the State Medical Board, or the Division of Medical Quality disciplinary order. He also failed to advise the Board of the need for Trinity Hospital Medical Staff to monitor Dr. Stemple's practice for the remainder of his probationary period. By failing to fully disclose appropriate information, the Administrator deprived the Board of Directors of the opportunity to make an informed decision about Dr. Stemple's request for staff privileges.

RECOMMENDATIONS:

Without any intent to judge Dr. Stemple's present skill as a physician, the Grand Jury recommends the Hospital Board of Directors undertake an immediate review of the above mentioned Accusation and Causes for Disciplinary Action, and Stipulation and Order for Settlement of Disciplinary Action, and if deemed necessary, reevaluate their decision to grant staff privileges to Dr. Stemple.

If it is the Board's decision to allow Dr. Stemple to retain his staff privileges, the Grand Jury recommends the Board require the Hospital Administrator to provide the Board with a detailed schedule setting forth the names of those Medical Staff members who will be responsible for monitoring Dr. Stemple's practice, the specific time periods during which they will be responsible for providing the monitoring, and in as precise a manner as possible, describe what the monitoring function will amount to.

The Grand Jury recommends the development and implementation of the recommended monitoring schedule within ten days of the receipt of this report.

The Grand Jury recommends the Hospital Board of Directors develop a written policy statement requiring, during future consideration of requests for staff privileges, that the Hospital Administrator provide the Board of Directors with at least the following information, in addition to relevant Medical Staff recommendations:

All present and past probationary orders or actions.

All present and past allegations involving accusations of incompetence, negligence, or gross negligence filed with, and/or investigated by the California Department of Justice, the State Medical Board, or the Division of Medical Quality.

The Grand Jury recommends development and implementation of the above referenced policy statement relevant to future requests for staff privileges occur within thirty days of the receipt of this report

RESPONSE REQUESTED FROM:

Trinity Hospital Board of Directors, Trinity County Board of Supervisors, and the Trinity Hospital Chief of Staff.



P.O. Box 1229
Weaverville, California 96093
(916) 623-5541

RECEIVED
JUL 10 2001
SUPERIOR COURT
JUDGE'S CHAMBERS

2000-2001 TRINITY COUNTY GRAND JURY
P.O. BOX 2308
WEAVERVILLE, CA 96093-1117

Dear Sirs,

I wish to comment on your health committee report involving a citizens complaint about hospital approval of procedures for Dr. Stemple. I wish to clarify several points. It was stated that as chief of staff, it said I was "quite certain that he (Dr. Krouse) had never discussed Dr. Stemple's background or probationary status with the board of directors". In fact, I said that I had discussed the case with many different groups in different venues and that it would surprise me that Dr. Stemple's case had not been discussed in detail since that was the usual operating procedure at the hospital.

I would also like to comment that the general tenure of the report is that there was a problem with Dr. Stemple, that he should perhaps have not been accepted on the hospital staff. As I mentioned in our interview, Dr. Stemple's credentials and his problems with the medical board were discussed extensively. Dr. Stemple was interviewed extensively. The medical staff stands behind its approval of him for medical staff. In cases of medical staff credentialing, the medical staff is the key group to judge any new physicians qualifications. David Yarbrough was well aware of all the issues concerning Dr. Stemple and I believe that the hospital board was probably made aware of all the controversial areas as well.

I would welcome any further clarifications on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald Krouse".

Donald Krouse, M.D.



TRINITY HOSPITAL BOARD OF DIRECTORS

RECEIVED
JUN 29 2001
SUPERIOR COURT
JUDGE'S CHAMBERS

June 28, 2001

Hon. John Letton, Presiding Judge
Trinity County Superior Court
P.O. Box 1258
Weaverville, CA 96093

Re: 2000-2001 Trinity County Grand Jury Health Committee Final Report in the Matter of Trinity Hospital, Citizen Complaint Alleging Inappropriate Granting of Clinical Privileges to Dale R. Stemple, M.D.

Dear Judge Letton:

On June 7, 2001, the Trinity County Grand Jury sent a copy of the above-referenced Report to the undersigned Bob Flint, Chairman of the Board of Directors, and Donald Krouse, M.D., Chief of the Medical Staff, of Trinity Hospital. This is our joint response on behalf of the Board of Directors and the Medical Staff.

Without debating the Grand Jury's conclusions about the failure of Mr. David Yarbrough, Hospital Administrator, to submit copies of specific documentation to the Board of Directors before Dr. Stemple's application for clinical privileges was approved, it must be noted that the Board of Directors was aware of general nature and extent of the problems associated with Dr. Stemple's prior practice and his dispute with the Medical Board of California. The Medical Staff was acutely aware of those matters, and explored them extensively, before recommending that Dr. Stemple's application be approved.

According to Section 6.3.7 (b) of the Medical Staff Bylaws, in the event of a favorable recommendation from the Medical Staff, the Administrator is responsible for conveying that recommendation to the Board of Directors and "making available" the supporting documentation. That requirement was met in this instance.

The Grand Jury has recommended in its Report that the Board of Directors review certain *documentation* pertaining to the Medical Board's proceedings against Dr. Stemple, and re-evaluate its decision to grant him clinical privileges. The specified documentation is an Accusation dated June 14, 1998, and a Stipulation and Order for Settlement of Disciplinary Action dated June 18, 1999.

The Board of Directors has reviewed the above materials, and is familiar with other documentation which was also considered by the Medical Staff before making its favorable recommendation regarding Dr. Stemple's application for Medical Staff membership. This included a letter from Mr. Yarbrough, Dr. Krouse, and Randal Meredith, M.D. (another member

of the Medical Staff), to Elizabeth Schlie, Senior Investigator in the Medical Board's Probation Unit, dated March 22, 2000, describing in detail the nature and scope Dr. Stemple's anticipated practice in this community and the plans for monitoring it in compliance with the Medical Board's requirements. Also included was a reply from Ms. Schlie, dated April 17, 2000, expressly approving that plan.

The Grand Jury stated in its Report that its intent was not to require any judgement of Dr. Stemple's present skill as a physician, but rather a re-evaluation of the decision to grant him privileges initially. Ostensibly, the Grand Jury is suggesting that if the original decision to approve Dr. Stemple's privileges was flawed, it should be reconsidered without regard to the skills he has exhibited since that time. This would make little sense. Our ultimate objective is to provide adequate care for the patients in this community, and that can only be achieved by taking into account all relevant information, including Dr. Stemple's demonstrated current competence.

Since Dr. Stemple has been practicing here, he has been an important asset to the community. He does a degree of primary care, he has a growing internal medicine practice, and he has a stable cardiology practice (without performing invasive procedures). He has been affiliated with other physicians as approved by the Medical Board, and he is currently an active member of the Medical Staff in good standing. No special monitoring arrangements are in place, nor are they required by the Medical Staff Bylaws or Dr. Stemple's Settlement with the Medical Board.

We do not dispute the gravity of the charges against Dr. Stemple in the Medical Board's Accusation, which contained a Prayer for the revocation or suspension of his license. However, the Medical Board ultimately decided not to pursue those allegations through a formal hearing process directed at realizing that goal. Instead, it decided to give Dr. Stemple an opportunity to retain his license subject to strict terms of probation, and redeem himself by demonstrating that he could practice competently going forward. Our actions have been entirely consistent with those of the Medical Board, and we believe that we (and they) have done the right thing.

In short, we are satisfied that there is no reasonable basis for disturbing Dr. Stemple's affiliation with or unsupervised clinical privileges at Trinity Hospital at this time. To do so would complicate the provision of health care services in the community and tax our limited resources for no apparent purpose.

The Grand Jury has also recommended in its Report that the Board of Directors develop a written policy statement requiring that, in future credentialing matters, the Administrator provide the Board with certain information along with the Medical Staff's recommendation. It is suggested that the information include:

"All present and past probationary orders or actions"

"All present and past allegations involving accusations of incompetence, negligence, or gross negligence filed with, and/or investigated by the California Department of Justice, the State Medical Board, or the Division of Medical Quality."

A policy framed in those specific terms could not be implemented, as a practical matter, because

the Hospital may not have access to all of the information described, no matter how diligent we are in our credentialing activities. For example, the Medical Board's Division of Quality (which is one entity, not two) does not publicly disclose information regarding its pending investigations; such information is only available when and if a formal Accusation is filed.

Still, we understand and agree with the fundamental point that the Board of Directors should be clearly alerted to noteworthy facts which may call into question a physician's competence before it approves his or her application for Medical Staff membership and clinical privileges. In this regard, we note that the Medical Staff Bylaws already contemplate an informative presentation by the Administrator, consistent with the responsibilities of the Medical Staff and the Board of Directors, respectively, under California hospital licensing laws and the Standards of the Joint Commission on Accreditation of Healthcare Organizations. What we have learned from this experience is that, in the future, we need to do a better job of applying those Bylaws and documenting our efforts. This we have resolved to do. We do not believe that our operations would be enhanced by the creation of a new and separate policy.

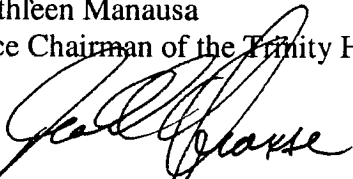
The individual whose complaint precipitated this investigation has a legitimate interest in the way we discharge of our credentialing responsibilities. The public depends on us to safeguard the quality of health care services in the community by acting prudently in the screening and approval of Medical Staff applicants. We also acknowledge the Grand Jury's legitimate interest in the matter, and we believe that its investigation was well-intentioned.

At the same time, however, we would ask the public to recognize that the Hospital's Board of Directors and Medical Staff are comprised of civic-minded people who have worked hard to provide for the public's health care needs. In the case of Dr. Stemple, our credentialing activities were carried out in good faith, and we believe that our decision to approve his application was in the public's best interest.

Sincerely,



Kathleen Manausa
Vice Chairman of the Trinity Hospital Board of Directors



Donald Krouse, M.D.
Chief of the Trinity Hospital Medical Staff



TRINITY COUNTY

BOARD OF SUPERVISORS

P.O. Drawer 1613 (530) 623-1217

WEAVERVILLE, CALIFORNIA 96093

Dero B. Forslund, Clerk

Jeannie Nix-Temple, County Administrative Officer

RECEIVED

DEC 1 1 2001

**SUPERIOR COURT
JUDGE'S CHAMBERS**

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: Trinity County Board of Supervisors

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Health Committee Final Report
Citizen's Complaint – Staff Privileges

DATE: November 13, 2001

The Grand Jury Health Committee has requested a written response to their Final Report on the Citizen's Complaint concerning Staff Privileges. The Board of Supervisors responds as follows:

Recommendation: The Grand Jury recommendation to the Trinity Hospital Board of Directors is to require the Administrator to provide the Hospital Board with certain information at the time that the Board is considering granting future staff privileges.

The Board of Supervisors has purposely delegated such decisions to the Hospital Board and is unwilling to undermine their authority by commenting on this recommendation.

Thank you for the opportunity to respond.

Sincerely,

R. Berry Stewart, Chairman
Trinity County Board of Supervisors

TRINITY COUNTY GRAND JURY

2000-2001

FILED

JUN 29 2001

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK**



**HEALTH COMMITTEE
FINAL REPORT**

HOSPITAL SURVEY

**This report was approved
On June 12, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
HEALTH COMMITTEE
FINAL REPORT**

HOSPITAL SURVEY

PURPOSE:

The Grand Jury is charged each year to perform a review of county government operations to ensure the citizens of Trinity County are being well served. This report is a follow-up to 1999-2000 Grand Jury efforts to measure the effectiveness of Trinity County Hospital management as perceived by employees of the hospital.

BACKGROUND:

In response to the 1999-2000 Grand Jury final report, the Hospital Administrator, in a joint reply with the hospital board of directors, challenged the Grand Jury findings on the basis that the findings lacked objectivity, and methods used to evaluate management failed to include a large enough or diverse enough sample group.

METHOD OF INQUIRY:

The Grand Jury Health Committee obtained and modified a survey instrument designed to measure eighteen aspects or dimensions of the management process. The survey instrument was similar to survey designs utilized by organizational development consultants in both the public and private sector to measure employee perceptions of management effectiveness within the workplace environment. In applying the survey to the hospital environment, most of the survey elements were retained in the form used by professional organizational development consultants. For example, each dimension surveyed could be rated on a scale of one to seven, with seven representing the best possible work environment, and one indicating a significant problem. Respondents to the survey were encouraged to also provide comments explaining their reasons for each numeric rating. To encourage more candid responses, the survey and the manner in which it was administered were designed to conceal the identity of the respondent. However, to obtain a more definitive and comprehensive picture of hospital management, the survey was modified to identify the respondent as a member of one of three groups; management and supervision, rank and file medical, or rank and file support staff. Some survey instrument dimensions were also modified from relatively generic questions to hospital specific inquiries. For example, generic questions about commitment to public service were changed to measure the respondent's perception of the level of commitment to patient care. (See attachment A, Hospital Management and Leadership Survey).

FINDINGS:

Of the 21 managers and supervisors who were provided surveys, 10 replied (47.6%). Of the 58 rank and file medical staff surveyed, 31 replied (53.4%), and of the 41 rank and file support staff surveyed, 18 responded (43.9%). Overall, 120 employees were surveyed, with 59

surveys being returned (49.1%). The industry standard used by most professional organizational development consultants as an acceptable rate of return to establish a valid sampling, is 30%. Based upon this standard, the level of response to this survey should be considered as providing a valid representation of employee perceptions of the hospital work environment. A rare but useful phenomenon, which further validated the survey's accuracy, surfaced during the process of analyzing the survey results. With the exception of one dimension, all three respondent groups rated management in all eighteen dimensions as having the same relative strengths and weaknesses. The only disparate perceptions between the three groups was limited to the level of strengths and level of weaknesses. In other words, in seventeen of the eighteen dimensions, all three groups independently identified exactly the same management strong points and the same management faults. The difference between the three groups was limited to how high to rate the strengths and how low to rate the flaws.

Although eighteen dimensions were measured by the survey instrument, only the dimensions of trust, communication, teamwork, and leadership will be discussed or evaluated in this report. These four dimensions are considered to be core issues in all management situations, and form the basis for responses to all other aspects of management, which might be evaluated through a survey or similar type of instrument. Virtually without exception, every management problem related to the supervision of employees can be traced to one or more of these core dimensions. (See attachment B, Combined Responses).

The following comments shown in quotes were taken from the original survey forms returned to the Grand Jury by hospital employees. With the exception of those which were unintelligible or would lead to the identification of the author, all comments have been included.

TRUST:

This survey question asked respondents to rate the level of trust between the hospital management team and rank and file employees. A rating of "7", indicates the respondent perceived a very high degree of confidence and trust between the management team and rank and file employees, with ideas and concerns openly and freely exchanged. A rating of "1", indicates a perception that a minimal level of confidence and trust between the management team and rank and file employees exists, with free expression of ideas severely limited by overreaction and/or fear of reprisal.

All three groups, management, medical, and support staff, gave this dimension the lowest rating of any dimension measured by the survey. Following are the ratings and comments provided by each group.

Managers and Supervisors. Rating = 3.1

"Dependent upon the individual manager, the sentiment towards the management team depends on the manager/director involved. Staff feel they are not valued by him so why would he support them except for his own ends? Ultimately he decides on policies so the level of trust of staff to management team is their trust towards the CEO".

"I trust my fellow managers. However, I don't trust the bully".

“ I really feel that the employees don't trust administration. Managers also feel like they could get their head cut off any time”.

“Many rank and file employees have a lot of respect/trust for their managers. But some have little or none due to the behavior of specific managers”.

“Intimidation is constantly coming from administration. He has stated many times how he likes to cause management and rank and file employees stress. The hospital Board could care less how the employees are treated.”

“What trust? Trust is earned and there has been little effort made in this direction. If there was a negative number on this scale it would be check marked”.

“Trust means letting go and giving others a chance. The spirit of forgiveness and openness is low and so follows, the level of trust is high for some and low for others”.

(Rank and File) Medical Staff. Rating = 1.58

“Very negative”

“I don't trust anyone at management level. Always feeling like you have to look over your shoulder makes for a potentially stressful and hostile place to work”.

“Management has used a divide and conquer approach with staff. People are afraid for their job to the point they won't speak up or stand up for others”.

“There is no doubt in my mind that the level of trust for management by most employees is next to none. I think most of this comes from when the administrative team turned out to be a tyrant---never considering the employees and treating them as insignificant. Many employees felt the managers were not honest with them. Things are much improved but employees still remember how they were treated”.

“How do you trust your employer when they treat you with suspicion? If I have a problem I wouldn't take it to the management team as I don't feel they will help me. Most problems don't get solved right away. Every thing has to be done in writing and after months it is forgotten about”.

“There is NO trust between management and rank and file employees. Employees have been let down by management in many different ways; some involving salaries, recognition, fairness, disciplinary action, support etc”.

“I have little trust or confidence in the management team. Most speak out of both sides of their mouths and conveniently 'forget' conversations and promises or claim conversations have taken place when they have not. They do not have respect for the 'RANK AND FILE' employee”.

“Administrator & Director of nurses rules by fear and intimidation”.

“How can you trust when your never seen or heard from & when the top people are making you pay back money that wasn't employee mistake”.

“There are frequent explosive reactions which create mistrust”.

“Fear and reprisal should be in capital letters, punishment is the administrative style. Trust was lost three years ago”.

(Rank and File) Support Staff. Rating = 1.22

“NONE”.

“The management will eat you alive if you rock the boat”.

“You can't trust the management team when they constantly lie to you and keep important information about what is going on”.

“(none)”.

“ Who are the management team? As for trust between rank and file in our department and our immediate management, well, if you don't want something to be public knowledge, don't tell our supervisor”.

COMMUNICATION:

This survey question asked respondents to rate the effectiveness of communication between the hospital management team and rank and file employees. A rating of “7”, indicates a perception that communication is very effective, open, honest, and free flowing. A rating of “1”, indicates a perception that communication is very ineffective, guarded, cautious, and suppressed.

All three groups, management, medical, and support staff gave this dimension the next to the lowest rating of any dimension measured by the survey. Only trust was given a lower rating.

Managers and Supervisors. Rating = 3.2

“Unfortunately, throughout the ranks even within the management team - communication is very poor so that most information is heard ‘through the grapevine’. It does not help to solidify the management team. The CEO's method of communication is deficient. He does not make his intentions clear - even if it is good. He may have very good objectives with staff welfare in mind, but the poor method of communication does not foster trust”.

“People are afraid to speak - you never want to anger the bully”.

“In some dept. communication is great between managers/employees. (in others) not so good. my dept I want my employees to know everything they need to know”.

“Most good/great some bad”.

“Rank and file employees are on a ‘need to know’ basis. Very few managers tell their employees anything. Most communication between management and rank and file employees is negative”.

“So ineffective as to be virtually non-existent”.

“At mgmt meetings, we hear it as it is. We are informed of almost all happenings. I recognize that some issues are not open for discussion or dissemination. The unfortunate occurrence at facility is easy flowing ‘rumor mill’ which often breeches confidentiality and hurts some. There are times that I feel a ‘mean spirited’ force @ work (meaning in motion, not in the workplace) which wounds and jeopardizes team building and common goals”.

(Rank and File) Medical Staff. Rating = 1.77

“Very ineffective”.

“No one trusts Mr. Yarborough to be truthful”.

“You always feel like you have to watch what you say and do and you can never just ‘be’ yourself”.

“The hospital management doesn’t seem to care about any one else just as long as they get their paychecks and raises”.

“Mr. Yarbrough – not a good person to have dislike you. I am able to discuss (with) my manager anything, it may or may not effect change”.

“Condescending (communication)”.

“Communication between mgmt & the working class is awful. For that matter communication between mgmt officials is even worse. Mgmt constantly contradicts each other”.

“Administration lets the workers know, only what they want, we sometimes hear rumors, but don’t get clear answers to questions. I feel they (administration) are not receptive to our ideas. We (the workers) have many years cumulative experience – in various work situations, other employers, etc. - & they seem to disregard this fact – sometimes the workers can come up with the solutions to the problems. Yet we are not usually asked our opinions or even informed of the problems. And we are not always aware of the problem”.

“This goes along with the previous in that originally employees tried to communicate with management but were treated poorly. If you tried to express an opinion you could be shouted at or told to go someplace else. Very quickly employees learned to keep their mouths shut around top management. Things have much improved but employees are still very wary”.

“_____ had an open door policy David doesn’t, so this gives the impression that he doesn’t care. He seldom talks to rank and file. He always takes his breaks with the management team. The usual comment is ‘on a need to know’ basis. This makes people feel left out of the loop”.

“As far as I have seen there is very little or no communication between management and employees what so ever”.

“I have no desire to pursue conversations with most managers, other than superficially, Mr. Yarborough ‘pontificates’, placing himself on a much higher level than the ‘Rank and File’ Employees. I attend as few one-way-communication meetings as possible”.

“This is just one example, i.e. Often when a policy is changed, it goes into effect before memos are put out or employees are informed about the change. Then everyone is left wondering what is going on”.

“Don’t cross him or you’ll be out of a job”.

“They keep it to themselves. They aren’t honest and open”.

“Very dependent on the manager”.

“Very poor communication between management & employees causing very low morale”.

(Rank and File) Support Staff. Rating = 1.82

“VERY LITTLE”.

“Mostly administration, not management”.

“They don’t care what we think might be best even if we know what’s going on and they don’t. They do what they want to suit their needs. We would get marked down on reviews for lack of communication when it was really lack of communication by the supervisor”.

“What communication? (none)”.

“They never let you know what’s going on”.

“Assuming this refers to administration. This depends on the topic. Employees may speak with management at any time, but we are never sure they are being honest with us”.

TEAMWORK:

This survey question asked respondents to rate the overall level of teamwork between the Hospital Management Team and Rank-and-File employees. A rating of “7” indicates a perception that the management team and rank and file employees consistently work together to solve mutual problems and achieve common goals. A rating of “1” would indicate a belief that

management and rank and file employees are very divided and few, if any, of the management team and rank and file employees are committed to working together to solve mutual problems and meeting common goals.

Managers and Supervisors. Rating = 3.89

“Due to the (low) level of communication, (low) trust and lack of available management personnel to supervise and mentor the staff, the rank and file do not ‘buy into’ efforts of the management team easily.”

“Varies from day to day”.

“The hospital has employees that doesn’t want to work with anyone. All their in here for is paycheck. And with the county system the way it is its impossible to get rid of them. (But we have some great employees and managers)”.

“ I believe, overall, our teamwork is pretty well united”.

“Very divided. Management only tolerates rank and file so management doesn’t have to do the work! On instances where rank and file employees have reported patient abuse by management (which is required by Federal Law) the rank and file employees have been demoted and berated”.

“There is a level of polarization surpassed only by the prison system”.

“Splits exist and some are personality conflicts, old grudges, inability to let go, lack of openness and willingness to recognize that change is good”.

(Rank and File) Medical Staff. Rating = 2.43

“Very divided”.

“Better teamwork between rank and file employees within themselves”.

“We seem to be in a difficult world”.

“Management does not want to hear about problems because they are incapable/incompetent to deal with them. Problems are ignored rather than addressed. Yarbrough wants a perfect hospital for his own personal gain. He surrounds himself with ‘yes’ people”.

“Could be better. Employees willing to work to solve problems and meet goals. But management not approachable and does not attempt to elicit assistance from employees. Feel like second class citizen – not a part of a team except with co-workers”.

“I think top management has come a long way in the last couple of years in treating the average employees better and making them feel more like a team. My manager is

excellent in making us feel as though our department is a team but some departments are not as fortunate”.

“Management tells rank and file what to do no discussion”.

“I feel that the management team is overwhelmed (with) paperwork and meetings. There are times when you need your supervisor and she is at a meeting. So you try and handle it, then it is wrong”.

“There is no teamwork between management team and rank and file employees. It is them and us. Very separate. How could you have teamwork if there is no communication? Basically it their team against ours”.

“There is very much a ‘them and us’ atmosphere. Some managers are approachable, and there are a few ‘rank and file’ employees who are solicited for ‘teamwork’”.

“Rank and file employees are willing to work with the management team but the management team keep to themselves and don’t ask for our inputs or let us know about meeting they have”.

“Leadership too busy and problem solving is a one way street – management’s direction”.

(Rank and File) Support Staff. Rating – 1.94

“Very strange”.

“Very low I’m sorry to say. The managers have little respect for us lowly employees and thus we have none for them. Over and over they have done nothing but destroy our confidence”.

“Mr. Yarbrough has run off most of the nursing staff and hired in their place, nurses right out of school at LOWER WAGES. LOOKS GOOD ON THE BOTTEM LINE. But not good for your health if you are admitted to the hospital”.

“If this (very united) were true there wouldn’t be so many problems at the hospital”.

“This is a difficult question as the level of teamwork in our department is a 6 to 7, but as for the level between management and our staff, that would be hard to rate as we rarely deal with management other than those in our department”.

LEADERSHIP:

This survey question asked respondents to rate the quality of leadership displayed by the hospital management team. A rating of “7”, indicates a perception that the management team consistently assumes personal responsibility for their actions, considers the needs of the hospital and their subordinates before taking action, and provides positive, fair and effective leadership. A rating of “1”, indicates a perception that the management team provides ineffective leadership, and frequently tries to blame others for their actions, fails to consider the needs of the hospital and their subordinates before taking action, and all too often, provides negative, biased and

ineffective leadership.

Managers and Supervisors. Rating = 3.5

“The quality of leadership display by the management is 90% driven and sometimes coerced by the CEO. Individual leadership by the existing directors and managers is weak. Anyone who opposes the CEO – his thoughts or methodology will either leave the institution or find life at Trinity unbearable. This means that the existing supervisory staff are those who will only agree with the CEO or are submissive to the CEO’s ‘bullying’ tactics. However he can be very generous and supportive if you get on his good side. So that is incentive for management staff to follow his lead and be ‘loyal’ to him. This is a reason I believe that Trinity Hospital has lost so many of their good managerial staff”.

“Most of the management team really try to do their best. Even if we do have an overbearing administrator. With the system like it is if you take action of any kind the managers usually get the rough end of the stick”.

“I think that since David has stressed management education, we have become higher quality managers”.

“Very ineffective”.

“How can there be good leadership if the man at the top (Yarbrough) displays and exemplifies such poor qualities of leadership. He taints the entire idea of leadership, and the county board of supervisors knew this when they hired him!”

“Managers too overworked”.

“I believe our management personnel (strives to do his/her best). Many of these individuals rose to management level with nothing more than previous example of leadership as their role model. Our administrator has attempted to provide leadership sessions and encourage manager participation in county provided classes on effective leadership skills. Personal desire for learning is also necessary. Recognize too, all managers are not leaders nor are all leaders effective managers”.

(Rank and File) Medical Staff. Rating = 2.32

“Very ineffective”.

“Mr. Yarborough is a bully put him back on the playground. The evidence is in how those who worked voluntary (or involuntary) overtime are now being treated”.

“We always take the blame”.

“Passing the buck is average – old tradition!!! Hospital administrator?!”.

“Mr. Yarborough – most feel it is poor leadership to non-existent”.

“Management does what it is told by Yarbrough. They are the chosen few who get his attention support and perks. The rest of the employees at the hospital can go scratch as far as he is concerned”.

“Appears to be more of a dictatorship community than a democracy. Does Hitler live? I believe his relative is the administrator of this hospital”.

“Top administrators – very poor quality – Style of 1. Intimidation 2. Secrecy 3. Threatening 4. Unapproachable 5. Blames others 6. Fails to consider needs of community 7. Provides negative leadership 8. Favoritism. Others –variable – some are open to new ideas – some seem to think that because it’s always been done one way here – that’s the only way to accomplish the thing”.

“Top management – much improved, takes responsibility for actions, much more considerate of employees. Department managers have all continued to learn and improve with one or two exceptions”.

“The management never assumes responsibility for problem that comes up”.

“Some do, others do not. One question for instance – how come management makes certain employees work harder than others? There are some lazy CNAs. Management stays in their office and never check on the lazy ones or support the license nurse when the issue is brought up. Everything has to be done in paper when a simple common directive to that employee may resolve the problem. I have been told, we are working on it. Yet nothing seems to be done”.

“The quality of leadership displayed by the HMT is extremely poor. I cannot stress this enough”.

“Varies tremendously”.

“Very poor ineffective, unavailable leadership ignores problems, poor follow through with problems. Burnt out, too busy to with the problems of staff. Results in errors in patient care and poor patient care. Management team wears too many hats!”.

(Rank and File) Support Staff. Rating – 2.18

“Very poor”.

“If you’re impressed by power and managers that put you down instead of making you feel good about where you are and what you are doing”.

“Split by excellence in ESW/Maintenance/Nursing in all other aspects and VERY INEFFECTIVE discipline and keeping a full staff in ESW”.

“Poor! Poor! Poor! NEGLECT - ALL THE ABOVE (the description found under very ineffective)”.

“Who are the management team?”

CONCLUSIONS:

After a review and analysis of survey results, it is the Grand Jury's conclusion that Trinity Hospital management continues to experience significant problems gaining the trust of subordinate employees and developing effective two-way channels of communication. It is clear from the survey results that the vast majority of non-management employees see levels of trust and communication as being major problems in the work environment at Trinity Hospital. It is also clear that most managers, who responded to the Grand Jury survey, saw trust and communication as being areas where significant improvement can be made. Several managers and most rank and file employees perceived the administrator as nurturing an environment of distrust and fear, where intimidation is all too often the management tool of choice.

It is also the conclusion of the Grand Jury that the leadership skills and the team building abilities of the hospital management team are in need of significant improvement. Most respondents perceived hospital management as having weak leadership skills, and teamwork between rank and file and management to be virtually non-existent. Several respondents attributed leadership and teamwork problems to the administrator's autocratic style of leadership and his creation of a hostile and intimidating work environment, where many managers and rank and file are reluctant to express views which may be perceived as being inconsistent with the administrator's own views.

RECOMMENDATIONS:

The Grand Jury recommends the Trinity Hospital Board of Directors require the Hospital Administrator to develop an action plan setting forth the steps he intends to take to create a work environment where communication between management and rank and file is open and candid and trust is restored. He should also be required to create an action plan for improving the leadership and team building skills of the hospital management staff. Each action plan should be specific and include action steps and appropriate time lines for completion. Methods to be used for measuring and evaluating the success of the action plans should be clearly identified.

RESPONSE REQUESTED FROM:

Trinity Hospital Board of Directors, Trinity County Board of Supervisors, the Trinity Hospital Administrator, and the Trinity County Administrative Officer/Human Resources Manager.

Attachment A

HOSPITAL MANAGEMENT AND LEADERSHIP SURVEY

This survey is intended to gather information on how individuals feel about the relationships that currently exist between the Hospital Management/Supervisory Team and Rank-and-File employees. The questions have been carefully designed to address some fundamental factors that have been found to contribute to the long-term success of most organizations. This survey will be used to provide constructive feedback to members of the Hospital Management and Supervisory Team regarding the quality of their relationships with Rank-and-File employees. Your candid response to each question will greatly assist the Grand Jury in evaluating the effectiveness of these relationships as they exist within the Hospital operation. We would also appreciate your suggested solutions to any issues or problems identified.

The survey contains 18 questions. Using the numeric ratings of 1 through 7 provided with each question, please respond by placing an **X** in the box that most closely indicates your feelings regarding the issue addressed. You are also encouraged to provide comments regarding your ratings and any information you feel might assist the Grand Jury in identifying strengths and weaknesses, as well as potential solutions to problems you perceive.

The following definitions apply to this survey:

Hospital Management Team: Includes the Administrator, Chief Financial Officer, Director of Patient Services, Chief of Staff, and any other employee in a supervisory or Management classification or position.

Rank-and-File Medical Employees: All Hospital employees directly responsible for patient care or who hold medical certifications, or technical certifications directly related to the medical field.

Rank-and-File Staff Support Employees: All other Hospital employees, including, but not limited to, maintenance, housekeeping, environmental services, food services, business services, clerical, and purchasing.

Be assured that the Grand Jury is only interested in looking at trends and comparisons across groups, not individual data. However, it cannot be overstated that the success of this survey is dependent on your completeness and candor in answering all of the questions. To that end, **the survey is strictly confidential** and your anonymity is guaranteed by law. With the exception of the check mark required on page one of the survey, there should not be any indication of your identity on this document. Attempts to elicit information about your responses to this survey should be reported to the Grand Jury immediately. Using the enclosed, self addressed envelope, please return your completed survey by January 5, 2001. Thank you for your participation.

Attachment A

HOSPITAL MANAGEMENT AND LEADERSHIP SURVEY

GENERAL INFORMATION

- Which group best describes you? Management/Supervision:
- Rank-and-File Medical:
- Rank-and File Staff Support:

1. Does the Hospital Management Team provide meaningful **EXPECTATIONS AND DIRECTION** to Rank-and-File employees?

Virtually Always (The Management Team nearly always provides clear, understandable and concise expectations and direction.)	<input type="checkbox"/> 7	<input type="checkbox"/> 6	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	Virtually Never (The Management Team rarely, if ever, provides clear, understandable and concise expectations and direction.)
---	----------------------------	----------------------------	----------------------------	----------------------------	----------------------------	----------------------------	----------------------------	---

Comments:

2. What is the level of commitment to **ORGANIZATIONAL PRIORITIES, GOALS, AND OBJECTIVES** displayed by the Hospital Management Team?

Very Supportive (The Management Team uniformly and consistently sets an example of the highest commitment to, and support for priorities, goals, and objectives)	<input type="checkbox"/> 7	<input type="checkbox"/> 6	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	Very Unsupportive (The Management Team members frequently and openly display an unmistakable lack of commitment to, and support for priorities, goals, and objectives.)
--	----------------------------	----------------------------	----------------------------	----------------------------	----------------------------	----------------------------	----------------------------	---

Attachment A

Comments:

Attachment A

3. What is the level of commitment to **ORGANIZATIONAL PRIORITIES, GOALS? AND OBJECTIVES** displayed by Rank-and-File employees?

Very Supportive
(Rank-and-File employees uniformly and consistently set an example of the highest commitment to, and support for, priorities, goals, and objectives)

7 6 5 4 3 2 1

Very Unsupportive
(Rank-and-File employees frequently and openly display an unmistakable lack of commitment to, and support for, priorities, goals, and objectives.)

Comments:

4. What is the **LEVEL OF CONSISTENCY** among members of the Hospital Management Team in the application of policy and procedure?

Very High
(Members of the Management Team are very consistent in their interpretation and application of policy and procedure.)

7 6 5 4 3 2 1

Very Low
(The Management Team displays a wide variation among members in the interpretation and application of policy and procedure.)

Comments:

Attachment A

5. Are **DISCIPLINARY ACTIONS AND ENFORCEMENT OF POLICIES AND PROCEDURES** conducted fairly and impartially by the Hospital Management Team?

Virtually Always
(Disciplinary action is consistently meted out in a uniform and impartial manner, regardless of the person(s) involved; all policies and procedures are applied fairly and consistently, with respect to all employees.)

7 6 5 4 3 2 1

Virtually Never
(Disciplinary action is rarely meted out in a uniform and impartial manner; personalities take precedence over fairness and procedures are frequently applied in an arbitrary and inconsistent manner.)

Comments:

6. Does the Hospital Management Team **ROUTINELY SOLICIT INPUT** from Rank-and-File employees on issues and problems affecting their day-to-day operations?

Virtually Always

7 6 5 4 3 2 1

Virtually Never

Comments:

Attachment A

7. Please rate the **LEVEL OF TRUST** between the Hospital Management Team and Rank-and-File employees.

Very Positive
(There is a very high degree of confidence and trust between the Management Team and the Rank-and-File employees; ideas and concerns are openly and freely exchanged.)

7 6 5 4 3 2 1

Very Negative
(There is minimal confidence and trust between the Management Team and Rank-and-File employees; free expression of ideas and concerns is severely limited by overreaction and/or fear of reprisal.)

Comments:

8. How effective is the **LEVEL OF COMMUNICATION** between the Hospital Management Team and Rank-and-File employees?

Very Effective
(Open, honest, and free-flowing.)

7 6 5 4 3 2 1

Very Ineffective
(Guarded, cautious, and suppressed.)

Comments:

Attachment A

9. Are **SPECIAL ASSIGNMENTS** made fairly and impartially by the Hospital Management Team?

Virtually Always
(All appointments are based solely on the best possible fit between the assignment and the employee, considering only factors such as the qualifications of the employee, and the needs of the Hospital.)

7 6 5 4 3 2 1

Virtually Never
(Few appointments are based solely on the degree to which the employee fits the assignment; instead, personalities, politics, and favoritism play a disproportionately large role in these appointments.)

Comments:

10. Does the Hospital Management Team **RECOGNIZE AND GIVE CREDIT** to Employees for accomplishments? Is your work appreciated?

Virtually Always
(The Management Team nearly always provides prompt recognition for employee accomplishments. Great care is taken to assure that individuals receive appropriate credit for their achievements. My personal efforts are highly appreciated.)

7 6 5 4 3 2 1

Virtually Never
(The Management Team rarely, if ever, acknowledges even the most significant employee accomplishments. Individual effort is often overlooked and major achievements may go totally unrecognized. My personal efforts are not well appreciated.)

Comments:

Attachment A

11. Does the Hospital Management Team routinely provide **ASSISTANCE AND GUIDANCE** to Rank-and-File employees?

Virtually Always
(The Management Team nearly always anticipates the need for, and provides thoughtful, helpful, and valuable assistance and guidance to all employees.)

7 6 5 4 3 2 1

Virtually Never
(The Management Team rarely, if ever, recognizes the need for, and/or provides helpful assistance and guidance, even when employees actively solicit it.)

Comments:

12. Does Hospital Management create an atmosphere which encourages and provides opportunity for **GROWTH AND DEVELOPMENT**?

Virtually Always
(The growth and developmental needs of all employees are recognized and acted upon to the greatest extent possible.)

7 6 5 4 3 2 1

Virtually Never
(Employee growth and developmental needs are either ignored or acted upon in a haphazard or biased manner.)

Comments:

Attachment A

13. Does the Hospital Management Team provide **OBJECTIVE, FAIR, AND ACCURATE EVALUATIONS** of Rank-and-File performance?

Virtually Always
(Rank-and-File employee performance evaluations are always thorough, accurate and objective.)

7 6 5 4 3 2 1

Virtually Never
(Rank-and-File employee performance evaluations are all too often weak, biased and unsubstantiated.)

Comments:

14. To what degree is the Hospital Management Team **COMMITTED TO SERVING THE NEEDS OF PATIENTS?**

Maximally
(The personal actions of all members of the Management Team reflect an unwavering service orientation.)

7 6 5 4 3 2 1

Minimally
(The personal actions of the Management Team members reflect a clear absence of a service orientation.)

Comments:

Attachment A

15. To what degree are Rank-and-File employees **COMMITTED TO SERVING THE NEEDS OF PATIENTS?**

Maximally
(The personal actions of all Rank-and-File employees reflect an unwavering service orientation.)

7 6 5 4 3 2 1

Minimally
(The personal actions of many Rank-and-File employees reflect a clear absence of a service orientation.)

Comments:

16. What is the overall **LEVEL OF TEAMWORK** between the Hospital Management Team and the Rank-and-File employees?

Very United
(The Management Team and the Rank-and-File employees consistently work together to solve mutual problems and achieve common goals and objectives.)

7 6 5 4 3 2 1

Very Divided
(Few, if any, of the Management Team members and the Rank-and-File employees are committed to working together to solve mutual problems and meet common goals.)

Comments:

Attachment A

17. What is the **QUALITY OF LEADERSHIP** displayed by the Hospital Management Team?

Very Effective
(The Management Team consistently assumes personal responsibility for their actions, considers the needs of the Hospital and their subordinates before taking action, and provides positive, fair and effective leadership.)

7 6 5 4 3 2 1

Very Ineffective
(The Management Team frequently tries to blame others for their actions, fails to consider the needs of the Hospital and their subordinates before taking action, and all too often, provides negative, biased and ineffective leadership.)

Comments:

18. Overall, I would rate the **HOSPITAL OPERATION** as:

Outstanding

7 6 5 4 3 2 1

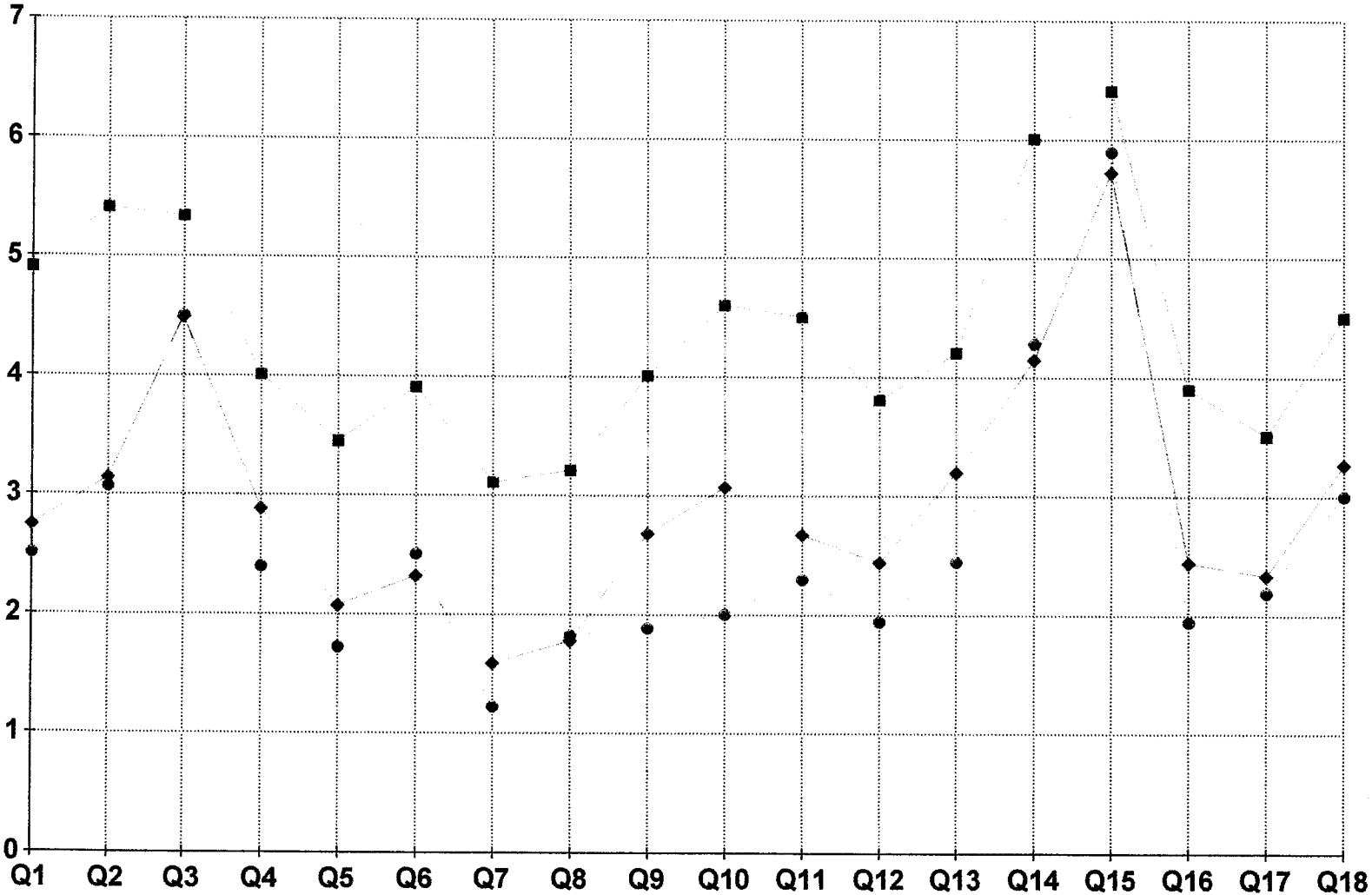
Very Poor

Comments:

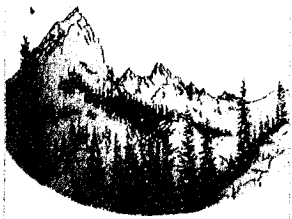
COMBINED RESPONSES

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18
Management	4.9	5.4	5.33	4	3.44	3.9	3.1	3.2	4	4.6	4.5	3.8	4.2	6	6.4	3.89	3.5	4.5
Medical Staff	2.73	3.13	4.48	2.87	2.06	2.31	1.58	1.77	2.67	3.06	2.66	2.43	3.19	4.14	5.71	2.43	2.32	3.26
Support Staff	2.5	3.06	4.5	2.39	1.72	2.5	1.22	1.82	1.88	2	2.29	1.94	2.44	4.28	5.89	1.94	2.18	3
	E	G	G	C	F	I	T	C	S	R	A	G	F	P	P	T	L	O
	X	O	O	O	A	N	R	O	P	E	S	R	A	A	A	E	E	V
	P	A	A	N	I	P	U	M	E	C	S	O	I	T	T	A	A	E
	E	L	L	S	R	U	S	M	C	O	I	W	R	I	I	M	D	R
	C			I		T	T	U	I	G	S			E	E	W	E	A
	T	C	C	S	D			N	A	N	T	&	E	N	N	O	R	L
	S	O	O	T	I	F		I	L	I	&		V	T	T	R	S	L
		M	M	E	S	R		C		T	G	D	A			K	H	
	&	M	M	N	C	O		A	A	I	U	E	L	C	C		I	O
		I	I	C	I	M		T	S	O	I	V	U	O	O		P	P
	D	T	T	Y	P			I	S	N	D	E	A	M	M			E
	I				L	R		O	I		E	L	T	M	M			R
	R	M	R		I	&		N	G				I	I	I			A
	E	G	&		N	F			N		T	F	O	T	T			T
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Attachment B																		

COMBINED RESPONSE AVERAGES



■ Management ◆ Medical Staff
● Support Staff ●



A Service of Trinity County

TRINITY HOSPITAL BOARD OF DIRECTORS

July 20, 2001

Honorable John K. Letton, Presiding Judge
Trinity County Superior Court
P.O. Box 1258
Weaverville, CA 96093

Re: 2000-2001 Trinity County Grand Jury Report
Health Committee – Hospital Survey

Dear Judge Letton:

The purpose of this correspondence is to comply with California Penal Code Sections 933 and 933.05(f), that in pertinent part require written response to the findings and recommendations of the 2000-2001 Trinity County Grand Jury Report. This response is on behalf of the Trinity Hospital Board of Directors.

GENERAL OVERVIEW:

The Hospital Administrator, in a joint reply with the hospital board of directors, challenged the Grand Jury findings to the 1999-2000 Grand Jury final report on the basis that the findings lacked objectivity, and methods used to evaluate management failed to include a large enough or diverse enough sample group.

The Grand Jury Health Committee obtained and modified a survey instrument designed to measure eighteen aspects or dimensions of the management process.

FINDINGS: We neither agree nor disagree with the findings. The information presented in the survey results has almost no positive comments. To be completely objective the raw data should be presented.

RECOMMENDATIONS: Hospital Administrator David Yarbrough has submitted his resignation. Recruitment of a new hospital administrator is in progress. Upon hire, the new administrator will be provided with a copy of the Grand Jury report and will be directed to review communication, leadership and team building skills of the hospital management staff.

We understand and appreciate the importance of effective leadership, particularly in the complex area of health care. To that end, we have assured that communication and recognition systems are in place. These systems include, but are not necessarily limited to, the following:

- Departmental staff meetings
- Departmental newsletters
- Departmental communication books
- Employee bulletin boards
- Publication of a hospital-wide employee newsletter, *The Page*
- Availability of meeting minutes (hospital board of directors, medical staff, hospital management team, county board of supervisors).
- Employee recognition programs (commendation memoranda, Employee of the Month, Employee of the Year, service pins).

We will work closely with the new administrator to assure that these existing systems are utilized appropriately.

RECEIVED

JUL 25 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

Page two
Honorable John K. Letton

One final observation: the employees of the hospital are unionized and have a formal grievance procedure. To my knowledge this has never been used to address these leadership and communication issues.

Sincerely,

A handwritten signature in cursive script that reads "Robert E. Flint".

Robert E. Flint
Chairman of the Trinity Hospital
Board of Directors

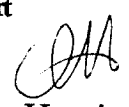
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SEP 13 2001

Memorandum SUPERIOR COURT JUDGE'S CHAMBERS

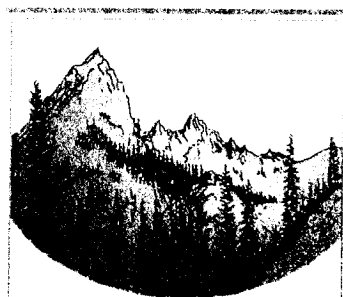
To: The Honorable John K. Letton
Presiding Judge of the Superior Court

From: David T. Hughes, FACHE
Chief Executive Officer, Trinity Hospital



Date: September 12, 2001

Re: Response to the recommendations of the 2000-01 Grand Jury
Health Committee



A Service of Trinity County

Finding # 1:

I wholly agree.

Recommendation # 1:

Has been implemented.

This problem has been resolved by replacing the hospital administrator. A management style, which is less controlling and more decentralized and empowering, has had a positive affect on both the employees and the medical staff. Morale is higher and the level of trust between management and the employees has greatly improved.



TRINITY COUNTY

OFFICE OF THE COUNTY ADMINISTRATOR

Administration — Human Resources — Risk Management

Grant Management — Information & Technology

P. O. Box 1613 Weaverville, CA 96093-1613

County Administrator Phone: (530) 623-1382

Human Resources Phone (530) 623-1325 FAX (530) 623-4222

JEANNIE NIX-TEMPLE, County Administrative Officer

To: Honorable John K. Letton, Presiding Judge of the Superior Court

From: *Jeannie Nix-Temple*
Jeannie Nix-Temple, County Administrative Officer

Date: August 3, 2001

Re: Trinity County Grand Jury Report 2000-2001 Hospital Survey

In my role as County Administrative Officer, I have been asked to respond to the Grand Jury's report on Hospital Survey. My response is as follows:

Findings:

I agree that the findings accurately document the results of the survey.

Recommendations:

The recommendation will not be implemented. It is not warranted because the former hospital administrator resigned. All grand jury reports will be available for the new administrator to review.

RECEIVED

AUG 10 2001

SUPERIOR COURT
JUDGE'S CHAMBERS



TRINITY COUNTY

BOARD OF SUPERVISORS
P.O. Drawer 1613 (530) 623-1217
WEAVERVILLE, CALIFORNIA 96093

Dero B. Forslund, Clerk
Jeannie Nix-Temple, County Administrative Officer

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: Trinity County Board of Supervisors

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Health Committee Final Report
Hospital Survey

DATE: November 13, 2001

RECEIVED
DEC 11 2001
SUPERIOR COURT
JUDGE'S CHAMBERS

The Grand Jury Health Committee has requested a written response to their Final Report on the Hospital Survey. The Board of Supervisors responds as follows:

Findings: The Board agrees that the results of the Hospital Survey are valid as indicators of the attitudes of the Hospital employees at the time the Survey was taken.

Conclusions: While the Grand Jury's conclusions address trust and two-way communications, their thrust is primarily aimed at the negative influence of a Hospital Administrator who is no longer in the employment of Trinity County. As such, the conclusions are invalid in considering our present situation.

Recommendation: The Grand Jury recommendation to the Trinity Hospital Board of Directors to require the Administrator to develop a remedial action plan to improve management styles has been overtaken by events.

The Board of Supervisors thanks the Grand Jury for their effort. The Hospital Survey was well done, objective, and perhaps contributed to the improvements at the Hospital.

Thank you for the opportunity to respond.

Sincerely,

R. Berry Stewart, Chairman
Trinity County Board of Supervisors

TRINITY COUNTY GRAND JURY

2000-2001

FILED

JUN 12 2001

DR

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK**

**JUDICIAL COMMITTEE
FINAL REPORT**

CITIZEN COMPLAINT

**This report was approved
On April 10, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
JUDICIAL COMMITTEE
FINAL REPORT**

CITIZEN COMPLAINT

PURPOSE:

To investigate the allegations made by a citizen.

BACKGROUND:

The citizen complained that a male subject had given her 15 year old daughter drugs in May of 2000. Complainant had gone to the District Attorney's office many times and states no action had been taken.

METHOD OF INVESTIGATION:

The 2000-2001 Trinity County Grand Jury Judicial Committee met with the District Attorney and a Deputy District Attorney. The Judicial Committee was advised that there was insufficient evidence to file a criminal complaint.

FINDING #1:

None.

RECOMMENDATION:

In the District Attorney's opinion there is lack of evidence to support a criminal complaint.

CONCLUSION:

There is no further investigation planned by the Grand Jury.

TRINITY COUNTY GRAND JURY

2000-2001

FILED

JUN 12 2001

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK**

DR

**JUDICIAL COMMITTEE
FINAL REPORT**

CITIZEN COMPLAINT

**This report was approved
On February 13, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
JUDICIAL COMMITTEE
FINAL REPORT**

CITIZEN COMPLAINT

PURPOSE:

To continue the investigation of a citizen complaint filed with the 1999-2000 Trinity County Grand Jury.

BACKGROUND:

The complainant charged that during his criminal trial for 242PC (Assault & Battery) the district Attorney rubber stamped everything, and that the district Attorney violated the Discovery Request, and also charged that the District Attorney Investigator intimidated two witnesses.

The 1999-2000 Trinity County Grand Jury found that the complainant was found guilty at the criminal trial and was in the process of a civil trial regarding same, and tabled further investigation pending the outcome of the civil trial.

Method of Investigation:

The 2000-2001 Trinity County Grand Jury obtained court records pertaining to complainants criminal and civil trials. Contacted and spoke with the complainants council who represented the complainant at the criminal trial.

Finding #1:

The 2000-2001 Trinity County Grand Jury, doing its own investigation, per section 939.9 California Penal Code, ascertained that the complainant was engaged in a disturbance in a bar in Trinity County. The complainant was charged with 242PC (Assault & Battery), and on December 22, 1999, a jury trial was conducted and the complainant was found guilty and sentenced to 20 days and fined \$826.00. At this trial the complainant was represented by counsel.

The previously mentioned civil trial was filed by the victim of the assault, suing the complainant for damages and medical costs.

On April 25, 2000, the civil trial was held. The plaintiff (victim) was represented by counsel and the complainant chose in propria persona (representing himself). The complainant was found guilty and order to pay special damages of \$1781.85, and general damages in the sum of \$7500.00, for a total of \$9281.85. Court case #99CV014

The complainants council stated that he had no knowledge of two witnesses being harassed and no knowledge of a Discovery Violation "if there would have been I would have called it to the courts attention and asked for a continuance".

RECOMMENDATION:

None

CONCLUSION:

In view of this investigation a letter was sent to the complainant that we, the 2000-2001 Trinity County Grand Jury, can find no merit to the complaint.

OFFICE OF THE
DISTRICT ATTORNEY
COUNTY OF TRINITY

DAVID L. CROSS
District Attorney

W. JAMES WOODS, Deputy D.A.
JEANETTE PALLA, Deputy D.A.
MICHAEL L. MOCK, Deputy D.A.
ERIC L. HERYFORD, Deputy D.A.



101 Court Street, Courthouse
Post Office Box 310
Weaverville, California 96093
(530) 623-1304 (Main Office)
(530) 623-1306 (Family Support)
FAX # 530-623-2865

June 22, 2001

JOHN K. LETTON
Superior Court Judge
P.O. Box 1117
Weaverville, CA 96093

RECEIVED
JUL - 9 2001
SUPERIOR COURT
JUDGE'S CHAMBERS

RE: RESPONSE TO 2000-2001 GRAND JURY REPORT
(Citizen Complaint)

Dear Honorable Judge Letton:

In response to the Court Executive Officer's memo of June 22, 2001, regarding the above, I agree with the findings and recommendations.

Sincerely,

DAVID L. CROSS
District Attorney

DLC:ph

TRINITY COUNTY GRAND JURY

2000-2001

FILED

MAY - 7 2001

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK**

**JUDICIAL COMMITTEE
FINAL REPORT**

SHERIFF'S DEPARTMENT

**This report was approved
On April 10, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
JUDICIAL COMMITTEE
FINAL REPORT**

SHERIFF'S DEPARTMENT

PURPOSE:

The Grand Jury periodically reviews each county department as it deems necessary.

BACKGROUND:

For the past several years Trinity County Grand Juries have noted and reported the shortage of sheriff deputies assigned to the patrol section of the sheriff's department.

The 2000-2001 Trinity County Grand Jury questioned if there is still such a need for additional deputies.

METHOD OF INVESTIGATION:

Interviews were conducted with the Sheriff and a Trinity County Supervisor. Information was also received from the Under Sheriff.

FINDING #1:

The Sheriff reports that the patrol section of the Sheriff's Department is understaffed. Due to the lack of personnel there are times when there are no deputies on patrol. It is believed that due to the financial situation in Trinity County, the low salary offered to new deputies is keeping the hiring of them to a minimum. The meeting with the county supervisor confirmed this belief.

RECOMMENDATION #1:

It would be desirable to have an increase in the hiring of new deputies.

CONCLUSION:

After the initial judicial committee interview with the sheriff there was a salary increase granted for deputies. The under sheriff reported that three new deputies have been hired, and further reports that deputy salaries are still not sufficient to attract transfers from other police agencies.



TRINITY COUNTY SHERIFF'S DEPARTMENT

P.O. BOX 1228, WEAVERVILLE, CA 96093 Phone: (530) 623-2611

PAUL SCHMIDT, Sheriff
CHARLES DOWNEN, Undersheriff

June 20, 2001

TO: The Trinity County Board of Supervisors
The Trinity County Grand Jury

FROM:  Paul Schmidt, Sheriff

SUBJECT: Response to Judicial Committee Report

RECEIVED
JUN 29 2001
SUPERIOR COURT
JUDGE'S CHAMBERS

I offer my sincerest thanks to the 2000-2001 Grand Jury for their diligence and commitment in compiling their report.

The Sheriff's Department is, as the Grand Jury noted, understaffed. In the late 1980's the Sheriff's Office was allocated twenty-one General Fund deputy positions and three sergeants who were assigned to crime prevention duties (patrol). Due to the loss of General Fund dollars those numbers have eroded to the current level of eight and one-half patrol deputies and two patrol sergeants.

In addition to the loss of County funded deputies cut in prior years, four patrol positions funded by federal grants that run out this year are in question. If new revenue sources are not identified we are in danger of losing them. This would be a terrible setback for public safety in Trinity County.

The jail has come under fire recently by the State Board of Corrections for inadequate staffing. The County agreed with Board of Corrections stipulations for adequate jail staffing when the jail was constructed with state bond money. The County continues to refuse my request to fill the fifteenth correctional officer position that was cut several years ago that would bring staffing up to minimum levels.

I have been advised by the County Administrative Officer's office that the county is in the neighborhood of 1.8 million dollars short of budget requests from county departments this year and of that amount the Sheriff's Office is expected to cut \$500,000.00. If this in fact happens it will drastically change the way we do business. Of course in-progress calls or crimes against persons would still receive attention as quickly as possible, but other calls may require an appointment or mail-in report.

Response times could be slower than they are now. This is already a frustration for my staff and the public

TRINITY COUNTY GRAND JURY

2000-2001

FILED

AUG 17 2001

SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK

DR

**JUDICIAL COMMITTEE
FINAL REPORT**

TRINITY COUNTY DETENTION FACILITY

**This report was approved
On March 13, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
JUDICIAL COMMITTEE
FINAL REPORT**

TRINITY COUNTY DETENTION FACILITY

PURPOSE:

Penal Code Section 919(b) mandates that the Grand Jury inquire into the condition and management of all public prisons within the county.

BACKGROUND:

The State Board of Corrections classifies the Trinity County Jail as a Type Two facility. The jail is used to detain persons who are awaiting or undergoing trial, and those who have been sentenced to serve time there.

METHOD OF INVESTIGATION:

Members of the Judicial Committee toured the jail on September 19, 2000, and reviewed the following listed supporting material:

- Deputy State Fire Marshal's Reports.
- California Medical Association/Institute for Medical Qualities Committee on Corrections and Detention Health Care Report.
- State of California Board of Corrections report.

FINDINGS:

The Trinity County jail is in compliance with the requirements of the California State Department of Corrections.

RECOMMENDATION:

None.

CONCLUSION:

Judicial committee members were impressed with the excellent condition and management of the Trinity County Jail.

RESPONSE REQUEST FROM :

Trinity County Sheriff, Trinity County Board of Supervisors.



TRINITY COUNTY SHERIFF'S DEPARTMENT

P.O. BOX 1228, WEAVERVILLE, CA 96093 Phone: (530) 623-2611

PAUL SCHMIDT, Sheriff
CHARLES DOWNEN, Undersheriff

October 26, 2001

RECEIVED
OCT 30 2001
SUPERIOR COURT
JUDGE'S CHAMBERS

TO: Trinity County Grand Jury
Superior Court Judge
Trinity County Board of Supervisors

FROM:  Paul Schmidt, Sheriff

SUBJECT: 2000-2001 Trinity County Grand Jury Judicial Committee
Final Report: Trinity County Detention Facility

I would like to express my thanks to the Grand Jury for their care in preparing this report.

At the time of the Grand Jury's inspection of the facility we had not yet received our biennial inspection report from the State Board of Corrections. The Board of Corrections noted that the facility was out of compliance with state standards due to a lack of personnel.

With the additional Correctional Officer position allocated by the Board of Supervisors we should now be in compliance with Board of Corrections staffing requirements.



TRINITY COUNTY

SUPERIOR COURT
P.O. Box 1258 (530) 623-1208
Weaverville, California 96093-1258

December 10, 2001

Berry Stewart, Chairman
Trinity County Board of Supervisors
P.O. Box 1258
Weaverville, CA 96093

Charley Fitch, Foreperson
2001-2002 Trinity County Grand Jury
P.O. Box 1117
Weaverville, CA 96093

RE: Response to 2000-2001 Trinity County Grand Jury
Final Report on the *Sheriff's Department – Trinity County Detention Facility*

I agree with the Findings and the Conclusion of the 2000-2001 Trinity County
Grand Jury Final Report on the Trinity County Detention Facility.

Very truly yours,



JOHN K. LETTON
Presiding Judge of the Superior Court

cc: Paul Schmidt, Sheriff
Anthony C. Edwards, Judge of the Superior Court

Anthony Edwards
Superior Court Judge

John K. Letton
Superior Court Judge



TRINITY COUNTY

BOARD OF SUPERVISORS
P.O. Drawer 1613 (530) 623-1217
WEAVERVILLE, CALIFORNIA 96093

Dero B. Forslund, Clerk
Jeannie Nix-Temple, County Administrative Officer

RECEIVED

DEC 11 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: Trinity County Board of Supervisors *B. Berry Stewart*

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Judicial Committee Final Report on the
Trinity County Detention Facility

DATE: November 30, 2001

The Grand Jury Judicial Committee has requested a written response to their final report on the Trinity County Detention response is as follows:

Finding #1: *The Trinity County jail is in compliance with the requirements of the California State Department of Corrections*

Response: The Board of Supervisors agrees with the finding.

Conclusion: *Judicial committee members were impressed with the excellent condition and management of the Trinity County Jail.*

Response: The Board of Supervisors agrees with the Grand Jury's conclusion. The Trinity County Jail is in excellent condition and is being well managed.

JNT:wt

TRINITY COUNTY GRAND JURY

2000-2001

FILED

JUN 29 2001

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY**

BY: DONNA REGNANI, DEPUTY CLERK *DR*

**SPECIAL DISTRICTS COMMITTEE
FINAL REPORT**

TRINITY COUNTY SPECIAL DISTRICTS

**This report was approved
On June 12, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
SPECIAL DISTRICTS COMMITTEE
FINAL REPORT**

TRINITY COUNTY SPECIAL DISTRICTS

PURPOSE:

The 2000-2001 Grand Jury is authorized to investigate and report upon the method or system of performing the duties, i.e., the operational procedures, of any Special District in the County.

However, the Grand Jury's role does not include investigation or comment upon the merit, wisdom or expediency of any policy determination made by the governing board of the District. (Penal Code 933; 64 Operations of the Attorney General 900)

BACKGROUND:

Special Districts operate under a locally elected or appointed independent board of directors.

The "Brown Act" ensures that meetings of Special Districts be open and public.

Special Districts are a unique and independent form of government where the health and strength of the District often depends on the volunteer efforts of its members.

The following are limiting factors:

1. The Board of Directors and other members of each district.
2. Local Agency Formation Commission (LAFCO).
3. Government Code.
4. Community interaction.
5. Grand Jury.

Special Districts serve the needs of the people as an extension of County government.

Grand Jury members may seek to examine records of a District, which are by definition, public record. The District Attorney, County Counsel and the Superior Court Judge serve as advisors to the Grand Jury.

METHODS OF INVESTIGATION:

A questionnaire was sent to all 17 Special Districts in Trinity County. Copies of the most current audit for each Special District, if available, were obtained and reviewed.

The Trinity County Auditor/Controller was interviewed.

Members of the Grand Jury Special District Committee attended meetings of sixteen of seventeen Special District Boards of Directors meetings. A list of questions that were prepared by Grand Jury members was used to interview each Special District Board at meetings attended.

FINDING & CONCLUSION #1:

The Grand Jury finds that all sixteen Special Districts of Trinity County are complying with the rules and regulations as set forth by Government Codes, with the following exceptions. The Grand Jury members were unable to attend the Post Mt. C.S.D. due to scheduling difficulties of the Grand Jury members. No determination could be made regarding Post Mt. C.S.D.'s compliance with the rules and regulations and no reasons for concern have been found.

The committee reviewed fourteen audits provided by the Special Districts. All of these audits were acceptable, with one exception which was a lack of inventory accounting.

The remaining three Special Districts who did not present an audit are Greater Hayfork Valley Park & Recreation District, Salyer Community Service District and Lewiston Community Service District. The Lewiston C.S.D. did not have an audit prepared as all of their financial records were burned and lost during the Lowden Fire. They have not yet been able to reconstruct these records. However, members of the Grand Jury learned from the Lewiston C.S.D. they have been in compliance in the past and intend to be in the future.

The remaining two Special Districts are not, at this time, in compliance with Section 26909 of the California Government Code. It is the responsibility of the County Auditor/Controller to oversee these audits or where no audit has been completed to arrange for one to be completed.

RECOMMENDATION #1:

The County Auditor/Controller should oversee the audits of the Special Districts and take any actions needed to bring all the Special Districts into compliance.

FINDING & CONCLUSION #2:

All Special Districts are an extension of County government providing services to localized areas. Some Special Districts (e.g., sewer, water and power) charge user fees.

The smaller, non-user fee Special Districts are struggling to maintain their budgets for essential services. These are services that are outside the present County services but are services that help the citizens of the County maintain health and safety.

County officials have little contact and information relative to the Special Districts.

Special District Board members generally work independent of support from County officials.

The County is presently assisting some Special Districts through the newly established Grants Office by locating some grants to assist Special Districts develop or improve their resources. The county is also assisting some Special Districts through distribution of discretionary Emergency Medical Service Funds. These are being disbursed to fire and rescue service districts to help defray some of their costs.

RECOMMENDATION #2:

It is commendable that the Board of Supervisors has provided the services of the Grants Office and Emergency Medical Services Funds to assist the Special Districts. Any additional assistance to the Special Districts by similar support is encouraged.

The Board of Supervisors should continue to look for ways to financially assist non-service fee Special Districts.

SUMMARY:

County government does have a potential role in supporting the 17 Special Districts that provide services to the communities and citizens of Trinity County.

The individual Board of Supervisor members should monitor the needs of the smaller Special Districts and consider ways that the County can assist them to continue to provide beneficial services to the local communities.

This Grand Jury recognizes the dedication and services of the many volunteers that make up the Special Districts within Trinity County. Without their hours of service most of the Special Districts would not continue to operate at high levels. This Grand Jury says thank you. We also believe the Board of Supervisors should consider a commendation for the many volunteers involved.

RESPONSE REQUESTED FROM:

Trinity County Board of Supervisors, County Auditor/Controller, Salyer C.S.D., Greater Hayfork Park & Recreation District.

RECEIVED

JUL 10 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

July 1, 2001

Superior Court Judge
PO Box 1117
Weaverville, CA 96093

Thank you for the opportunity to respond to the
2000-2001 Grand Jury Report for the Greater
HAYFORK Park and Recreation District

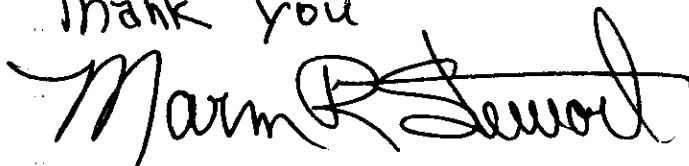
Recommendation # 1

Response: I agree that the County Auditor/Controller should
oversee the audits of special districts. Since our
operating budget is approximately \$19,000, we would
request a conference as to how this is to be accomplished.

Recommendation # 2

Response: I agree that the Board of Supervisors
continue to look for ways to financially assist non-service
fee Special Districts

Thank you



Dr MARVIN Stewart, President
Greater Hayfork Park & Recreation District Board of Trustees



TRINITY COUNTY


BRIAN E. MUIR, COUNTY AUDITOR-CONTROLLER
P.O. BOX 1230, WEAVERVILLE, CALIFORNIA 96093-1230
PHONE (530) 623-1317 FAX (530) 623-1323

RECEIVED

JUL - 9 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

MEMORANDUM

DATE: July 5, 2001
TO: John K. Letton, Presiding Judge of the Superior Court
FROM: Brian Muir, Auditor / Controller 
SUBJECT: 2000-2001 Trinity County Grand Jury Report
Trinity County Special Districts

The following response is provided as requested in the above report:

Recommendation #1

In October of 2000 the Auditor/Controller's office informed all the special districts of the Government Code requirement that they obtain a financial audit. Since the County's outside audit firm's quote to conduct an audit of a special district is quite expensive and since I am aware that our special districts have limited funds, I will give the districts every opportunity to contract with a local firm. However, if a district fails to obtain an audit on its own, I will contract for an audit and charge the special district as required by the Government Code.

Recommendation #2

I agree.



TRINITY COUNTY

BOARD OF SUPERVISORS

P.O. Drawer 1613 (530) 623-1217
WEAVERVILLE, CALIFORNIA 96093

Dero B. Forslund, Clerk

Jeannie Nix-Temple, County Administrative Officer

RECEIVED

OCT - 9 2001

**SUPERIOR COURT
JUDGE'S CHAMBERS**

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: *R. Berry Stewart*
R. Berry Stewart, Chairman
Trinity County Board of Supervisors

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Special Districts Committee Trinity County Special Districts Final Report

DATE: October 2, 2001

The Grand Jury Special Districts Committee has requested a written response to their final report on the Trinity County Special Districts. In my capacity as Chairman, and on behalf of the Trinity County Board of Supervisors, my response is as follows:

Finding & Conclusion #1: We agree with the finding and conclusion, and are pleased that, generally, our special districts are complying with the rules and regulations set forth by the Government Code.

Recommendation #1: The recommendation has been implemented. The Office of the Auditor/Controller has informed all special districts within the County of their need to comply with Government Code. If a district fails to obtain an audit on its own the Auditor is prepared to contract for the audit and charge the special district as required by the Government Code.

Finding & Conclusion #2: We agree with the finding and conclusion.

Recommendation #2: The recommendation has been, and will continue to be implemented to the extent that the Board is able to assist the districts in locating and obtaining financial assistance.

Summary: We agree with the Grand Jury's summary. The many volunteers that make up our special districts are a valuable asset to their individual communities and our County as a whole. They are to be commended.

RBS:wt

TRINITY COUNTY GRAND JURY

FINAL REPORT

2000 - 2001

SPECIAL INVESTIGATION COMMITTEE



TRINITY COUNTY

TRINITY COUNTY GRAND JURY

P.O. Box 1117

Weaverville, CA 96093

Phone: (530) 623-1369

Confidential Mail: P.O. Box 2308

NOTICE

THE GRAND JURY HAS RECEIVED TWO UNSOLICITED RESPONSES TO THE REPORT TITLED-- GENERAL SERVICES CONTRACTING. THE GRAND JURY HAS ELECTED TO ONLY PUBLISH THE REQUIRED RESPONSES IN THE FINAL REPORT.

CHARLEY FITCH, FOREMAN

2001-2002 TRINITY COUNTY GRAND JURY

TRINITY COUNTY GRAND JURY

2000-2001

FILED

JUL 10 2001

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK**

DR

**SPECIAL INVESTIGATION COMMITTEE
FINAL REPORT**

GENERAL SERVICES CONTRACTING

**This report was approved
On June 12, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
SPECIAL INVESTIGATIONS COMMITTEE
FINAL REPORT**

GENERAL SERVICES CONTRACTING

PURPOSE:

The Grand Jury investigates, as it deems appropriate, complaints received regarding the operation of Trinity County departments.

BACKGROUND:

The 2000-2001 Trinity County Grand Jury received complaints questioning the legality of the County bidding procedures regarding the Yingling waste-hauling contract, the hospital parking lot paving contract and other contracts. This is one of three reports that detail the investigation completed by the Special Investigation Committee of the Grand Jury. The other three reports are 1.) Solid Waste Funds/General Services Office and 2.) Landfill Closure/Sewer Line Construction. All three of these reports are inter-related and should be considered as a whole.

METHOD:

Interviews were conducted with John Whitaker and Barbara Krug of General Services and County Counsel David Hammer. Numerous documents were examined which included contracts, memos and letters regarding the Yingling contract, and the minutes from the Board of Supervisor's meeting.

FINDING AND CONCLUSION #1:

The proper bidding procedure did take place in the initial waste-hauling contract where there were a total of 7 bidders. When bids were opened on 3/29/00 the lowest bidder was Yingling at the rate of \$9.79 per ton. Following the opening of bids Yingling submitted a letter to John Whitaker of General Services, dated 5/2/00, stating that their bid was too low and they desired to raise their bid to \$11.79 per ton. This would still be \$.70 per ton less than the next lowest bidder, Tatanka. No changes in the bid price are allowed by law. On 5/16/00 the contract was awarded to Yingling at the \$9.79 per ton rate. The contract start date was 7/1/00.

The Board of Supervisors on 7/18/00 acted to cancel the original contract with Yingling and have General Services re-bid the waste-hauling contract. On 8/3/00 a second request for bids was mailed. Bids were opened on 9/1/00 with 3 bidders. The lowest bid was Tatanka with \$10.89 per ton, Yingling at \$11.79 per ton, and Bettendorf at \$13.00 per ton. On 9/26/00 a memo from John Whitaker to County Administrative Officer (CAO) Jeannie Nix-Temple proposes to declare Tatanka as a non-responsible bidder due to his poor performance on the previous waste-hauling contract. By a memo to John Whitaker dated 9/29/00, CAO Jeannie Nix-Temple agreed with the proposal to disqualify Tatanka and award the contract to Yingling.

On 11/17/00 the Board of Supervisors approved the award of the waste hauling contract to Yingling for \$11.79 per ton.

The bidding and contract award procedure for the waste haul contract was lengthy, complicated and costly to the County. The costs included administrative costs, labor and the increase in the final contract amount, which includes a \$2 per ton increase for the life of the contract.

RECOMMENDATION #1:

The Board of Supervisors should institute a review of contracting and award procedures with the aim of avoiding the problem (increased costs) as noted above.

FINDING AND CONCLUSION #2:

Some contracts and documents in General Services are not easily accessible, and the exact locations of other documents could not be determined and were thus unavailable for Grand Jury review. By a memo dated 7/31/00 CAO Jeannie Nix-Temple has tried to guarantee that a copy of each contract that the Board of Supervisors approves is maintained in the courthouse. However, this does not address the need for the maintenance and protection of the official contract file, complete with request for bids, bids received, correspondence received, amendments, payments completed and contract closure. This is a very important reference file should any claims be made against the county and is an absolutely essential file for proper contract administration and contract auditing.

RECOMMENDATION #2:

It is recommended that General Services create and use a more efficient system for maintaining documents within the department. Further, the Grand Jury recommends that the CAO take the initiative to determine similar need in other departments within the County government. Lastly, the CAO and BOS should adopt and enforce a countywide policy of maintaining "complete" contract files for at least five years.

FINDING AND CONCLUSION #3:

Over the last few years only one company has completed any roofing contracts with Trinity County General Services. The company is Shelter Roofing. These contracts include work on the Courthouse roof, a second contract dealing with the Veterans Memorial Hall and the library roof, a third contract for the Museum roof, and a fourth contract for the Junction City Community Building, which was administered under the Grants Office.

All of these contracts were appropriately put out for bids and given to the lowest bidder. However, only one bidder appears to be interested in the contracts. One potential reason is that the solicitation is only publicly advertised in The Trinity Journal. It appears there are no larger roofing contractors located in Trinity County for jobs of this size. The

Director of General Services intends to notify the Shasta Builders Exchange on future contracts.

No improprieties were found in this investigation. However, it could not be determined if the County is being beneficially served because of the lack of competition in the bidding process.

RECOMMENDATION #3:

General Services should determine what steps are necessary to acquire a minimum of two or three bids. This might include advertising in additional locations outside of Trinity County. Hopefully actions such as notification of the Shasta Builders Exchange and additional advertising will achieve the need for additional bids.

FINDING AND CONCLUSION #4:

Regarding paving of the hospital parking lot and construction of the MRI pad, the earliest memo located was dated 12/3/99 from hospital personnel to General Services Director John Whitaker. The memo referred to discussions "several weeks back" asking for the promised estimate for the hospital parking lot. A reply three days later from John Whitaker gave a \$50,000 estimate but stated that the planning department needed to be brought in on the discussion.

The next documented discussions were in mid-March 2000. These memos discussed the estimate further, it being "\$46,000 and not \$26,000". On 7/18/2000, Hospital Administrator David Yarbrough requested and received approval from the Trinity County Board of Supervisors to proceed with the construction of the parking lot and MRI Pad for approximately \$100,000 cost. The increased estimated costs were at least partially due to adding the MRI pad, underground utilities and the helicopter pad.

During the next two months it appears that the design and request for bids were completed by county contractor, Lawrence and Associates of Redding, California.

The request for bids was completed by Lawrence and Associates and followed by an amendment on 10/7/2000. Meanwhile, on 10/3/2000, General Services Director John Whitaker appeared before the Board of Supervisors and requested that the bid process be waived due to the short period of time remaining before the winter rains would restrict outside construction activities.

The Board of Supervisors declared an "emergency" and authorized proceeding with the project without bids.

The Director of General Services then authorized the contractor Hoy & Son to do this work at a cost equal to the Lawrence and Associates engineering estimate of \$122,000.

RECOMMENDATION #4:

This Grand Jury believes it is unacceptable for the BOS to have to declare an “emergency” on a somewhat routine project because of expected winter rains. In this case, better coordination between the Hospital and General Services could have averted this “emergency”. Since bids were never received it is impossible to determine if the cost exceeded what could have incurred by competitive bidding. The County should improve the planning and foresight regarding public improvement projects to avoid routine projects becoming “emergency” situations.

RESPONSE REQUESTED FROM:

Trinity County Board of Supervisors, Trinity County Hospital Administrative Officer,
Trinity County General Services Director.



TRINITY COUNTY

GENERAL SERVICES DEPARTMENT
P.O. BOX 2700 -- FAX (530) 623-5015
WEAVERVILLE, CA 96093

RECEIVED

SEP 14 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

September 14, 2001

TO: Honorable John K. Letton
Presiding Judge of the Superior Court

FROM: John Whitaker, General Services Director

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
SPECIAL INVESTIGATION COMMITTEE FINAL REPORT **GENERAL
SERVICES CONTRACTING**

Finding and Conclusion #1: *The proper bidding procedure did take place in the initial waste-hauling contract where there were a total of 7 bidders. When bids were opened on 3/29/00 the lowest bidder was Yingling at the rate of \$9.79 per ton. Following the opening of bids Yingling submitted a letter to John Whitaker of General Services, dated 5/2/00, stating that their bid was too low and they desired to raise their bid to \$11.79 per ton. This would still be \$.70 per ton less than the next lowest bidder, Tatanka. No changes in the bid price are allowed by law. On 5/16/00 the contract was awarded to Yingling at the \$9.79 per ton rate. The contract start date was 7/1/00.*

The Board of Supervisors on 7/18/00 acted to cancel the original contract with Yingling and have General Services re-bid the waste-hauling contract. On 8/3/00 a second request for bids was mailed. Bids were opened on 9/1/00 with 3 bidders. The lowest bid was Tatanka with \$10.89 per ton, Yingling at \$11.79 per ton, and Bettendorf at \$13.00 per ton. On 9/26/00 a memo from John Whitaker to County Administrative Officer (CAO) Jeannie Nix-Temple proposes to declare Tatanka as a non-responsible bidder due to his poor performance on the previous waste-hauling contract. By memo to John Whitaker dated 9/29/00, CAO Jeannie Nix-Temple agreed with the proposal to disqualify Tatanka and award the contract to Yingling.

On 11/17/00 the Board of supervisors approved the award of the waste hauling contract to Yingling for \$11.79 per ton.

The bidding and contract award procedure for the waste haul contract was lengthy, complicated and costly to the County. The costs included administrative costs, labor and the increase in the final contract amount, which includes a \$2 per ton increase for the life of the contract.

Response:

We disagree. Although the procedure was lengthy, the bidding and contract award for the waste haul contract was done exactly as county and state protocols provide.

Recommendation 1.

"The Board of Supervisors should institute a review of contracting and award procedures with the aim of avoiding the problem (increased costs) as noted above."

Response:

We disagree with the finding, the recommendation is not warranted because a review process and award procedures are in place.

The committee's summation of the events was clearer in their draft report. They should have stated that this is a service contract and not a public works contract. Service contracts are not awarded solely on the lowest bid, rather they are judged on the ability to perform, resources, knowledge, experience and dependability.

They would be correct in stating that once the bids are received, no adjustments to the bid can be made if it were a public works contract. However, in this case it is not. General Services requested services not described in the RFP and adjustments were made to compensate. Increased costs associated with this contract are due to additional contract assurances, which include performance bonding for the first year, and responsibility for all trailer maintenance and cleaning. Also of relevance is the increase in fuel costs, which is allowed for in the contract.

Finding & Conclusion #2: *Some contracts and documents in General Services are not easily accessible, and the exact locations of other documents could not be determined and were thus unavailable for Grand Jury review. By a memo dated 7/31/00 CAO Jeannie Nix-Temple has tried to guarantee that a copy of each contract that the Board of Supervisors approves is maintained in the courthouse. However, this does not address the need for the maintenance and protection of the official contract file, complete with request for bids, bids received, correspondence received, amendments, payments completed and contract closure. This is a very important reference file should any claims be made against the county and is an absolutely essential file for proper contract administration and contract auditing.*

Response:

We concur that some documents were not located at the time of the Grand Jury's request. This was due in part to the fact that the employee who archived those files is no longer employed by General Services, and the fact that archived files were maintained in 3 separate buildings. This has been corrected, we are installing a better tracking system and current files are maintained in a central file room onsite. However, Government Code provides that unaccepted bids to proposals, other than public works contracts, may be destroyed after two years.

Recommendation 2.

"It is recommended that General Services create and use a more efficient system for maintaining documents within the department. Further, the Grand Jury recommends that the CAO take the initiative to determine similar need in other departments within the County government. Lastly, the CAO and BOS should adopt and enforce a countywide policy of maintaining "complete" contract files for at least five years."

Response:

We agree partially with the findings, however the committee in their findings and conclusion do not accurately depict how documents are stored and cataloged. When asked to provide documents currently in force or referred to in the CAO memo dated 7/31/00, there was no difficulty in accessing them. These documents are located in our active files, bound, covered and labeled as to their purpose. Off campus storage is used for files not currently active and stored for two to five years. In this area, we do need to do a better job and will institute procedures to do so.

Finding & Conclusion #3: *Over the last few years only one company has completed any roofing contract with Trinity County General Services. The company is Shelter Roofing. These contracts include work on the Courthouse roof, a second contract dealing with the Veterans Memorial Hall and the library roof, a third contract for the Museum roof, and a fourth contract for the Junction City Community Building, which was administrated under the Grants Office.*

All of these contracts were appropriately put out for bids and given to the lowest bidder. However, only one bidder appears to be interested in the contracts. One potential reason is that the solicitation is only publicly advertised in the Trinity Journal. It appears there are no larger roofing contractors located in Trinity County for jobs of this size. The Director of General Services intends to notify the Shasta Builders Exchange of future contracts.

No improprieties were found in this investigation. However, it could not be determined if the County is being beneficially served because of the lack of competition in the bidding process.

Response:

We agree in part, and disagree in part. In the instance of the roofing contractor bids, obtaining competitive bids, proposals or quotations is predicated on the market at the time of the request. As the Grand Jury reports, we have included notice at the Builders Exchange for such requests.

Recommendation 3.

"General Services should determine what steps are necessary to acquire a minimum of two or three bids. This might include advertising in additional locations outside of Trinity County. Hopefully actions such as notification of the Shasta Builders Exchange and additional advertising will achieve the need for additional bids."

Response:

We disagree. There is no requirement to get a minimum of two or three bids. General Services has made every effort to extend our search for bidders; we use the Shasta

Builders Exchange, advertise in the Trinity Journal and in the Record Searchlight when the project warrants it. The recommendation to require 2 or 3 bids before accepting a proposal is not consistent with current contracting requirements and will not be implemented. The size of a project, its' complexity, location, markets, and the availability of contractors determines how many bids will be received. Because only one bid was received is an indication of the market.

Finding & Conclusion #4: *Regarding paving of the hospital parking lot and construction of the MRI pad, the earliest memo located was dated 12/3/99 from hospital personnel to General Services Director John Whitaker. The memo referred to discussions "several weeks back" asking for the promised estimate for the hospital parking lot. A reply three days later from John Whitaker gave as \$50,000 estimate but stated that the planning department needed to be brought in on the discussion.*

The next documented discussions were in mid-March 2000. These memos discussed the estimate further, it being "\$46,000 and not \$26,000." On 7/18/2000, Hospital Administrator David Yarbrough requested and received approval from the Trinity County Board of Supervisors to proceed with the construction of the parking lot and MRI Pad for approximately \$100,000 cost. The increased estimated costs were at least partially due to adding the MRI pad, underground utilities and the helicopter pad.

During the next two months it appears that the design and request for bids were completed by county contractor, Lawrence and Associates of Redding, California.

The request for bids was completed by Lawrence and Associates and followed by an amendment on 10/7/2000. Meanwhile, on 10/3/2000, General Services Director John Whitaker appeared before the Board of Supervisors and requested that the bid process be waived due to the short period of time remaining before the winter rains would restrict outside construction activities.

The Board of Supervisors declared an "emergency" and authorized proceeding with the project without bids.

The Director of General Services then authorized the contractor Hoy & Son to do this work at a cost equal to the Lawrence and Associates engineering estimate of \$122,000.

Response:

We agree in part and disagree in part. Prior to General Services' direct involvement in the planning of the Hospital parking lot, I was given a figure by Hospital staff of \$26,000 to \$50,000 dollars. These estimates were given without a design plan or needs assessment being performed, and only represent a rough figure for asphalt. As the project developed we added an MRI pad, turn around space to accommodate a 48 foot trailer, power transformers, under ground utilities, helicopter pad with lighting, clinic building sidewalks, storage facilities pads, garbage enclosure area, drainage, and grading plans with location of structure and fees paid to special districts. The cost of all the above is correctly stated to

be \$122,000. Since there were no records of the parking lot, asbuilts, or drawings of what existed on site; there were significant delays in the design plan. These delays led to extended times in project approvals and construction. Therefore, the Board of Supervisors approved the contract with Hoy and Sons and waived the bidding process on finding that waiving the bidding procedure was necessary for the protection of public health.

Recommendation 4.

"This Grand Jury believes it is unacceptable for the BOS to have to declare an "emergency" on a somewhat routine project because of expected winter rains. In this case, better coordination between the Hospital and General Services could have averted this "emergency". Since bids were never received it is impossible to determine if the cost exceeded what could have incurred by competitive bidding. The County should improve the planning and foresight regarding public improvement projects to avoid routine projects becoming "emergency" situations."

Response:

We disagree with the finding; the recommendation will not be implemented because it is not warranted or reasonable. The Grand Jury's belief that this project was routine is inaccurate when one considers that it also includes the design and construction of the new clinic building at the hospital. Weather is a major factor; it can delay a project and drive up costs. The statement that "Since bids were never received it is impossible to determine if the cost exceeded what could have incurred by competitive bidding" is inaccurate. The cost could be determined, Hoy & Son Construction were doing similar work on the Juvenile Detention Facility, and the cost estimates done by Lawrence and Associates were in line with costs associated with this competitively bid project. The break down by bidders are: J.F. Shea \$638,213, Herk's Backhoe \$627,523, and Hoy & Son \$534,490. When one takes the cost for each task described in the Juvenile Detention Facility bid and compares them with the parking lot tasks, it can be determined whether or not the costs are competitive. I would suggest that the Grand Jury check the references and experience of their construction consultant.

To assume that a competitively bid project will always benefit the owner is incorrect and erroneous. Although public works contract procedures provide a number of assurances for the owner, such as length of project and liquidated damages, as well as performance, surety, material and labor bonds, it does not necessarily mean that the lowest bidding contractor is competent to do the work he has bid. The illusion that because a contractor is licensed to do the work he is therefore competent is a false one. This is demonstrated in the work performed on the Hayfork sewer project and Phase II, the Office/Shop building.

My preference would be that we do as we have done in the past; and negotiate contracts and pre-qualify all contractors for work needed as stated in Assembly Bill 574.

The Grand Jury's statement that a project is simple, and should have been done quicker is in error. All aspects of a construction project such as climate, weather, inspections, material availability and contractor's ability, will affect the outcome of that project.

We request that this response be published.



TRINITY HOSPITAL ADMINISTRATION

December 19, 2001

Honorable John K. Letton, Presiding Judge
Trinity County Superior Court
P.O. Box 1258
Weaverville, CA 96093

RECEIVED
DEC 24 2001
SUPERIOR COURT
JUDGE'S CHAMBERS

Subject: 2000-2001 Trinity County Grand Jury Report
Special Investigation Committee – General Services Contracting

Dear Judge Letton:

The purpose of this correspondence is to comply with California Penal Code Sections 933 and 933.05(f) that in pertinent part require written response to the findings and recommendations of the 2000-2001 Trinity County Grand Jury Special Investigation Committee Report.

In response to Finding and Conclusion #4 of the report I have no knowledge of these events. The report was approved in June of 2001 and I did not begin my employment at Trinity Hospital until August 2001.

Respectfully submitted,

David T. Hughes, FACHE
Chief Executive Officer



TRINITY COUNTY

RECEIVED
JAN - 3 2002
SUPERIOR COURT
JUDGE'S CHAMBERS

BOARD OF SUPERVISORS
P.O. Drawer 1613 (530) 623-1217
WEAVERVILLE, CALIFORNIA 96093

Dero B. Forslund, Clerk
Jeannie Nix-Temple, County Administrative Officer

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: Trinity County Board of Supervisors

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Special Investigation Committee Final Report
General Services Contracting

DATE: January 2, 2002

The Grand Jury Special Investigation Committee has requested a written response to their Final Report on the General Services Contracting. The response of the Board of Supervisors is as follows:

Finding and Conclusion #1: *The proper bidding procedure did take place in the initial waste-hauling contract where there were a total of 7 bidders. When bids were opened on 3/29/00 the lowest bidder was Yingling at the rate of \$9.79 per ton. Following the opening of bids Yingling submitted a letter to John Whitaker of General Services, dated 5/2/00, stating that their bid was too low and they desired to raise their bid to \$11.79 per ton. This would still be \$.70 per ton less than the next lowest bidder, Tatanka. No changes in the bid price are allowed by law. On 5/16/00 the contract was awarded to Yingling at the \$9.79 per ton rate. The contract start date was 7/1/00.*

The Board of Supervisors on 7/18/00 acted to cancel the original contract with Yingling and have General Services re-bid the waste-hauling contract. On 8/3/00 a second request for bids was mailed. Bids were opened on 9/1/00 with 3 bidders. The lowest bid was Tatanka with \$10.89 per ton, Yingling at \$11.79 per ton, and Bettendorf at \$13.00 per ton. On 9/26/00 a memo from John Whitaker to County Administrative Officer (CAO) Jeannie Nix-Temple proposes to declare Tatanka as a non-responsible bidder due to his poor performance on the previous waste-hauling contract. By memo to John Whitaker dated 9/29/00, CAO Jeannie Nix-Temple agreed with the proposal to disqualify Tatanka and award the contract to Yingling.

On 11/17/00 the Board of supervisors approved the award of the waste hauling contract to Yingling for \$11.79 per ton.

The bidding and contract award procedure for the waste haul contract was lengthy, complicated and costly to the County. The costs included administrative costs, labor and the increase in the final contract amount, which includes a \$2 per ton increase for the life of the contract.

Response: We agree with the Grand Jury's description of events, but rely on the fact that Trinity County's contract awarding and administering is done legally and properly.

Recommendation #1: *The Board of Supervisors should institute a review of contracting and award procedures with the aim of avoiding the problem (increased costs) as noted above.*

Response to Recommendation #1: The Board of Supervisors sees no need for this recommendation. For the last several years, with a near full-time County Counsel and with a good County Administrative Officer and Auditor, Trinity County contracting has become much more uniform, fair and protective of the county's interests.

Finding & Conclusion #2: *Some contracts and documents in General Services are not easily accessible, and the exact locations of other documents could not be determined and were thus unavailable for Grand Jury review. By a memo dated 7/31/00 CAO Jeannie Nix-Temple has tried to guarantee that a copy of each contract that the Board of Supervisors approves is maintained in the courthouse. However, this does not address the need for the maintenance and protection of the official contract file, complete with request for bids, bids received, correspondence received, amendments, payments completed and contract closure. This is a very important reference file should any claims be made against the county and is an absolutely essential file for proper contract administration and contract auditing.*

Response: We agree partially. Historically both General Services and other County contracts may have been difficult to track; however, efforts by the General Services Director, the County Administrative Officer and the County Counsel have led to centralized storage of contracts and contract instruments.

Recommendation #2: *It is recommended that General Services create and use a more efficient system for maintaining documents within the department. Further, the Grand Jury recommends that the CAO take the initiative to determine similar need in other departments within the County government. Lastly, the CAO and BOS should adopt and enforce a countywide policy of maintaining "complete" contract files for at least five years.*

Response to Recommendation #2: We believe Trinity County is already implementing the intent of the recommendation by working toward complete contracts in the Board of Supervisors files and maintaining them as long as legally required.

Finding & Conclusion #3: *Over the last few years only one company has completed any roofing contract with Trinity County General Services. The company is Shelter Roofing. These contracts include work on the Courthouse roof, a second contract dealing with the Veterans Memorial Hall and the library roof, a third contract for the Museum roof, and a fourth contract for the Junction City Community Building, which was administrated under the Grants Office.*

All of these contracts were appropriately put out for bids and given to the lowest bidder. However, only one bidder appears to be interested in the contracts. One potential reason is that the solicitation is only publicly advertised in the Trinity Journal. It appears there are no larger roofing contractors located in Trinity County for jobs of this size. The Director of General Services intends to notify the Shasta Builders Exchange of future contracts.

No improprieties were found in this investigation. However, it could not be determined if the County is being beneficially served because of the lack of competition in the bidding process.

Response: We agree with the findings and that there were no improprieties in our letting of roofing contracts.

Recommendation #3: *General Services should determine what steps are necessary to acquire a minimum of two or three bids. This might include advertising in additional locations outside Trinity County. Hopefully actions such as notification of the Shasta Builders Exchange and additional advertising will achieve the need for additional bids.*

Response to Recommendation #3: County Departments will continue to seek active competitive contract bids, but should not be required to obtain multiple bids, if there is only one able bidder.

Finding & Conclusion #4: *Regarding paving of the hospital parking lot and construction of the MRI pad, the earliest memo located was dated 12/3/99 from hospital personnel to General Services Director John Whitaker. The memo referred to discussions "several weeks back" asking for the promised estimate for the hospital parking lot. A reply three days later from John Whitaker gave as \$50,000 estimate but stated that the planning department needed to be brought in on the discussion.*

The next documented discussions were in mid-March 2000. These memos discussed the estimate further, it being "\$46,000 and not \$26,000." On 7/18/2000, Hospital Administrator David Yarbrough requested and received approval from the

Trinity County Board of Supervisors to proceed with the construction of the parking lot and MRI Pad for approximately \$100,000 cost. The increased estimated costs were at least partially due to adding the MRI pad, underground utilities and the helicopter pad.

During the next two months it appears that the design and request for bids were completed by county contractor, Lawrence and Associates of Redding, California.

The request for bids was completed by Lawrence and Associates and followed by an amendment on 10/7/2000. Meanwhile, on 10/3/2000, General Services Director John Whitaker appeared before the Board of Supervisors and requested that the bid process be waived due to the short period of time remaining before the winter rains would restrict outside construction activities.

The Board of Supervisors declared an "emergency" and authorized proceeding with the project without bids.

The Director of General Services then authorized the contractor Hoy & Son to do this work at a cost equal to the Lawrence and Associates engineering estimate of \$122,000.

Response: The Board of Supervisors agrees that their may have been some miscommunication in the initial stages of this project, however the project was completed properly and in the interests of the health and welfare of Trinity County citizens.

Recommendation #4: *This Grand Jury believes it is unacceptable for the BOS to have to declare an "emergency" on a somewhat routine project because of expected winter rains. In this case, better coordination between the Hospital and General Services could have averted this "emergency." Since bids were never received it is impossible to determine if the cost exceeded what could have incurred by competitive bidding. The County should improve the planning and foresight regarding public improvement projects to avoid routine projects becoming "emergency" situations.*

Response to Recommendation #4: The Board of Supervisors feels this was an ill advised recommendation because the bid waiving was done in the name of health and safety and not for an emergency

RM:kf

TRINITY COUNTY GRAND JURY

2000-2001

FILED

JUN 29 2001

SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK

DR

**SPECIAL INVESTIGATION COMMITTEE
FINAL REPORT**

LANDFILL CLOSURE/SEWER LINE CONSTRUCTION

**This report was approved
On June 12, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
SPECIAL INVESTIGATION COMMITTEE
FINAL REPORT**

LANDFILL CLOSURE/SEWER LINE CONSTRUCTION

PURPOSE:

The Grand Jury routinely investigates the operation of all Trinity County departments.

BACKGROUND

Complaints related to Trinity County contracting procedures and the legality of the County's use of Solid Waste Funds were received by the 2000-2001 Grand Jury. Solid Waste Funds are comprised of the Solid Waste Disposal Fees paid annually by most county property owners plus the Tipping Fees charged at the Solid Waste Transfer stations. There are a total of three reports that describe the findings of the investigation of the above mentioned complaints. The names of these reports are 1.) Citizens Complaint - General Services Contracting; 2.) Solid Waste Funds/General Services Office and this report, Landfill Closure/Sewer Line Construction. These three reports are inter-related and should be considered as a whole.

This investigation required the Grand Jury to investigate the legal uses of specific types of County funds. The fund involved here is the Solid Waste Fund. The description of the use of Solid Waste Funds as found on the landowners annual Solid Waste Disposal Fee bill is "...solely for defraying the cost of maintaining and operating the central landfill and transfer sites, including hauling costs." Any use of these funds that does not directly benefit the Solid Waste effort is considered by this Grand Jury to be a misuse of these funds.

This investigation required the Grand Jury to investigate types of contracts and the legal uses of those contracts. Contracting within Trinity County is governed by County ordinance and by California Contracting laws. Under California Contracting law there are two types of contracts which applied to this investigation.

The first type of contract is the Professional Services Contract. This type of contract is used to hire the personal services of architects, engineers and other such professionals. These services by California law may be placed under contract without competitive bidding. In that case hourly rates are set by negotiation between the parties involved.

The second type of contract is the Public Project Contract. This contract is used when a building or facility (e.g. roads and sewer line) is constructed or maintained. By California law competitive bids are required on all contracts exceeding \$4,000.

Trinity County Ordinance requires that all contracts over \$10,000 be approved by the Board of Supervisors (BOS), regardless of type of contract.

METHOD:

Interviews were conducted with Trinity County General Services Director John Whitaker, as well as a record search of contracts and supporting documents within the County. Financial records were also reviewed regarding Solid Waste Fund expenditures. Trinity County Board of Supervisor (BOS) official minutes were reviewed to determine approval of contracts .

FINDING AND CONCLUSION #1:

In 1997 the BOS made a decision to close the landfill, change the solid waste operation to a transfer station, and haul the solid waste to an out-of-county landfill. Starting in 1998, the major work of this operation was directed by General Services Director John Whitaker. The preponderance of the planning and technical oversight of this effort was done by the Redding based engineering firm of Lawrence & Associates. During the period of time from 1997 to the present, Lawrence & Associates had the following negotiated Professional Services contracts to cover this work.

- 1.) Contract dated 10/17/97 with no end date for \$49,700 plus attached schedule B for other charges for a five year Solid Waste plan and siting element for Trinity County. It also states the need to do a separate cost estimate for specific plans and the technical specifications for a sewer line from Five Cent Gulch Street to the future transfer station.
- 2.) Contract dated 4/7/98 through 6/30/98 for \$5,650 for ground water, leachate and storm water monitoring at the Weaverville landfill.
- 3.) Contract dated 7/1/98 through 6/30/01 for \$54,530 for “engineering, planning, drilling and other consulting and contracting for tasks.....”
- 4.) Contract dated 6/20/00 through 6/30/05 stating “no maximum cost for engineering, planning, drilling and other consulting and contracting services or tasks.”

The maximum contract amount of contracts 1.), 2.) and 3.) above issued to Lawrence & Associates totals \$109,880. From October 1997 through June 2000, the County paid Lawrence & Associates a total of \$294,027 on these contracts, which exceeds the contract amounts by \$184,147 or 187%.

RECOMMENDATION #1:

Contract payments should not exceed the amounts for which they are approved. Even on negotiated contracts, such as those with Lawrence & Associates, the amounts approved by the Board of Supervisors should not be exceeded without a formal contract change approved by the Board of Supervisors.

FINDING AND CONCLUSION #2:

The present contract [4.) in Finding #1] with Lawrence & Associates dated 6/20/00 through 6/30/05 is for “no maximum cost” for “engineering, planning, drilling and other consulting and contracting services or tasks”. During the period of time this contract has been in force, a total of \$31,135 has been billed to and paid by the County.

By issuing a contract with “no maximum cost” the Grand Jury believes the BOS has created a situation where the total cost is open ended and not controlled. The BOS, by approving, “no maximum cost” contracts is delegating unlimited contracting authority to County employees.

RECOMMENDATION #2:

The Grand Jury believes that these “no maximum cost” contracts are not in the County’s best interest and recommends discontinuing these types of contracts.

FINDING AND CONCLUSION #3:

Hoy & Son Construction Co. of Anderson, CA has been the construction company used for the landfill closure and miscellaneous construction around the new transfer station during the period of 1997 to the present. The total amount paid from Solid Waste Funds to Hoy & Son Construction Co. for this period is over \$1,250,000. There have been *no contracts* between Hoy & Son and Trinity County for any of this work. This is explained by General Services Director John Whitaker as a “design/build” subcontract using Lawrence & Associates as the prime contractor.

Under State contracting law, the two types of contracts found in this investigation are Professional Services and Public Projects. The difference between these is that a Professional Services contract is for the hiring of specific professional services and a Public Project is to construct a facility and is subject by law to competitive bidding. The design/build concept combines the Professional Services with a Public Project. The result is that the project then by law becomes a Public Project and is subject to competitive bidding requirements.

The Grand Jury finds no legal support for the design/build theory advanced by General Services. The Grand Jury believes that state law requires competitive bidding in these cases.

This Grand Jury could find no BOS approvals for the \$1,250,000 of Solid Waste funds paid to Hoy & Son Construction Company. The only approval was by General Service Director John Whitaker. By County Ordinance the General Services Director does not have the authority to approve contracts over \$10,000.

Under the design/build theory as used by General Services the contracts approved by the BOS to Lawrence & Associates for a maximum amount of \$109,880 were then used to “justify” payments of \$1,250,000 to Hoy & Son Construction Company in addition to the above mentioned \$294,027 paid to Lawrence & Associates.

If the Lawrence & Associates contracts were used as a design-build contract then the maximum amount of the contracts, which was \$109,880 was overspent by \$1,147,953 or 1,044%.

RECOMMENDATION #3:

All “design/build” projects should comply with state contracting law by requiring competitive bids. The issuing of contracts with specific work statements for specific amounts will ensure that the contracting authority will fully understand what they are approving.

FINDING AND CONCLUSION #4:

Nearly all of the payments from Solid Waste funds to Hoy & Son Construction were made from the West America Bank, which now holds the \$3,190,359 Solid Waste loan (see Finding and Conclusion #7, also see “Solid Waste Funds/General Services Office Report). The normal County process of sending invoices to the County Auditors office for payment (issuing warrants) was not used. The notable difference is that there was no second level review within the County prior to payment. Therefore,

normal oversight from the County Auditor/Controller's office was by-passed. In this case oversight should have at least included documenting any contract involved and required approvals of that contract by the BOS.

RECOMMENDATION #4:

The BOS should immediately adopt a policy requiring all payments from construction loans be processed through and approved by the Auditors office. This will assure that presently mandated oversight of expenditures, which is the responsibility of the County Auditor, will be conducted prior to payment.

FINDING AND CONCLUSION #5:

A sewer line was needed to serve the landfill site, new office building, and new transfer station site. The initial option was to utilize the closest existing sewer line at Five-Cent Gulch Trailer Park with a line sufficient for the immediate needs of the solid waste facilities. After initial planning and coordination, consideration was given to the needs of potential future improvements that could be placed at the existing airport site. These future needs required a larger sized pipe, totally different route, longer length of pipe, additional easement costs, and costs to bore under the state highway. All of these changes added considerable cost above and beyond the initial option.

The longer route which incorporates the expected future needs at the existing airport site was the route selected and constructed. The Grand Jury recognizes that foresight was used in this case to try to accommodate the longer-term needs at the airport site instead of just the immediate needs of the Solid Waste facilities. However, the County is still not (as best as this Grand Jury could determine) actively planning and documenting future uses and needs at the airport site.

RECOMMENDATION #5:

Planning for future use of the existing Weaverville Airport site (after a new airport is constructed) was called for by the 1999-2000 Grand Jury. Based on the lack of any visible progress this Grand Jury strongly recommends that the Board of Supervisors intensify this effort and include more specific due dates for a preliminary report.

FINDING AND CONCLUSION #6:

The cost of the sewer line as described in Finding and Conclusion #5 is estimated from invoices supplied by General Services to be \$180,000 to \$225,000. All sewer line costs have been paid from the Solid Waste Fund. The only exception is the \$30,000 to be contributed from the County Transportation Department as their share for a hookup to the new sewer line.

RECOMMENDATION #6:

The Grand Jury believes that the portion of the Solid Waste expenditures for the sewer line should not exceed the costs had the sewer line been extended from the Five-Cent Gulch Trailer Park with the minimum sized line. Those expenses in excess of that cost should be borne by the County General Fund or other appropriate users. In other words all other costs for upsized lines, easements, etc., would be from funds other than Solid Waste.

FINDING AND CONCLUSION #7:

Prior to construction of the sewer line, General Services Director John Whitaker did not seek any specific contractual approvals from the BOS. The only BOS approvals involved the funds for the Solid Waste project as described below.

On 12/15/98 the Trinity County Board of Supervisors authorized the search for a loan for Solid Waste. This loan was intended to be \$3,190,359 for closing the landfill and associated needs and structures.

On 3/16/99 the Trinity County Board of Supervisors authorized the signing of the agreement for the loan for \$3,190,359 with Leasource Financial Services subject to routing for approval as to form and content.

Director John Whitaker has stated to Grand Jurors that he regarded the Board of Supervisors approval of the loan to be sufficient approval to spend the monies from the loan.

RECOMMENDATION #7:

This Grand Jury believes that the BOS and County Administrative Officer (CAO) need to take steps to guarantee that County employees follow the State and County laws regarding contracting and contracting authority.

Creating a County contracting office should be considered in the interest of improving the administration of county contracts and complying with California State contracting laws.

SUMMARY:

1. The Grand Jury has found that Public Project contracts have been awarded without competitive bids required by California law.
2. The Grand Jury has found that Trinity County has used Solid Waste funds derived from Solid Waste Disposal Fees and Tipping Fees for purposes other than Solid Waste. The Solid Waste Fund needs to be reimbursed for the improper use of those fees.

RESPONSES REQUESTED FROM:

Trinity County Board of Supervisors, Trinity County Administrative Officer, Trinity County Director of General Services, Trinity County Counsel, Trinity County District Attorney.

OFFICE OF THE
DISTRICT ATTORNEY
COUNTY OF TRINITY

DAVID L. CROSS
District Attorney

W. JAMES WOODS, Deputy D.A.
JEANETTE PALLA, Deputy D.A.
MICHAEL L. MOCK, Deputy D.A.
ERIC L. HERYFORD, Deputy D.A.



101 Court Street, Courthouse
Post Office Box 310
Weaverville, California 96093
(530) 623-1304 (Main Office)
(530) 623-1306 (Family Support)
FAX # 530-623-2865

June 22, 2001

JOHN K. LETTON
Superior Court Judge
P.O. Box 1117
Weaverville, CA 96093

RECEIVED
JUL - 9 2001
SUPERIOR COURT
JUDGE'S CHAMBERS

RE: RESPONSE TO 2000-2001 GRAND JURY REPORT
(Special Districts Committee – Landfill Closure/Sewer Line Construction)

Dear Honorable Judge Letton:

In response to the Court Executive Officer's memo of June 22, 2001, regarding the above, the findings and recommendations do not pertain to matters under my control or the control of my department

Sincerely,

A handwritten signature in black ink, appearing to read "D. Cross".

DAVID L. CROSS
District Attorney

DLC:ph

cc: John Whitaker, Director of General Services
Jeannie Nix-Temple, CAO
David Hammer, County Counsel



TRINITY COUNTY

GENERAL SERVICES DEPARTMENT
P.O. BOX 2700 -- FAX (530) 623-5015
WEAVERVILLE, CA 96093

RECEIVED

SEP 14 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

September 14, 2001

TO: Honorable John K. Letton
Presiding Judge of the Superior Court

FROM: John Whitaker, General Services Director

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
SPECIAL INVESTIGATION COMMITTEE FINAL REPORT
LANDFILL CLOSURE/SEWER LINE CONSTRUCTION

Finding & Conclusion #1: *In 1997 the BOS made a decision to close the landfill, change the solid waste operation to a transfer station, and haul the solid waste to an out-of-county landfill. Starting in 1998, the major work of this operation was directed by General Services Director John Whitaker. The preponderance of the planning and technical oversight of this effort was done by the Redding based engineering firm of Lawrence & Associates. During the period of time from 1997 to the present, Lawrence & Associates had the following negotiated Professional Services contracts to cover this work.*

- 1.) *Contract dated 10/17/97 with no end date for \$49,700 plus attached schedule B for other charges for a five year Solid Waste plan and sitting element for Trinity County. It also states the need to do a separate cost estimate for specific plans and the technical specifications for a sewer line from Five Cent Gulch Street to the future transfer station.*
- 2.) *Contract dated 4/7/98 through 6/30/98 for \$5,650 for ground water, leachate and storm water monitoring at the Weaverville landfill.*
- 3.) *Contract dated 7/1/98 through 6/30/01 for \$54,530 for "engineering, planning, drilling and other consulting and contracting for tasks..."*
- 4.) *Contract dated 6/20/00 through 6/30/05 stating "no maximum cost for engineering, planning, drilling and other consulting and contracting services or tasks."*

The maximum contract amount of contracts 1.), 2.), and 3.) above issued to Lawrence & Associates totals \$109,880. From October 1997 through June 2000, the County paid Lawrence & Associates a total of \$294,027 on these contracts, which exceeds the contract amounts by \$184,147 or 187%.

Response:

We disagree. The committee's findings and conclusions are narrowly written and do not take into account events and conditions that existed at that time, or how each event is interrelated to the documents provided by Lawrence & Associates. These documents were used to mitigate environmental issues surrounding landfill closure and sewer line extension. Nor was the Grand Jury willing to consider that the regulation and compliance documents provided by Lawrence & Associates had third party review and approval: the California Environmental Protection Agency, the California Integrated Waste Management Board, the North Coast Regional Water Quality Control Board, the Air Resources Board, and the Department of Toxic Substance Control Board.

Recommendation 1.

"Contract payments should not exceed the amounts for which they are approved. Even on negotiated contracts, such as those with Lawrence & Associates, the amounts approved by the Board of Supervisors should not be exceeded without a formal contract change approved by the Board of Supervisors."

Response:

We disagree. The recommendation will not be implemented because it is not warranted or reasonable. I would agree in principle that the contract costs should not exceed contract amounts, however all contracts allow for reasonable increases through contingencies, amendments to the contract and change orders when conditions or work issues arise that were not foreseen or identified in the original contract. The request for extra work by the contractor to the owner is called a "change order". The committee fails to state that these conditions have not been exceeded by Lawrence and Associates and subcontractors associated with this project.

Finding & Conclusion #2: *The present contract [4.] in Finding #1] with Lawrence & Associates dated 6/20/00 through 6/30/05 is for "no maximum cost" for "engineering, planning, drilling and other consulting and contracting services or tasks." During the period of time this contract has been in force, a total of \$31,135 has been billed to and paid by the County.*

By issuing a contract with "no maximum cost" the Grand Jury believes the BOS has created a situation where the total cost is open ended and not controlled. The BOS, by approving, "no maximum cost" contracts is delegating unlimited contracting authority to County employees.

Response:

We disagree. Contingencies and unknowns during the development of a project often drive up costs, however once the schedule of fees for each task is provided, then costs for each project is tracked, and in all cases the money has been in the budget. Often with solid waste issues, each task is developed based on approvals by regulatory agencies, some of which have changed at a later date. Latitude is needed to make judgments as projects progress. Change orders or amendments to the contract are then needed.

Recommendation 2.

"The Grand Jury believes that these "no maximum cost" contracts are not in the County's best interest and recommends discontinuing these types of contracts."

Response:

We disagree with the finding; the recommendation will not be implemented because it is not warranted.

The Lawrence & Associate contracts identified in the committee's findings are but a few of the documents and work provided by the contractor through 1997-2000. The tasks identified in these contracts are interrelated with other tasks that are driven by the regulation and the interpretation of the regulating agencies mentioned above. The length of time to complete this task is driven by the regulatory agencies and not the County. In 1997 we had asked that a contract be written which would allow the County more flexibility in dealing with regulatory issues and to expedite the work needed to be done to be compliant and to protect the environment. The result of that request was a service contract that required Lawrence and Associates to quantify costs for each task as requested, General Services to then review the cost and how it relates to the regulator request. Once this was done, General Services would give Lawrence an order to proceed. This may not be to the committee's liking but it was efficient and has achieved our goal to be compliant with regulations. We currently meet all state requirements for our sites that are environmentally sensitive.

Finding & Conclusion #3: *Hoy & Sons Construction Co. of Andersons, CA has been the construction company used for the landfill closure and miscellaneous construction around the new transfer station during the period of 1997 to the present. The total amount paid from Solid Waste Funds to Hoy & Son Construction Co. for this period is over \$1,250,000. There have been **no contracts** between Hoy & Son and Trinity County for any of this work. This is explained by General Services Director John Whitaker as a "design/build" subcontract using Lawrence & Associates as the prime contractor.*

Under State contracting law, the two types of contracts found in this investigation are Professional Services and Public Projects. The difference between these is that a Professional Services contract is for the hiring of specific professional services and a Public Project is to construct a facility and is subject by law to competitive bidding. The design/build concept combines the Professional Services with a Public Project. The result is that the project then by law becomes a Public Project and is subject to competitive bidding requirements.

The Grand Jury finds no legal support for the design/build theory advanced by General Services. The Grand Jury believes that state law requires competitive bidding in these cases.

The Grand Jury could find no BOS approvals for the \$1,250,000 of Solid Waste funds paid to Hoy & Son Construction Company. The only approval was by General Services Director John Whitaker. By County Ordinance the General Services Director does not have the authority to approve contracts over \$10,000.

Under the design/build theory as used by General Services the contracts approved by the BOS to Lawrence & Associates for a maximum amount of \$109,880 were then used to "justify" payments of \$1,250,000 to Hoy & Son Construction Company in addition to the above mentioned \$294,027 paid to Lawrence & Associates.

If the Lawrence & Associates contracts were used as a design-build contract then the maximum amount of the contracts, which was \$109,880 was overspent by \$1,147,953 or 1,044%.

Response:

We disagree. As I reflected to the committee on many occasions, policy and procedures in place at that time warranted the methods taken that were driven by regulatory non-compliance issues that had existed for decades. The order of corrective action issued by the Water Quality Control Board was in response to "Article 5 Monitoring Report, June 4, 1997", which indicated that groundwater passing beneath the landfill was affected by leachate from the landfill. Also, concentrations of chlorinated solvents had been detected in several samples. Lawrence and Associates were then asked to develop a mitigation plan. The mitigation plan developed by Lawrence and Associates included landfill closure, sewer line extension (to remove leachate from the landfill), building of a transfer station (exporting waste), and building a maintenance shop/office for repair and maintenance of structures and equipment and to administer the services provided. Once this plan was approved by the Water Quality Control Board and the California Integrated Waste Management Board, we presented the plan to the Trinity County Board of Supervisors. Loan funds were secured based on this plan. The loan documents included all engineering, inspections, permit fees, CEQA documents, civil work costs and contingencies monies.

Hoy and Sons, through the Lawrence & Associates contract, provided the civil work costs associated with the closure/sewer line extension. Cost comparisons were done to see if these amounts were justified and were deemed so. On the issue of payments to Hoy & Sons, originally services were billed and paid through the Lawrence & Associates account. To save the 5% service fee, we requested that Lawrence & Associates allow Hoy & Sons to bill the County directly; this request provided an additional savings of \$62,500.

Recommendation #3: *All "design/build" projects should comply with state contracting law by requiring competitive bids. The issuing of contracts with specific work statements for specific amounts will ensure that the contracting authority will fully understand what they are approving.*

Response:

We agree partially with the findings and recommendation. The committee states that the "design/build should comply with state law". When the order to proceed with work was given to Lawrence and Associates, it was our belief that we did meet state standards, and it wasn't questioned at the time. On the issue of competitive bids, the state has authorized contractors to proceed with work solely on the contractor's ability to perform the work, experience, mobilization and resources. "The issuing of contracts with specific work statements for specific amounts", as well as "the contracting authority will fully understand what they are approving" has always taken place and it continues to this day.

Finding & Conclusion #4: *Nearly all of the payments from Solid Waste funds to Hoy & Son Construction were made from the West America Bank, which now holds the \$3,190,359 Solid Waste loan (see Finding and Conclusion #7, also see "Solid Waste Fund/General Services Office Report). The normal County process of sending invoices to the County Auditors office of payment (issuing warrants) was not used. The notable difference is that there was no second level review within the County prior to payment. Therefore, normal oversight from the County Auditor/Controller's office was by-passed. In this case oversight should have at least included documenting any contract involved and required approvals of that contract by the BOS.*

Response:

We agree in part and disagree in part. The statement "nearly all of the payments from Solid waste funds to Hoy and Sons Construction were made from the West America Bank" is correct; what is not mentioned is that there are protocols for accessing those funds. In the loan document protocols all tasks are identified, amounts for each category are identified, all requests of payment (for which the Board of Supervisors authorized the General Services Director) were given to a third party administrator, Leasource, who were the securing agency for the loan. They determined whether or not the request is applicable to the terms of the loan, and once this was done, it was sent to West America Bank for payment. The County Auditor received an itemized statement of expenditures. The accusation that there is no second level of review is incorrect and misleading.

Recommendation #4: *The BOS should immediately adopt a policy requiring all payments from construction loans be processed through and approved by the Auditors office. This will assure that presently mandated oversight of expenditures, which is the responsibility of the County Auditor, will be conducted prior to payment.*

Response:

We disagree with the recommendation; the Board has policies currently in place that address these issues.

The recommendation that the Board of Supervisors "should immediately adopt a policy requiring all payments from construction loans be processed through and approved by

the Auditor's office" has been answered in my response to the committee's recommendation 3.

Finding & Conclusion #5: *A sewer line was needed to serve the landfill site, new office building, and new transfer station site. The initial option was to utilize the closest existing sewer line at Five-Cent Gulch Trailer Park with a line sufficient for the immediate needs of the solid waste facilities. After initial planning and coordination, consideration was given to the needs of potential future improvements that could be placed at the existing airport site. These future needs required a larger sized pipe, totally different route, longer length of pipe, additional easement costs, and costs to bore under the state highway. All of these changes added considerable cost above and beyond the initial option.*

The longer route which incorporates the expected future needs at the existing airport site was the route selected and constructed. The Grand Jury recognizes that foresight was used in this case to try to accommodate the longer-terms needs at the airport site instead of just the immediate needs of the Solid Waste facilities. However, the County is still not (as best as this Grand Jury can determine) actively planning and documenting future uses and needs at the airport site.

Response:

We disagree. We addressed this issue with the committee at length in my written comments to them on their draft report. The route of the line and size was a collaborative effort between the Sanitary District Engineers, the Department of Transportation and Lawrence & Associates. The County did not determine the route and size of line. The cost to bore the sewer line under the state highway lessened the impact on traffic, damage to the road and the environment. This technique has also been used for creek and road crossings. The cost was minimal when one considers the cost of meeting environmental concerns, road foundation concerns, and traffic congestion when using other construction mechanisms.

Recommendation 5.

"Planning for future use of the existing Weaverville Airport site (after a new airport is constructed) was called for by the 1999-2000 Grand Jury. Based on the lack of any visible progress this Grand Jury strongly recommends that the Board of Supervisors intensify this effort and include more specific due dates for a preliminary report."

Response:

We disagree with the finding. The General Services Director was never asked questions about our strategic plans for the airport property, however staff provided the committee with the binder that contains all the minutes and background information of the Strategic Planning Committee. Had the committee asked specific questions, they would have better understood the information provided on the airport relocation, hospital relocation and construction planning, discussion for the site of the new juvenile hall facility, property purchases from the BLM of lands surrounding the old airport, solid waste transfer facility, office/maintenance building and the newly remodeled alcohol and

other drug services facility. The Strategic Planning Committee meets monthly and is comprised of department heads and supervisors, who review and discuss all the plans prior to implementation.

Finding & Conclusion #6: *The cost of the sewer line as described in Finding and Conclusion #5 is estimated from invoices supplied by General Services to be \$180,000 to \$225,000. All sewer line costs have been paid from the Solid Waste Fund. The only exception is the \$30,000 to be contributed from the County Transportation Department as their share for a hookup to the new sewer line.*

Response:

We agree with the finding.

Recommendation 6.

"The Grand Jury believes that the portion of the Solid Waste expenditures for the sewer line should not exceed the costs had the sewer line been extended from the Five-Cent gulch trailer Park with the minimum sized line. Those expenses in excess of that cost should be borne by the County General Fund or other appropriate users. In other words all other costs for upsized lines, easements, etc., would be from funds other than Solid Waste."

Response:

We disagree with the committee's findings. Once again, this was addressed in my response to the committee's draft report. Repayment over time will come from users hooking up to the line, in the form of a line charge through the Sanitary District hookup fees. All capital investment takes time to be repaid. Why the committee has such a narrow view on this issue leaves me to wonder what their real motives are.

Finding & Conclusion #7: *Prior to construction of the sewer line, General Services Director John Whitaker did not seek any specific contractual approvals from the BOS. The only BOS approvals involved the funds for the Solid Waste project as described below.*

On 12/15/98 the Trinity County Board of Supervisors authorized the search for a loan for Solid Waste. This loan was intended to be \$3,190,359 for closing the landfill and associated needs and structures.

On 3/16/99 the Trinity County Board of Supervisors authorized the signing of the agreement for the loan for \$3,190,359 with Leasource Financial Services subject to routing for approval as to form and content.

Director John Whitaker has stated to Grand Jurors that he regarded the Board of Supervisors approval of the loan to be sufficient approval to spend the monies from the loan.

Response:

We agree in part and disagree in part. The committee's findings and conclusions are partly correct. However, the sewer line extension and loan were fully discussed with the Board of Supervisors through the Solid Waste Budget and Loan application.

Recommendation 7.

"This Grand Jury believes that the BOS and County Administrative Officer (CAO) need to take steps to guarantee that County employees follow the State and County laws regarding contracting and contracting authority.

Creating a County contracting office should be considered in the interest of improving the administration of county contracts and complying with California State contracting laws.

Summary:

- 1. The Grand Jury has found that Public Project contracts have been awarded without competitive bids required by California law.*
- 2. The Grand Jury had found that Trinity County has used Solid Waste funds derived from Solid Waste disposal Fees and Tipping Fees for purposes other than Solid Waste. The Solid Waste Fund needs to be reimbursed for the improper use of those fees."*

Response:

We disagree with the recommendations and the summarization. The creation of another department to deal with contracts is not necessary and will add to the overhead costs for projects. Contracting guidelines and tracking protocol were set in place by the CAO, and reiterated in a memo dated 7/31/00. The committee's recommendations have been in place since then, and to suggest otherwise is misleading. As we have stated elsewhere, protocols are in place to reimburse the County's capital investment.

Summary:

The grand jury's summation is narrow in focus and prejudicial. It does not take into account the circumstances surrounding the implementation of work for these projects or the value gained. The uses of Solid Waste funds have not been misdirected and capital investment assurances have been made through other funding mechanisms.

We request that this response be published.



TRINITY COUNTY

OFFICE OF THE COUNTY ADMINISTRATOR

Administration — Human Resources — Risk Management

Grant Management — Information & Technology

P. O. Box 1613 Weaverville, CA 96093-1613

County Administrator Phone: (530) 623-1382

Human Resources Phone (530) 623-1325 FAX (530) 623-4222

JEANNIE NIX-TEMPLE, County Administrative Officer

RECEIVED

SEP 14 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: *Jeannie Nix-Temple*
Jeannie Nix-Temple, County Administrative Officer

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Special Investigation Committee-Landfill Closure/Sewer Line
Construction

DATE: September 14, 2001

The Grand Jury Special Investigation Committee has requested a written response to their final report on the Landfill Closure/Sewer Line Construction. In my capacity as County Administrative Officer, my response is as follows:

Finding and Conclusion #1

Response: I do not agree with the Grand Jury's conclusion that the total paid to Lawrence and Assoc. exceeds the contract amount by 187%.

Our County Counsel and County Auditor have carefully reviewed all contracts, amendments and payments to Lawrence and Associates. They appear to be within the contracted amounts. Because it took a significant amount of review to determine this, it is clear that our revision of contract management was in order.

Recommendation #1

Response: This recommendation will not be implemented because it would be in conflict with our current County Purchasing Ordinance. Change orders of up to \$10,000 can be approved by the County Administrative Officer, as can contracts. Change orders exceeding \$10,000 must be approved by the Board of Supervisors.

Finding and Conclusion #2

Response: I agree that all contracts should indicate a maximum cost.

Recommendation #2

Response: The recommendation will be implemented.

Finding and Conclusion #3

Response: I agree in part and disagree in part.

I agree that there should have been a contract with Hoy and Sons Construction Co. for closure of the landfill. I agree that there is no legal support for the design/build model in Trinity County.

I believe that the Board of Supervisors and myself were informed of the magnitude of the financing and expenditures for the construction of the transfer station/office building, and landfill closure. The concept was approved in the promissory note to Leasesource Financial Services.

Recommendation # 3

Response: This recommendation has been implemented.

Finding and Conclusion #4

Response: I agree.

Recommendation #4

Response: This recommendation will be implemented. A policy statement will be presented to the Board of Supervisors for approval in October 2001.

Finding and Conclusion #5

Response: I do not agree. The County is regularly meeting with a strategic planning committee to make long-term plans for the use of the airport site and other locations. We undertook a yearlong study of what to do about Trinity Hospital. The recommendation of the Hospital Options Committee is the construction of that facility at the airport site when it is relocated. We have since entered into agreements with Redding Medical Center to assist us in preparing specifications for needs and financing. We have entered into an agreement with a consortium of hospitals to plan an architectural design. I believe that the Grand Jury is incorrect in their criticism of our planning efforts. The relocation of an airport and the construction of a new hospital are both huge issues requiring extensive planning and financing.

Recommendation #5

Response: This recommendation will not be implemented, as it is not necessary. We are in the process of developing financing for the relocation of the airport. When we are successful, the project will proceed. The hospital plans are proceeding and will be subject to extensive public review prior to any implementation.

Finding and Conclusion #6

Response: I agree in part and disagree in part.

The costs as indicated by the Grand Jury are accurate I believe. However, the sewer line construction costs were paid out of funds borrowed from Leasesource Financial Services.

Recommendation #6

Response: This will not be implemented, as it is unnecessary. These expenditures were made appropriately from our financing source. All costs will be recovered using accepted government accounting standards.

Finding and Conclusion #7

Response: I agree in part and disagree in part

The authorization to John Whitaker was to pursue a long-term loan for the transfer station, maintenance facility, equipment, sewer line and closure cap on the landfill. The Board of Supervisors approved contracts with Gallino and MDS. The contract with Hoy and Sons was the only one the Board did not approve. I agree that there should have been a separate contract for Hoy and Sons.

Recommendation #7

Response: I agree in part and disagree in part.

The recommendation that the Board of Supervisors and the County Administrative Officer take steps to make sure county employees follow the state and county laws regarding contracting and contracting authority has been implemented.

The recommendation that a county contracting office be established will not be implemented because it is not necessary. We have already implemented a process to require uniform contracting procedures. All contracts are routed to the CAO, the Auditor and the County Counsel.

JNT:wt



TRINITY COUNTY

OFFICE OF THE COUNTY COUNSEL
Post Office Box 1428 Weaverville, California 96093
Phone: (530) 623-1382 FAX (530) 623-4222

DAVID R. HAMMER
County Counsel

RECEIVED

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: David R. Hammer, County Counsel

SEP 12 2001
SUPERIOR COURT
JUDGE'S CHAMBERS

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Special Investigation Committee Final Report
Landfill Closure/Sewer Line Construction

DATE: September 6, 2001

The Grand Jury Special Investigation Committee has requested a written response to their Final Report on the Landfill Closure/Sewer Line Construction. In my capacity as County Counsel, my response is as follows:

The Grand Jury report states that there are three inter-related reports that should be considered as a whole: (1) Citizen Complaint – General Services Contracting; (2) Solid Waste Fund/General Services Office; and (3) Landfill Closure/Sewer Line Construction. Although the Grand Jury has requested me as County Counsel to respond only to the Landfill Closure/Sewer Line Construction Report, I feel it is appropriate to respond to all three reports.

Finding & Conclusion #1: *In 1997 the BOS made a decision to close the landfill, change the solid waste operation to a transfer station, and haul the solid waste to an out-of-county landfill. Starting in 1998, the major work of this operation was directed by General Services Director John Whitaker. The preponderance of the planning and technical oversight of this effort was done by the Redding based engineering firm of Lawrence & Associates. During the period of time from 1997 to the present, Lawrence & Associates had the following negotiated Professional Services contracts to cover this work.*

- 1.) *Contract dated 10/17/97 with no end date for \$49,700 plus attached schedule B for other charges for a five year Solid Waste plan and sitting element for Trinity County. It also states the need to do a separate cost estimate for specific plans and the technical specifications for a sewer line from Five Cent Gulch Street to the future transfer station.*

- 2.) *Contract dated 4/7/98 through 6/30/98 for \$5,650 for ground water, lechate and storm water monitoring at the Weaverville landfill.*
- 3.) *Contract dated 7/1/98 through 6/30/01 for \$54,530 for "engineering, planning, drilling and other consulting and contracting for tasks..."*
- 4.) *Contract dated 6/20/00 through 6/30/05 stating "no maximum cost for engineering, planning, drilling and other consulting and contracting services or tasks."*

The maximum contract amount of contracts 1.), 2.), and 3.) above issued to Lawrence & Associates totals \$109,880. From October 1997 through June 2000, the County paid Lawrence & Associates a total of \$294,027 on these contracts, which exceeds the contract amounts by \$184,147 or 187%.

Response: I do not agree with the Grand Jury's conclusion that the total paid to Lawrence and Associates exceeds the contract amounts by \$184,147, or 187%.

The Grand Jury's findings and conclusions are based on an inability to identify all of the contracts entered into with Lawrence and Associates and to accurately match the payments made to Lawrence with the specific contract. The first contract listed by the Grand Jury as #1 is dated October 17, 1997. There was a prior contract approved by the Board of Supervisors on March 4, 1997 with Lawrence and Associates totaling \$58,760.00. The total of \$294,000.00 paid to Lawrence and Associates includes the amounts paid under the contracts authorized on March 4, 1997, as well as change orders made to other contracts with Lawrence. The records from General Services indicate that the amounts actually paid on the contracts referred to in the Grand Jury report are as follows:

<u>Contract Dated</u>	<u>Contract Amount</u>	<u>Amount Paid</u>
1. 10/17/97	\$49,700.00	\$ 60,717.09

The additional amount of approximately \$11,000 was for services requested by the Board of Supervisors to study the viability of encircling the landfill with a concrete wall to increase the life of the landfill. This was a five-year contract, which was superseded by the contract dated July 1, 1998.

2. 4/7/98-6/30/98	\$ 5,650.00	\$ 6,581.51
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The additional approximately \$1,000 was for extending the ground water monitoring from June 1998 to June 1999, and performing a fish study.

3. 7/1/98	\$54,350.00	\$28,022.93
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This was a three-year contract. The amount paid under this contract was approximately \$26,000 less than the amount of the contract. \$26,000 was expended under a separate contract for services listed as contract #5 below.

4. 6/20/00 through 6/30/05 \$ No maximum stated. \$ 497.86
Hourly fee schedule

The minutes of the Board meeting of June 20, 2000, state that the Board approved the contract and that the estimated cost is plus or minus \$100,000.

5. 3/4/97 \$58,760 \$13,725.48

On March 4, 1997, the Board of Supervisors approved three contracts with Lawrence, totaling \$58,760. This included construction quality assurance for the leachate-control system for the Weaverville landfill sedimentation pond, water quality evaluation, monitoring and reporting for 1997 for the landfill, and investigation and design services for the Hayfork septic ponds.

Although I believe that the Grand Jury was provided with copies of the contracts prior to October 17, 1997, I can understand the grand Jury's difficulty in matching the amounts paid with these contracts. My investigation revealed no misuse of public funds, but a need to increase the supervision of the contract administration.

Recommendation #1: *Contract payments should not exceed the amounts for which they are approved. Even on negotiated contracts, such as those with Lawrence & Associates, the amounts approved by the Board of Supervisors should not be exceeded without a formal contract change approved by the Board of Supervisors.*

Response: I will recommend to the Board of Supervisors that the recommendation of the Grand Jury not be implemented because it is unnecessary and contrary to existing County Purchasing Ordinance. In some cases change orders must be approved by the Department Head or the County Administrative Officer who is the designated purchasing agent for the County, prior to obtaining Board approval. The County Administrative Officer is authorized to enter into contracts up to \$10,000, without Board approval. I interpret this to include the authority to enter into amendments to the contract, so long as the total amendments do not exceed the \$10,000. Change orders in excess of \$10,000 must be approved by the Board of Supervisors.

Finding & Conclusion #2: *The present contract [4.] in Finding #1] with Lawrence & Associates dated 6/20/00 through 6/30/05 is for "no maximum cost" for "engineering, planning, drilling and other consulting and contracting services or tasks." During the period of time this contract has been in force, a total of \$31,135 has been billed to and paid by the County.*

By issuing a contract with "no maximum cost" the Grand Jury believes the BOS has created a situation where the total cost is open ended and not controlled. The BOS, by approving, "no maximum cost" contracts is delegating unlimited contracting authority to County employees.

Response: I agree.

The minutes from the Board meeting of June 20, 2000 state that the Board approved the contract with Lawrence and authorizes the Chairman to sign and the General Services Director to administer the contract, for the total cost of plus or minus \$100,000. I agree that the contract should state a maximum cost to the County.

Recommendation #2: *The Grand Jury believes that these "no maximum cost" contracts are not in the County's best interest and recommends discontinuing these types of contracts.*

Response: The recommendation will be implemented. The contract dated June 20, 2000, will be amended to state a maximum cost.

Finding & Conclusion #3: *Hoy & Sons Construction Co. of Andersons, CA has been the construction company used for the landfill closure and miscellaneous construction around the new transfer station during the period of 1997 to the present. The total amount paid from Solid Waste Funds to Hoy & Son Construction Co. for this period is over \$1,250,000. There have been **no contracts** between Hoy & Son and Trinity County for any of this work. This is explained by General Services Director John Whitaker as a "design/build" subcontract using Lawrence & Associates as the prime contractor.*

Under State contracting law, the two types of contracts found in this investigation are Professional Services and Public Projects. The difference between these is that a Professional Services contract is for the hiring of specific professional services and a Public Project is to construct a facility and is subject by law to competitive bidding. The design/build concept combines the Professional Services with a Public Project. The result is that the project then by law becomes a Public Project and is subject to competitive bidding requirements.

The Grand Jury finds no legal support for the design/build theory advanced by General Services. The Grand Jury believes that state law requires competitive bidding in these cases.

The Grand Jury could find no BOS approvals for the \$1,250,000 of Solid Waste funds paid to Hoy & Son Construction Company. The only approval was by General Services Director John Whitaker. By County Ordinance the General Services Director does not have the authority to approve contracts over \$10,000.

Under the design/build theory as used by General Services the contracts approved by the BOS to Lawrence & Associates for a maximum amount of \$109,880 were then used to "justify" payments of \$1,250,000 to Hoy & Son Construction Company in addition to the above mentioned \$294,027 paid to Lawrence & Associates.

If the Lawrence & Associates contracts were used as a design-build contract then the maximum amount of the contracts, which was \$109,880 was overspent by \$1,147,953 or 1,044%.

Response: I agree in part and disagree in part.

On August 31, 1998, Lawrence and Associates presented budget estimates to the County for design and construction work for the Weaverville Landfill totaling \$1,242,000 for the transfer station and an additional \$297,000.00 for three walk-in floor trailers and a loader. The budget estimate was prepared pursuant to the contract dated 7/1/98 with Lawrence which specifically provided that Lawrence would provide consulting and contracting services to Trinity County for planning, design, and administration of the solid waste facilities.

On December 15, 1998, the Board of Supervisors approved and authorized the General Services Director to pursue a long-term loan in the amount of \$2,500,000 for the transfer station, maintenance facility, equipment, sewer line, and closure cap on the landfill. In material submitted to the Board for approval included \$1,156,188.00 for the design and construction of office building, attached shop, paving, fencing, landscaping, and other costs related to the office building.

On March 16, 1999, the Board of Supervisors approved and authorized the chairman to sign the promissory note to Leasource Financial Services in the amount of \$3,190,359, for the purpose of funding the projects that were approved on December 15, 1998. The County requested separate bids for construction of the transfer station and the maintenance facility/office building. The low bidders were Gallino and MDS, who were awarded the contracts. Part of the proceeds of the loan were used to pay Lawrence and Associates and to pay Hoy and Sons Construction Company for closure of the landfill. Hoy and Sons contracted with Lawrence and Associates, which directed the County to make payments directly to Hoy and Sons.

Although the Board of Supervisors was fully informed regarding the financing and construction of the transfer station/office building, and landfill closure, I agree that there should have been a contract directly between the County and Hoy and Sons Construction Company.

Recommendation #3: *All "design/build" projects should comply with state contracting law by requiring competitive bids. The issuing of contracts with specific work statements for specific amounts will ensure that the contracting authority will fully understand what they are approving.*

Response: The recommendation has been implemented.

Finding & Conclusion #4: *Nearly all of the payments from Solid Waste funds to Hoy & Son Construction were made from the West America Bank, which now holds the \$3,190,359 Solid Waste loan (see Finding and Conclusion #7, also see "Solid Waste Fund/General Services Office Report). The normal County process of sending invoices to the County Auditors office of payment (issuing warrants) was not used. The notable difference is that there was no second level review within the County prior to payment. Therefore, normal oversight from the County Auditor/Controller's office was by-passed. In this case oversight should have at least included documenting any contract involved and required approvals of that contract by the BOS.*

Response: I agree.

Recommendation #4: *The BOS should immediately adopt a policy requiring all payments from construction loans be processed through and approved by the Auditors office. This will assure that presently mandated oversight of expenditures, which is the responsibility of the County Auditor, will be conducted prior to payment.*

Response: I will recommend to the Board of Supervisors that the recommendation of the Grand Jury be implemented.

Finding & Conclusion #5: *A sewer line was needed to serve the landfill site, new office building, and new transfer station site. The initial option was to utilize the closest existing sewer line at Five-Cent Gulch Trailer Park with a line sufficient for the immediate needs of the solid waste facilities. After initial planning and coordination, consideration was given to the needs of potential future improvements that could be placed at the existing airport site. These future needs required a larger sized pipe, totally different route, longer length of pipe, additional easement costs, and costs to bore under the state highway. All of these changes added considerable cost above and beyond the initial option.*

The longer route which incorporates the expected future needs at the existing airport site was the route selected and constructed. The Grand Jury recognizes that foresight was used in this case to try to accommodate the longer-terms needs at the airport site instead of just the immediate needs of the Solid Waste facilities. However, the County is still not (as best as this Grand Jury can determine) actively planning and documenting future uses and needs at the airport site.

Response: I do not agree.

The County Strategic Planning Committee's mission is to actively plan and document the current and future needs for all County facilities. The Committee consists of Department Heads, County Administrative Officer, Auditor/Controller, County Counsel, and a member of the Board of Supervisors. The committee meets almost

monthly and future uses of the existing Weaverville Airport property have been and still are under study. One potential use is as a future site for a new County hospital.

Recommendation #5: *Planning for future use of the existing Weaverville Airport site (after a new airport is constructed) was called for by the 1999-2000 Grand Jury. Based on the lack of any visible progress this Grand Jury strongly recommends that the Board of Supervisors intensify this effort and include more specific due dates for a preliminary report.*

Response: Although this area is outside of the scope of my duties as County Counsel, I believe that the recommendation should not be implemented because it is premature to set deadlines for planning use of the existing airport site, when it is not known when the existing airport will close and the site will be available for future uses. The preferred alternative use at this time appears to be a new hospital. Investigation into the source of funding and design of a hospital are in progress and the County has contracted with consultants to provide studies. Members of the Grand Jury are free to attend the meetings of the Strategic Planning Committee.

Finding & Conclusion #6: *The cost of the sewer line as described in Finding and Conclusion #5 is estimated from invoices supplied by General Services to be \$180,000 to \$225,000. All sewer line costs have been paid from the Solid Waste Fund. The only exception is the \$30,000 to be contributed from the County Transportation Department as their share for a hookup to the new sewer line.*

Response: I agree in part and disagree in part.

Although the total paid for the sewer line as stated by the Grand Jury may be fairly accurate, the conclusion that it was paid for from "Solid Waste Fund" is not true. To my knowledge, it was paid from the proceeds of the loan from Leasource Financial Services referred to in response to Finding #3 above. This loan was never limited to only solid waste projects.

Recommendation #6: *The Grand Jury believes that the portion of the Solid Waste expenditures for the sewer line should not exceed the costs had the sewer line been extended from the Five-Cent Gulch Trailer Park with the minimum sized line. Those expenses in excess of that cost should be borne by the County General Fund or other appropriate users. In other words all other costs for upsized lines, easement, etc., would be from funds other than Solid Waste.*

Response: My recommendation to the Board of Supervisors is that the recommendation not be implemented because it is not warranted and it is based upon erroneous findings and conclusions that "solid waste funds" were inappropriately used.

Finding & Conclusion #7: *Prior to construction of the sewer line, General Services Director John Whitaker did not seek any specific contractual approvals from*

the BOS. The only BOS approvals involved the funds for the Solid Waste project as described below.

On 12/15/98 the Trinity County Board of Supervisors authorized the search for a loan for Solid Waste. This loan was intended to be \$3,190,359 for closing the landfill and associated needs and structures.

On 3/16/99 the Trinity County Board of Supervisors authorized the signing of the agreement for the loan for \$3,190,359 with Leasource Financial Services subject to routing for approval as to form and content.

Director John Whitaker has stated to Grand Jurors that he regarded the Board of Supervisors approval of the loan to be sufficient approval to spend the monies from the loan.

Response: I do not agree.

The Grand Jury erroneously states that the loan was intended for closing the landfill and associated needs and structures. On December 15, 1998, the Supervisors approved and authorized John Whitaker to pursue a long-term loan for the transfer station, maintenance facility, equipment, sewer line, and closure cap on the landfill. Subsequent to the Supervisors approving the loan, the Board of Supervisors approved contracts with Gallino and with MDS. The only contract that was not approved by the Board of Supervisors was with Hoy and Sons Construction Company for the closure of the landfill. However, the Board approved the funding of that contract in the budgets that were submitted by Lawrence and Associates. I agree that there should have been a separate contract between Hoy and Sons.

Recommendation #7: *This Grand Jury believes that the BOS and County Administrative Officer (CAO) need to take steps to guarantee that County employees follow the State and County laws regarding contracting and contracting authority.*

Creating a County contracting office should be considered in the interest of improving the administration of county contracts and complying with California State contracting laws.

Response: The recommendation that the Board of Supervisors and County Administrative Officer take steps to guarantee County employees follow the State and County laws has been implemented. The recommendation of creating a county contracting office is not being implemented, and is not warranted. The County purchasing ordinance designates the County Administrative Officer as the Purchasing Agent, and the Director of General Services as her assistant. As stated above, all contracts are routed and approved by the County Administrative Officer, Auditor, and the County Counsel.

Conclusion:

The Grand Jury is to be commended in bringing to the attention of responsible County officials the deficiencies in the administration of the contracts with Lawrence and Associates and Hoy and Sons. On the other hand, the tone of the reports by the Grand Jury is inflammatory and some findings are not true. Some of the mistakes made by the Grand Jury in the report are understandable, because of the difficulty in matching payments made to specific contracts to Lawrence and Associates. The cause or reason for some of the erroneous findings made by the Grand Jury are not clear because the findings are not consistent with the documents and information provided to the Grand Jury by me and other County officials.

I request that this response be published.

DRH:wt



TRINITY COUNTY

RECEIVED

JAN - 3 2002

SUPERIOR COURT
JUDGE'S CHAMBERS

BOARD OF SUPERVISORS
P.O. Drawer 1613 (530) 623-1217
WEAVERVILLE, CALIFORNIA 96093

Dero B. Forslund, Clerk
Jeannie Nix-Temple, County Administrative Officer

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: Trinity County Board of Supervisors

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
Special Investigation Committee Final Report
Landfill Closure/Sewer Line Construction

DATE: January 2, 2002

The Grand Jury Special Investigation Committee has requested a written response to their Final Report on the Landfill Closure/Sewer Line Construction. The response of behalf of the Board of Supervisors is as follows:

Finding & Conclusion #1: *In 1997 the BOS made a decision to close the landfill, change the solid waste operation to a transfer station, and haul the solid waste to an out-of-county landfill. Starting in 1998, the major work of this operation was directed by General Services Director John Whitaker. The preponderance of the planning and technical oversight of this effort was done by the Redding based engineering firm of Lawrence & Associates. During the period of time from 1997 to the present, Lawrence & Associates had the following negotiated Professional Services contracts to cover this work.*

- 1.) *Contract dated 10/17/97 with no end date for \$49,700 plus attached schedule B for other charges for a five year Solid Waste plan and sitting element for Trinity County. It also states the need to do a separate cost estimate for specific plans and the technical specifications for a sewer line from Five Cent Gulch Street to the future transfer station.*
- 2.) *Contract dated 4/7/98 through 6/30/98 for \$5,650 for ground water, lechate and storm water monitoring at the Weaverville landfill.*
- 3.) *Contract dated 7/1/98 through 6/30/01 for \$54,530 for "engineering, planning, drilling and other consulting and contracting for tasks..."*

-188-

- 4.) *Contract dated 6/20/00 through 6/30/05 stating "no maximum cost for engineering, planning, drilling and other consulting and contracting services or tasks."*

The maximum contract amount of contracts 1.), 2.), and 3.) above issued to Lawrence & Associates totals \$109,880. From October 1997 through June 2000, the County paid Lawrence & Associates a total of \$294,027 on these contracts, which exceeds the contract amounts by \$184,147 or 187%.

Response: The Board of Supervisors does not agree. Thorough review by our County Counsel and Auditor determined that all contracts, amendments and payments to Lawrence and Associates were proper and within contracted amounts.

Recommendation #1: *Contract payments should not exceed the amounts for which they are approved. Even on negotiated contracts, such as those with Lawrence & Associates, the amounts approved by the Board of Supervisors should not be exceeded without a formal contract change approved by the Board of Supervisors.*

Response: The Board of Supervisors feels the current Trinity County purchasing ordinance is serving us well. This recommendation would conflict with that ordinance.

Finding & Conclusion #2: *The present contract [4.) in Finding #1] with Lawrence & Associates dated 6/20/00 through 6/30/05 is for "no maximum cost" for "engineering, planning, drilling and other consulting and contracting services or tasks." During the period of time this contract has been in force, a total of \$31,135 has been billed to and paid by the County.*

By issuing a contract with "no maximum cost" the Grand Jury believes the BOS has created a situation where the total cost is open ended and not controlled. The BOS, by approving, "no maximum cost" contracts is delegating unlimited contracting authority to County employees.

Response: The Board of Supervisors agrees that contracts for their approval should contain a maximum amount.

Recommendation #2: *The Grand Jury believes that these "no maximum cost" contracts are not in the County's best interest and recommends discontinuing these types of contracts.*

Response: This recommendation has been implemented.

Finding & Conclusion #3: *Hoy & Sons Construction Co. of Andersons, CA has been the construction company used for the landfill closure and miscellaneous construction around the new transfer station during the period of 1997 to the present. The total amount paid from Solid Waste Funds to Hoy & Son Construction Co. for this period is over \$1,250,000. There have been **no contracts** between Hoy & Son and Trinity County for any of this work. This is explained by General Services Director John*

Whitaker as a "design/build" subcontract using Lawrence & Associates as the prime contractor.

Under State contracting law, the two types of contracts found in this investigation are Professional Services and Public Projects. The difference between these is that a Professional Services contract is for the hiring of specific professional services and a Public Project is to construct a facility and is subject by law to competitive bidding. The design/build concept combines the Professional Services with a Public Project. The result is that the project then by law becomes a Public Project and is subject to competitive bidding requirements.

The Grand Jury finds no legal support for the design/build theory advanced by General Services. The Grand Jury believes that state law requires competitive bidding in these cases.

The Grand Jury could find no BOS approvals for the \$1,250,000 of Solid Waste funds paid to Hoy & Son Construction Company. The only approval was by General Services Director John Whitaker. By County Ordinance the General Services Director does not have the authority to approve contracts over \$10,000.

Under the design/build theory as used by General Services the contracts approved by the BOS to Lawrence & Associates for a maximum amount of \$109,880 were then used to "justify" payments of \$1,250,000 to Hoy & Son Construction Company in addition to the above mentioned \$294,027 paid to Lawrence & Associates.

If the Lawrence & Associates contracts were used as a design-build contract then the maximum amount of the contracts, which was \$109,880 was overspent by \$1,147,953 or 1,044%.

Response: The Board of Supervisors agrees in part and disagrees in part to this finding and conclusion while the county should have had a contract directly with Hoy and Sons Construction, the Board of Supervisors was properly informed of expenditures made toward the (Transfer Station/Office Building and Landfill Closure) project.

Recommendation #3: *All "design/build" projects should comply with state contracting law by requiring competitive bids. The issuing of contracts with specific work statements for specific amounts will ensure that the contracting authority will fully understand what they are approving.*

Response: This recommendation has been implemented.

Finding & Conclusion #4: *Nearly all of the payments from Solid Waste funds to Hoy & Son Construction were made from the West America Bank, which now holds the \$3,190,359 Solid Waste loan (see Finding and Conclusion #7, also see "Solid Waste Fund/General Services Office Report). The normal County process of sending invoices to the County Auditors office of payment (issuing warrants) was not used. The notable*

difference is that there was no second level review within the County prior to payment. Therefore, normal oversight from the County Auditor/Controller's office was by-passed. In this case oversight should have at least included documenting any contract involved and required approvals of that contract by the BOS.

Response: The Board of Supervisors agrees.

Recommendation #4: *The BOS should immediately adopt a policy requiring all payments from construction loans be processed through and approved by the Auditors office. This will assure that presently mandated oversight of expenditures, which is the responsibility of the County Auditor, will be conducted prior to payment.*

Response: This recommendation will be implemented.

Finding & Conclusion #5: *A sewer line was needed to serve the landfill site, new office building, and new transfer station site. The initial option was to utilize the closest existing sewer line at Five-Cent Gulch Trailer Park with a line sufficient for the immediate needs of the solid waste facilities. After initial planning and coordination, consideration was given to the needs of potential future improvements that could be placed at the existing airport site. These future needs required a larger sized pipe, totally different route, longer length of pipe, additional easement costs, and costs to bore under the state highway. All of these changes added considerable cost above and beyond the initial option.*

The longer route which incorporates the expected future needs at the existing airport site was the route selected and constructed. The Grand Jury recognizes that foresight was used in this case to try to accommodate the longer-terms needs at the airport site instead of just the immediate needs of the Solid Waste facilities. However, the County is still not (as best as this Grand Jury can determine) actively planning and documenting future uses and needs at the airport site.

Response: With this finding and conclusion the Board of Supervisors does not agree. The County Board has members who regularly attend Hospital meetings Airport Planning meetings and Strategic Planning meetings and are actively participating in long and short term county planning.

Recommendation #5: *Planning for future use of the existing Weaverville Airport site (after a new airport is constructed) was called for by the 1999-2000 Grand Jury. Based on the lack of any visible progress this Grand Jury strongly recommends that the Board of Supervisors intensify this effort and include more specific due dates for a preliminary report.*

Response: The Board of Supervisors feels this is an unnecessary recommendation. After extensive public review, new airport construction and hospital relocation will proceed as financing allows.

Finding & Conclusion #6: *The cost of the sewer line as described in Finding and Conclusion #5 is estimated from invoices supplied by General Services to be \$180,000 to \$225,000. All sewer line costs have been paid from the Solid Waste Fund. The only exception is the \$30,000 to be contributed from the County Transportation Department as their share for a hookup to the new sewer line.*

Response: The Board of Supervisors only partially agrees with these findings and conclusions. Indicated costs seem accurate, however, sewer line costs were some of those anticipated in the loan with Leasource Financial Services.

Recommendation #6: *The Grand Jury believes that the portion of the Solid Waste expenditures for the sewer line should not exceed the costs had the sewer line been extended from the Five-Cent Gulch Trailer Park with the minimum sized line. Those expenses in excess of that cost should be borne by the County General Fund or other appropriate users. In other words all other costs for upsized lines, easement, etc., would be from funds other than Solid Waste.*

Response: This recommendation will not implemented, because sewer line work was done with borrowed funds rather than "Solid Waste Funds", as the Grand Jury states.

Finding & Conclusion #7: *Prior to construction of the sewer line, General Services Director John Whitaker did not seek any specific contractual approvals from the BOS. The only BOS approvals involved the funds for the Solid Waste project as described below.*

On 12/15/98 the Trinity County Board of Supervisors authorized the search for a loan for Solid Waste. This loan was intended to be \$3,190,359 for closing the landfill and associated needs and structures.

On 3/16/99 the Trinity County Board of Supervisors authorized the signing of the agreement for the loan for \$3,190,359 with Leasource Financial Services subject to routing for approval as to form and content.

Director John Whitaker has stated to Grand Jurors that he regarded the Board of Supervisors approval of the loan to be sufficient approval to spend the monies from the loan.

Response: The Board of Supervisors only partially agrees with this finding and conclusion. Except for the contract with Hoy and Sons, all other contracts for landfill closure, etc. were anticipated in the loan from Leasource Financial Services and executed properly.

Recommendation #7: *This Grand Jury believes that the BOS and County Administrative Officer (CAO) need to take steps to guarantee that County employees follow the State and County laws regarding contracting and contracting authority.*

Creating a County contracting office should be considered in the interest of improving the administration of county contracts and complying with California State contracting laws.

Response: Again, the Board of Supervisors agrees in part and disagrees in part. The County has already taken steps to insure that all County employees follow State and County laws regarding contracting and contracting authority. We do not feel it necessary to set up a County Contracting Office, because the County has already implemented a process to require uniform contracting procedures.

RM:kf

TRINITY COUNTY GRAND JURY

FILED

2000-2001

JUN 29 2001

SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK *DR*

**SPECIAL INVESTIGATION COMMITTEE
FINAL REPORT**

SOLID WASTE FUNDS/GENERAL SERVICES OFFICE

**This report was approved
On June 12, 2001**

**2000-2001 TRINITY COUNTY GRAND JURY
SPECIAL INVESTIGATION COMMITTEE
FINAL REPORT**

SOLID WASTE FUNDS/GENERAL SERVICES OFFICE

PURPOSE:

The grand Jury investigates, as it deems appropriate, complaints received regarding the operation of all Trinity County departments.

BACKGROUND:

Complaints related to Trinity County contracting procedures and the legality of the County's use of Solid Waste Funds were received by the 2000-2001 Grand Jury. Solid Waste Funds are comprised of the Solid Waste Disposal Fees paid annually by most county property owners, plus the Tipping Fees charged at the Solid Waste transfer stations.

In this report the County fund is referred to as the Solid Waste Fund. A more formal title to this fund is the County Solid Waste Enterprise fund. The "Enterprise" part of this title refers to the fact that this is a fund set up much like a business. These funds are not mixed with general tax monies, constituting a closed fund. Balances are carried over year to year, again as in a business.

There are a total of three reports that describe the findings of this investigation. The names of these reports are 1.) Citizens Complaint – General Services Contracting; 2.) Landfill Closure/Sewer Line Construction and this report 3.) Solid Waste Funds/General Services Office. These three reports are inter-related and should be considered as a whole.

METHOD:

Interviews were conducted with General Services Director John Whitaker on several occasions. Minutes from past Board of Supervisors meetings were reviewed to determine what approvals were made and exactly what was approved regarding the construction of the new General Services building and expenditure of funds.

FINDING #1:

In response to earlier direction from the County Board of Supervisors, in December of 1998, General Services Director John Whitaker appeared before the County Board of Supervisors to present an estimate for a loan that is known as the Solid Waste Loan. On 3/16/99 the Board of Supervisors approved an agreement for funding (loan) with Leasource Financial Services for \$3,190,359. This loan included money for the new Solid Waste transfer station, closure of the existing landfill and a maintenance facility. This Solid Waste Loan is being paid exclusively by Solid Waste Funds. This fund is comprised of the annual Solid Waste Disposal Fee paid by property owners and businesses plus the Tipping Fees paid at the solid waste transfer sites throughout the county.

The maintenance facility that was referred to in the loan is now referred to as the General Services Office and includes the adjoining shop. This new office/maintenance building is now occupied by Solid Waste as well as Facilities Maintenance (also known as Buildings and Grounds), Vehicle Abatement, Cemeteries, and the Agriculture Commissioner. Of the Solid Waste Loan, \$1,397,936 was budgeted for construction of this new facility. On 7/5/00 the Board of Supervisors...”authorized a construction contract for \$769,655 for General Services Building from Solid Waste Construction Loan.” As of 4/19/01 the cost of this facility is \$1,167,889.

The General Services Director has allocated the space usage for the new facility as follows:

Building and Grounds ---	43.03%
Solid Waste ---	50.96%
Ag. Commissioner ---	4.78%
Vehicle Abatement ---	1.23%

As can be seen by the above list 50.96% of the facility is used by Solid Waste personnel. The remaining 49.04% is used by County offices other than Solid Waste. At the present cost of \$1,167,889, the 49.04% share that was never intended for use by Solid Waste is equal to a cost share of \$572,732.

To repay Solid Waste for the “other” users the County Auditor has suggested that the cost be “capitalized” at 2% per year not including any interest. Then each non-solid waste user would pay an annual “rent” to repay this cost. At 2% per year this would require 50 years to repay and would not include any interest.

RECOMMENDATION #1:

The County Board of Supervisors immediately undertake a plan to repay the Solid Waste Fee account the \$572,732.00, plus interest at the same rate of the Solid Waste Construction loan. This Grand Jury does not find the (very long term) “capitalization” of the building cost to be an acceptable method of repayment of a cost that should never have been borne by Solid Waste Fee monies.

CONCLUSION:

The Board of Supervisors should establish a clear policy about the exclusive use of Solid Waste fees for only Solid Waste purposes. The Policy should then be transmitted to all Solid Waste Disposal Fee payers in the County. This would be above and beyond publishing it in the Board’s Minutes.

During the investigations of the affairs within the Solid Waste Enterprise Fund the Grand Jury has found the above incidence involving the misuse of \$572,732 of Solid Waste Fee monies. In addition, Solid Waste Fee money was misused to pay for the total cost of the sewer line. Information about the sewer line is found in the Grand Jury report titled Landfill Closure/Sewer Line Construction.

It is recommended that an independent audit of the Solid Waste Enterprise Fund be undertaken to identify misused funds, including the use of the \$3,190,359 loan.

These fee monies must be used only for the purpose collected.

RESPONSE REQUESTED FROM:

Trinity County Board of Supervisors, Trinity County Administrative Officer, Trinity County Auditor/Controller, Trinity County Director of General Services, Trinity County Counsel, Trinity County District Attorney



TRINITY COUNTY

OFFICE OF THE COUNTY ADMINISTRATOR

Administration — Human Resources — Risk Management

Grant Management — Information & Technology

P. O. Box 1613 Weaverville, CA 96093-1613

County Administrator Phone: (530) 623-1382

Human Resources Phone (530) 623-1325 FAX (530) 623-4222

JEANNIE NIX-TEMPLE, County Administrative Officer

To: The Honorable John K. Letton
Presiding Judge of Superior Court

From: *Jeannie Nix-Temple*
Jeannie Nix-Temple
County Administrative Officer

Date: August 17, 2001

RE: 2000-2001 Grand Jury Report
Solid Waste Funds/General Services Office

RECEIVED

AUG 20 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

The Grand Jury has requested a response from me in my role as County Administrative Officer. My response is as follows:

Finding #1

I agree in part and disagree in part. The General Services Building was built with funds from a loan secured from LeaseSource Financial Services, which is essentially repaid from funds generated from the solid waste and tipping fees. The costs for any portion of the facilities not used for Solid Waste are appropriately allocated for recovery. The assessments and fees set for solid waste were based on an exhaustive study and were deemed to be appropriately set to fund the stated uses.

Recommendation #1

I disagree with the recommendation. The recommendation that the Board of Supervisors immediately undertake a plan to repay the Solid Waste Fund \$572,732. (plus interest) is unnecessary. The recommendation will not be implemented. An acceptable and legal plan for recovering interest costs is in place through the county wide cost allocation plan (A87). The capitalization at 2% per year is an acceptable government method of recovering capital costs. The General Services Building and the cost of infrastructure associated with the construction were designed with future uses in mind. It would not have been cost effective to put in one size of sewer line with solid waste funds knowing that it would not be adequate to serve any future growth in the area (i.e. a juvenile facility or a new hospital).

Response to Conclusions:

I disagree with the statement that the Solid Waste Funds have been misused. Misuse is a term that infers that some illegal activity has taken place. The Grand Jury has presented no evidence of any illegal or unethical activities.

The recommendation that an independent audit be undertaken to identify misused funds will not be implemented. The Solid Waste Enterprise Fund is audited annually with the audit of all county funds. A second independent audit would be redundant.

JNT:wt



TRINITY COUNTY

BRIAN E. MUIR, COUNTY AUDITOR-CONTROLLER
P.O. BOX 1230, WEAVERVILLE, CALIFORNIA 96093-1230
PHONE (530) 623-1317 FAX (530) 623-1323

MEMORANDUM

DATE: July 12, 2001
TO: John K. Letton, Presiding Judge of the Superior Court
FROM: Brian Muir, Auditor / Controller
SUBJECT: 2000-2001 Trinity County Grand Jury Report
Solid Waste Funds / General Services Office

The following response is provided as requested in the above report:

Recommendation #1

I disagree. To state that Solid Waste funds were misused in construction of the General Services building is inflammatory and inaccurate. Although the Grand Jury finds the County's method for recovering building cost to be unacceptable, the Federal and State governments not only find it acceptable but approve it as the standard method for recovery of such costs. The Board of Supervisors could direct that \$572,732 be transferred to the Solid Waste Enterprise Fund, but there is no requirement that they do so. Interest charges will be recovered on an "as incurred" basis through the countywide cost allocation plan.

OFFICE OF THE
DISTRICT ATTORNEY
COUNTY OF TRINITY

DAVID L. CROSS
District Attorney

W. JAMES WOODS, Deputy D.A.
JEANETTE PALLA, Deputy D.A.
MICHAEL L. MOCK, Deputy D.A.
ERIC L. HERYFORD, Deputy D.A.



101 Court Street, Courthouse
Post Office Box 310
Weaverville, California 96093
(530) 623-1304 (Main Office)
(530) 623-1306 (Family Support)
FAX # 530-623-2865

June 22, 2001

JOHN K. LETTON
Superior Court Judge
P.O. Box 1117
Weaverville, CA 96093

RECEIVED

JUL - 9 2001

**SUPERIOR COURT
JUDGE'S CHAMBERS**

RE: RESPONSE TO 2000-2001 GRAND JURY REPORT
(Special Districts Committee—Solid Waste Funds/General Services Office)

Dear Honorable Judge Letton:

In response to the Court Executive Officer's memo of June 22, 2001, regarding the above, the findings and recommendations do not pertain to matters under my control or the control of my department

Sincerely,

DAVID L. CROSS
District Attorney

DLC:ph

cc: John Whitaker, Director of General Services
Jeannie Nix-Temple, CAO
David Hammer, County Counsel
Brian Muir, Auditor/Controller



TRINITY COUNTY

GENERAL SERVICES DEPARTMENT
P.O. BOX 2700 -- FAX (530) 623-5015
WEAVERVILLE, CA 96093

RECEIVED

SEP 14 2001

SUPERIOR COURT
JUDGE'S CHAMBERS

September 13, 2001

TO: Honorable John K. Letton
Presiding Judge of the Superior Court

FROM: John Whitaker, General Services Director

SUBJECT: Response to Recommendations of 2000-01 Grand Jury
SPECIAL INVESTIGATION COMMITTEE FINAL REPORT
SOLID WASTE FUNDS/GENERAL SERVICES OFFICE

Finding #1: *In response to earlier direction from the County Board of Supervisors, in December of 1998, General Services Director John Whitaker appeared before the County Board of Supervisors to present an estimate for a loan that is known as the Solid Waste Loan. On 3/16/99 the Board of Supervisors approved an agreement for funding (loan) with Leasource Financial Services for \$3,190,359. This loan included money for the new Solid Waste transfer station, closure of the existing landfill and a maintenance facility. This Solid Waste Loan is being paid exclusively by Solid Waste Funds. This fund is comprised of the annual Solid Waste Disposal Fee paid by property owners and businesses plus the Tipping Fees paid at the solid waste transfer sites throughout the county.*

The maintenance facility that was referred to in the loan is now referred to as the General Services Office and includes the adjoining shop. This new office/maintenance building is now occupied by Solid Waste as well as Facilities Maintenance (also known as Building and Grounds), Vehicle Abatement, Cemeteries, and the Agriculture Commissioner. Of the Solid Waste Loan, \$1,397,936 was budgeted for construction of this new facility. On 7/5/00 the Board of Supervisors . . ."authorized a construction contract for \$769,655 for General Services Building from Solid Waste Construction Loan." As of 4/19/01 the cost of this facility is \$1,167,889.

The General Services Director has allocated the space usage for the new facility as follows:

Building and Grounds --- 43.03%
Solid Waste --- 50.96%
Ag. Commissioner --- 4.78%
Vehicle Abatement --- 1.23%

As can be seen by the above list 50.96% of the facility is used by Solid Waste personnel. The remaining 49.04% is used by County offices other than Solid Waste. At the present cost of \$1,167,889, the 49.04% share that was never intended for use by Solid Waste is equal to a cost share of \$572,732.

To repay Solid Waste for the "other" users the County Auditor has suggested that the cost be "capitalized" at 2% per year not including any interest. Then each non-solid waste user would pay an annual "rent" to repay this cost. At 2% per year this would require 50 years to repay and would not include any interest.

Response:

In paragraph 2 of the committee's findings, they fail to reflect project tasks and cost centers described in my response to their draft report. \$1,397,936 was budgeted for the total project budget, and this has not been exceeded. The following is a list of those cost centers:

- Work provided by Lawrence and Associates: negative declaration documents, civil work, engineering, and design.
- County to provide: contingency monies, permit fees, utility hookup fees, landscaping, security systems, inspection, phone systems, maintenance equipment, tools, propane tank, emergency generator, etc.
- The structure cost bid price was \$769,555, and was given to the lowest bidder, who, by the way, was unable to complete the project under the terms specified in the contract documents.

On the issue of sharing space, the committee's view is narrow. The Solid Waste Division is under General Services Department, and labor and equipment are shared and billed accordingly. The consolidation of these departments meets the Board directive under our Strategic Planning Committee guidelines dated June 11, 1999.

Recommendation 1.

"The County Board of Supervisors immediately undertake a plan to repay the Solid Waste Fee account the \$572,732.00, plus interest at the same rate of the Solid Waste Construction loan.

This Grand Jury does not find the (very long term) "capitalization" of the building cost to be an acceptable method of repayment of a cost that should never have been borne by Solid Waste Fee monies."

Response:

We disagree with the committee's recommendation. County capital investment projects of this nature are paid through this type of mechanism and are allowed by regulation.

Conclusion:

The Board of Supervisors is the legislative body of the County, direction and policy has been adhered to, and to suggest otherwise is a misrepresentation of the facts presented to the committee. The call that funds were misappropriated is groundless. The loan

package states that the funds were to be used for the construction of the maintenance facility, landfill closure and sewer line construction, and office/shop building; those funds were used accordingly.

We request that this response be published.



TRINITY COUNTY

OFFICE OF THE COUNTY COUNSEL
Post Office Box 1428 Weaverville, California 96093
Phone: (530) 623-1382 FAX (530) 623-4222

DAVID R. HAMMER
County Counsel

RECEIVED

SEP 11 2001

SENIOR COURT
JUDGES CHAMBERS

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: David R. Hammer, County Counsel *D R H*

SUBJECT: Response to 2000-01 Grand Jury
Special Investigation Committee Final Report
Solid Waste Funds/General Services Office

DATE: September 5, 2001

The Grand Jury Special Investigation Committee has requested a written response to their Final Report on the Solid Waste Funds/General Services Office. In my capacity as Director, my response is as follows:

The Grand Jury report states that there are three inter-related reports that should be considered as a whole: (1) Citizen Complaint – General Services Contracting; (2) Solid Waste Fund/General Services Office; and (3) Landfill Closure/Sewer Line Construction. Although the Grand Jury has requested me as County Counsel to respond only to the Landfill Closure/Sewer Line Construction Report, I feel it is appropriate to respond to all three reports.

Finding #1: *In response to earlier direction from the County Board of Supervisors, in December of 1998, General Services Director John Whitaker appeared before the County Board of Supervisors to present an estimate for a loan that is known as the Solid Waste Loan. On 3/16/99 the Board of Supervisors approved an agreement for funding (loan) with Leasource Financial Services for \$3,190,359. This loan included money for the new Solid Waste transfer station, closure of the existing landfill and a maintenance facility. This Solid Waste Loan is being paid exclusively by Solid Waste Funds. This fund is comprised of the annual Solid Waste Disposal Fee paid by property owners and businesses plus the Tipping Fees paid at the solid waste transfer sites throughout the county.*

The maintenance facility that was referred to in the loan is now referred to as the General Services Office and includes the adjoining shop. This new office/maintenance

building is now occupied by Solid Waste as well as Facilities Maintenance (also known as Building and Grounds), Vehicle Abatement, Cemeteries, and the Agriculture Commissioner. Of the Solid Waste Loan, \$1,397,936 was budgeted for construction of this new facility. On 7/5/00 the Board of Supervisors . . ."authorized a construction contract for \$769,655 for General Services Building from Solid Waste Construction Loan." As of 4/19/01 the cost of this facility is \$1,167,889.

The General Services Director has allocated the space usage for the new facility as follows:

<i>Building and Grounds</i>	<i>--- 43.03%</i>
<i>Solid Waste</i>	<i>--- 50.96%</i>
<i>Ag. Commissioner</i>	<i>--- 4.78%</i>
<i>Vehicle Abatement</i>	<i>--- 1.23%</i>

As can be seen by the above list 50.96% of the facility is used by Solid Waste personnel. The remaining 49.04% is used by County offices other than Solid Waste. At the present cost of \$1,167,889, the 49.04% share that was never intended for use by Solid Waste is equal to a cost share of \$572,732.

To repay Solid Waste for the "other" users the County Auditor has suggested that the cost be "capitalized" at 2% per year not including any interest. Then each non-solid waste user would pay an annual "rent" to repay this cost. At 2% per year this would require 50 years to repay and would not include any interest.

Response:

I agree in part and disagree in part.

Government Code section 25830 provides that the County Board of Supervisors may establish a schedule of fees to be used for the operation and maintenance of County waste disposal sites, and for financing waste collection, processing, reclamation, and disposal services. The County has set those fees at \$100 per year per developed parcel and a schedule for disposing of waste at the transfer sites, commonly called a "tipping fee." One of the purposes of the fees and assessments is to shift the burden from the general taxpaying public to those persons specifically benefiting from a particular service. So long as the fee does not exceed the actual cost of acquisition, maintenance, operation, and financing, then the assessment and the tipping fee are legal. The Board of Supervisors set the fees after public hearings at which the total cost of the County Waste Management Program was presented. There is NO evidence that the fees exceed the total cost. The Grand Jury Report erroneously concludes that because proceeds of a loan were used to pay for legitimate government activities, other than waste management, there has to be a "repayment" to the solid waste account. The finding is not supported by any law, and is based on a misstatement of facts. The true facts as to the loan transaction are as follows:

On March 8, 1999, the County Finance Committee consisting of 2 County Supervisors, the County Administrative Officer, County Counsel, County Treasurer, County Auditor, County Clerk/Recorder, and County Director of General Services met and recommended to the Board of Supervisors that the County enter into a contract with LeaseSource Financial Services to borrow \$3,198,359 at 4.879% for a period of ten years. The loan was for the purpose of constructing a transfer station at a cost of approximately \$1.36 million, constructing the general services and solid waste office complex, at a cost of approximately \$1.4 million, and capping the old landfill site at a cost of approximately \$431,000. The Grand Jury's Report incorrectly categorizes this as a "solid waste loan." The loan package clearly states that approximately \$1.4 million of the loan proceeds were to be used for construction of the maintenance facility and associated improvements. The Grand Jury erroneously concludes that there has been a misuse of solid waste fee monies, based upon erroneous findings.

The real issue is whether the cost of operating, maintaining, and financing the solid waste disposal within Trinity County equals or exceeds the amount that is charged to property owners in special assessments and tipping fees. The County Auditor, Director of General Services, and the Board of Supervisors have determined that the fees set do reflect the total cost of the solid waste program, and are reasonable.

The Grand Jury is charged with an important responsibility to investigate and report on the operation of local government. The Grand Jury's responsibility calls for diligence, impartiality, dedication, and strict confidentiality. County personnel spent many, many hours providing documents and being interviewed by the Grand Jury. It is unfortunate and disappointing that the results of the Grand Jury's investigation as to this matter do not accurately reflect the documents, information and law provided to the Grand Jury.

Recommendation #1: *The County Board of Supervisors immediately undertake a plan to repay the Solid Waste Fee account the \$572,732, plus interest at the same rate of the Solid Waste Construction loan. This Grand Jury does not find the (very long term) "capitalization" of the building cost to be an acceptable method of repayment of a cost that should never have been borne by Solid Waste Fee monies.*

Response:

The recommendation of the Grand Jury will not be implemented because they are not warranted and are not reasonable. Payment from the County General Fund to the Solid Waste Enterprise Fund of \$572,732 is not necessary, and would be a burden on the taxpayers of Trinity County. An independent audit of the Enterprise Fund is not necessary and would be a waste of taxpayers' dollars.

I request that this response be published.

DRH:wt



TRINITY COUNTY

RECEIVED

JAN - 3 2002

SUPERIOR COURT
JUDGE'S CHAMBERS

BOARD OF SUPERVISORS
P.O. Drawer 1613 (530) 623-1217
WEAVERVILLE, CALIFORNIA 96093

Dero B. Forslund, Clerk
Jeannie Nix-Temple, County Administrative Officer

TO: The Honorable John K. Letton,
Presiding Judge of the Superior Court

FROM: Trinity County Board of Supervisors

SUBJECT: Response to 2000-01 Grand Jury
Special Investigation Committee Final Report
Solid Waste Funds/General Services Office

DATE: January 2, 2002

The Grand Jury Special Investigation Committee has requested a written response to their Final Report on the Solid Waste Funds/General Services Office. The response of the Board of Supervisors is as follows:

Finding #1: *In response to earlier direction from the County Board of Supervisors, in December of 1998, General Services Director John Whitaker appeared before the County Board of Supervisors to present an estimate for a loan that is known as the Solid Waste Loan. On 3/16/99 the Board of Supervisors approved an agreement for funding (loan) with Leasource Financial Services for \$3,190,359. This loan included money for the new Solid Waste transfer station, closure of the existing landfill and a maintenance facility. This Solid Waste Loan is being paid exclusively by Solid Waste Funds. This fund is comprised of the annual Solid Waste Disposal Fee paid by property owners and businesses plus the Tipping Fees paid at the solid waste transfer sites throughout the county.*

The maintenance facility that was referred to in the loan is now referred to as the General Services Office and includes the adjoining shop. This new office/maintenance building is now occupied by Solid Waste as well as Facilities Maintenance (also known as Building and Grounds), Vehicle Abatement, Cemeteries, and the Agriculture Commissioner. Of the Solid Waste Loan, \$1,397,936 was budgeted for construction of this new facility. On 7/5/00 the Board of Supervisors . . ." authorized a construction contract for \$769,655 for General Services Building from Solid Waste Construction Loan." As of 4/19/01 the cost of this facility is \$1,167,889.

The General Services Director has allocated the space usage for the new facility as follows:

Building and Grounds --- 43.03%
Solid Waste --- 50.96%
Ag. Commissioner --- 4.78%
Vehicle Abatement --- 1.23%

As can be seen by the above list 50.96% of the facility is used by Solid Waste personnel. The remaining 49.04% is used by County offices other than Solid Waste. At the present cost of \$1,167,889, the 49.04% share that was never intended for use by Solid Waste is equal to a cost share of \$572,732.

To repay Solid Waste for the "other" users the County Auditor has suggested that the cost be "capitalized" at 2% per year not including any interest. Then each non-solid waste used would pay an annual "rent" to repay this cost. At 2% per year this would require 50 years to repay and would not include any interest.

Response: The Board of Supervisors agrees in part and disagrees in part. The General Services Building was indeed built by a loan secured from Leasource Financial Services. However, the loan monies were properly spent on capital improvements according to a budget and plan that was publicly heard and with funds properly spent.

Recommendation #1: *The County Board of Supervisors immediately undertake a plan to repay the Solid Waste Fee account the \$572,732, plus interest at the same rate of the Solid Waste Construction loan. This Grand Jury does not find the (very long term) "capitalization" of the building cost to be an acceptable method of repayment of a cost that should never have been borne by Solid Waste Fee monies.*

Response: The Board of Supervisors disagrees with this recommendation. It is not warranted. Payments into the Solid Waste Enterprise Fund are being legitimately used and do not exceed Solid Waste operational costs.

Conclusion: The Board of Supervisors disagrees with the Grand Jury's conclusion. We believe the county's policies and procedures have been followed and that County funds are already adequately audited.

RM:kf

TRINITY COUNTY GRAND JURY

FINAL REPORT

2000 - 2001

SOCIAL SERVICES COMMITTEE

TRINITY COUNTY GRAND JURY

2000-2001

FILED

JUN 12 2001

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK**

DR

**SOCIAL SERVICES COMMITTEE
FINAL REPORT**

CITIZEN COMPLAINT

**This report was approved
On April 10, 2001**

**2000 – 2001 TRINITY COUNTY GRAND JURY
SOCIAL SERVICES COMMITTEE
FINAL REPORT**

CITIZEN COMPLAINT

PURPOSE:

The Trinity County Grand Jury is empowered to investigate all complaints received from citizens of Trinity County.

BACKGROUND:

The Social Services Committee of the Grand Jury received a complaint against a Court appointed Conservator assigned to the case of an elderly person purported to be in poor health and unable to manage funds and property.

1. Mismanagement of the elderly persons funds, specifically a \$14,000.00 inheritance.
2. Mismanagement of the property of the elderly person and sale of her home.
3. Abuse of the elderly person by not allowing incoming or outgoing phone calls.
- 4.

METHOD OF INVESTIGATION:

Members of the Social Services Committee of the Grand Jury interviewed County officials, the elderly persons attorney, the conservator in question, the complainant and a citizen who wrote a supporting letter to the original complaint. The Committee also obtained court records to assist in determining the validity of the complaint.

FINDING #1:

Investigation revealed that the inheritance was used for the purchase of a burial plot, the payment of back property taxes and mortgage payments, utility bills, trailer registration, repairs and maintenance, house hold expenses, numerous incidentals and an elective cart. These expenditures, were made in an effort to keep the elderly person in the home as long as possible.

RECOMMENDATION #1:

None.

FINDING #2:

Court records indicated that due to the deteriorating physical and mental condition of the elderly person, that person was placed in an out-of-county facility. A family member of the elderly person was given an opportunity to buy the property but declined. The property was then allowed to return to the Trustee and sold for an amount nearly equal to the amount due on the mortgage.

RECOMMENDATION #2:

None.

FINDING #3:

Interviews with County Officials revealed that privacy laws of the State of California forbid revealing to individuals the telephone number of a person having a conservator. The proper procedure is to notify the person's conservator. The conservator tells the conservatee who then may return the call if they wish.

RECOMMENDATION #3:

None.

CONCLUSION:

There was no mismanagement of the elderly person's funds or property and no attempt to keep anyone from contacting the elderly person concerned.

The County Conservator is to be commended for her record keeping and her genuine concern for the welfare of the elderly person.

**2000/2001 TRINITY COUNTY GRAND JURY
APPENDIX**

Subject: Frequency of Inquiries and Investigations

Section 919 of the California Penal Code requires the grand jury to inquire into the condition and management of the public prisons within the county. That section also requires the grand jury to inquire into the willful or corrupt misconduct in office of public officers of every description within the county.

The Penal Code does not assign the grand jury duties as ombudsman; however, the grand jury frequently receives complaints as part of its watchdog activities. The Grand Jury is not required to accept or act on every complaint; but those complaints that are accepted may be assigned a high priority for Grand Jury investigation.

Section 925 of the Penal Code requires the Grand Jury to “. . . investigate and report on the operation, accounts, and records of the officers, departments, or functions of the county . . .”. The code also states that those investigations may be conducted on a selected basis each year.

A reasonable goal for the Grand Jury is to conduct a review of each county department at least once every four years. Reports from previous Grand Juries provide some information regarding the most recent reviews of county departments, but the dates of those reports are not a conclusive indication of prior reviews of a department. For instance, a previous report may be based on an investigation of only a small part of a department’s operation that was conducted in response to a complaint. Conversely, a previous Grand Jury may have conducted an overall review of a department but declined to write a report on that department.

In summary, the Grand Jury has considerable latitude in selecting subjects of inquiry and investigation except for the inquiries required by Section 919 of the Penal Code. The watchdog role of the Grand Jury will logically result in the investigation of citizen’s complaints being a high priority activity. Selection of additional areas of investigation can best be left to the judgment of the Grand Jury, taking into consideration the dates of the most recent reviews of county departments.

1. **DEVELOPMENT AND ENVIRONMENT COMMITTEE**

	<u>Reviewed in Fiscal Year</u>
Building Inspection Dept.	87/88; 90/91**; 94/95
Planning Department	82/83; 83/84; 84/85; 91/92; 94/95
Public Works Department	81/82; 82/83; 83/84; 85/86; 89/90; 97/98
Dumps, Roads, Yards, Surveyor	90/91**; 92/93; 94/95
Airports	88/89; 94/95
General Services (Building & Grounds)	87/88; 90/91**; 96/97
Cemeteries	82/83; 84/85; 85/86; 88/89; 90/91**; 92/93; 93/94; 94/95
County Parks	90/91**; 95/96
Solid Waste	91/92; 94/95
Farm Advisor	82/83; 85/86; 88/89; 92/93; 94/95
Trinity County Fair	81/82; 83/84; 84/85; 89/90

2. **EDUCATION COMMITTEE**

	<u>Reviewed in Fiscal Year</u>
Superintendent of Schools Office	82/83; 83/84; 84/85; 86/87; 87/88; 88/89; 91/92
T.C. Office of Education	95/96, 99/00; 00/01
Mt. Valley Unified School Dist.	88/89, 99/00; 00/01
Hayfork High School	83/84; 84/85, 99/00; 00/01
Valley High School	99/00
Community Day School	99/00
Hayfork Elementary	99/00; 00/01
Hyampom Elementary	84/85, 99/00
Trinity Union School District	88/89, 99/00; 00/01
Trinity High School	83/84; 00/01
Alps View School	
Elementary School Districts	
Burnt Ranch	99/00; 00/01
Coffee Creek	99/00; 00/01
Cox Bar	99/00; 00/01
Junction City	99/00; 00/01
Lewiston	99/00; 00/01
Trinity Center	99/00; 00/01
Weaverville	84/85, 99/00; 00/01
Douglas City	99/00; 00/01

Southern Trinity Joint Unified District	99/00; 00/01
Hoaglin-Zenia Elementary	99/00; 00/01
Van Duzen Elementary	99/00; 00/01
Southern Trinity High School	99/00; 00/01
Mt. Lassic High School	99/00
Trinity County Aids Task Force	98/99 (See 99/00 Final Report)

3. FINANCE AND ADMINISTRATION COMMITTEE

	<u>Reviewed in Fiscal Year</u>
Assessor	83/84; 84/85; 87/88; 88/89; 90/91
Auditor/Controller	82/83; 83/84; 84/85; 85/86; 88/89; 89/90; 91/92; 93/94; 95/96; 96/97
Auditor – MacCarlie Trial Fund	96/97**
Board of Supervisors	82/83; 85/86; 88/89; 89/90; 90/91*; 98/99
Clerk/Recorder/Elections	82/83; 89/90; 97/98; 98/99; 00/01
County Audit	94/95
County Administrative	
Officer/Personnel (MI)	82/83; 85/86; 87/88; 88/89; 90/91*; 98/99
Trinity County Hiring Practices	98/99
Data Processing	82/83; 83/84; 88/89; 90/91; 97/98; 98/99
General Review of County Government	99/00; 00/01
Treasurer/Tax Collector	82/83; 83/84; 84/85; 85/86; 89/90; 00/01
Mailing Procedures	91/92**
Public Employees Retirement	
System (PERS)	91/92**; 93/94
Evaluation of Elected & Appointed	
Dept. Managers	97/98
Evaluation of County Lower Level	
Managers & Employees	97/98
Trinity County Life Support	97/98
Fixed Assets Inventories & Property	
Management	97/98
Thunder Rock Shale Mine	98/99
Evaluation of Compliance by CPS	
Foster Care Program	98/99
Public dissemination of Trinity County	
Grand Jury Reports	98/99
Trinity county Financial Statements and	00/01
Related Accounting Matters	

4. **HEALTH COMMITTEE**

Reviewed In Fiscal Year

Trinity Hospital	81/82; 82/83; 86/87; 87/88; 88/89; 89/90; 90/91; 91/92; 92/93; 93/94; 96/97; 97/98, 99/00; 00/01; 00/01
Department of Health	
Health Officer – Environmental Health	82/83; 83/84; 85/86; 88/89; 89/90; 91/92; 96/97
Specialist (Sanitarian)	82/83; 84/85; 88/89; 94/95
Public Health Nurse	81/82; 89/90; 94/95
Health and Human Services	
Dept of Child Protective Services	97/98; 98/99, 99/00
Eligibility Division	98/99

5. **JUDICIAL COMMITTEE**

Reviewed in Fiscal Year

Court Administration (MI)	89/90
Probation	87/88; 95/96; 96/97
Juvenile Assessment/Detention	97/98; 98/99, 99/00
District Attorney/	00/01; 00/01
County Counsel	81/82; 86/87; 87/88
Fraud Investigator	
Family Support	98/99
Sheriff	
Sheriff's Dept.	92/93; 93/94; 94/95; 95/96; 00/01
Jail/Detention Facility	82/83; 83/84; 84/85; 85/86; 86/87; 87/88; 88/89; 89/90; 90/91; 91/92; 92/93; 93/94; 94/95; 95/96; 96/97; 97/98; 98/99, 99/00
Emergency Services	82/83; 90/91
Animal Control	82/83; 83/84; 84/85; 90/91; 91/92; 92/93
Southern Trinity Law Enforcement	98/99
Coroner/Public Administrator	82/83; 89/90
Citizen Complaint (Trinity Hospital)	
Montie Emery	95/96**; 96/97**
Public Defender Selection, Evaluation, And contract Procedures	97/98, 99/00
Reimbursement of Public Defender	
Jail Costs	97/98
Collections of Trial Court Receivables	98/99
Video Arraignment	98/99

6. REVIEW AND PROCEDURES COMMITTEE

Reviewed in Fiscal Year

County Administration	95/96
County Clerk /Recorder/Elections	95/96, 99/00
Sheriff's Department	96/97**

7. SOCIAL SERVICES COMMITTEE

Reviewed in Fiscal Year

Youth Services	86/87; 90/91
Welfare/Child Protective Services	81/82; 82/83; 84/85; 86/87; 87/88; 89/90; 91/92; 93/94; 96/97
GAIN	88/89; 90/91
Library	82/93; 84/85; 86/87; 89/90; 90/91; 93/94; 94/95
Mental Health/Counseling Center/ Behavioral Health	81/82; 82/83; 83/84; 87/88, 99/00
Veteran's Services Officer/Public Guardian	82/83; 85/86; 88/89; 90/91; 00/01
Trinity County District Attorney Family Support	95/96; 96/97

8. SPECIAL DISTRICTS

Reviewed in Fiscal Year

In General	82/83; 89/90; 91/92; 92/93; 97/98; 00/01
Handbook	96/97
Douglas City C.S.D.	97/98
Greater Hayfork Valley Park & Recreation District	97/98
Hayfork Fire Protection	98/99; 97/98
Hyampom Community Services District	97/98
Junction City Fire Protection	97/98
LAFCO (Local Agency Formation Commission)	81/82; 89/90
Lewiston Community Services District	97/98
Post Mountain C.S.D.	88/89; 95/96
Post Mountain P.U.D.	96/97; 97/98 (2 Reports)
Ruth Lake C.S.D.	88/89; 93/94; 97/98
Salyer C.S.D.	97/98

Trinity Center C.S.D.	97/98
Trinity County P.U.D.	97/98
Trinity County Resource Conservation District	90/91; 97/98
Trinity County Waterworks District #1	83/84; 86/87; 97/98; 98/99
Weaverville C.S.D.	89/90; 92/93; 93/94; 94/95; 97/98
Weaverville-Douglas City Recreation District	90/91; 97/98
Weaverville Fire Protection	97/98
Weaverville Sanitary District	99/00 (2 reports); 97/98

9. **SPECIAL INVESTIGATON COMMITTEE**

General Services	00/01; 00/01; 00/01
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