THE SUTTER COUNTY
BOARD OF SUPERVISORS’
RESPONSE TO THE
2007-2008
SUTTER COUNTY GRAND JURY
FINAL REPORT

Larry Montna
Stanley Cleveland, Jr.
Larry Munger
Jim Whiteaker
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District No. 1
District No. 2
District No. 3
District No. 4
District No. 5

ENDORSED FILED

OCT 1 4 2008
September 26, 2008

The Honorable Christopher R. Chandler  
Presiding Judge of the Superior Court of California  
County of Sutter  
466 Second Street  
Yuba City, CA 95991

Dear Judge Chandler,

On behalf of the Sutter County Board of Supervisors, I am herewith submitting their response to the findings and recommendations of the 2007-2008 Grand Jury.

The Board of Supervisors appreciates the dedicated efforts of the 2007-08 Grand Jury in the preparation of its report and the complimentary comments it made with respect to the County and its employees, and trusts that you will find the enclosed material responsive.

As in the past, I would be happy to meet with the Grand Jury to discuss any or all of these issues.

Sincerely,

LARRY T. COMBS  
County Administrative Officer

LTC:SML
THE SUTTER COUNTY BOARD OF SUPERVISORS’
RESPONSE TO THE
2007-2008 SUTTER COUNTY GRAND JURY FINAL REPORT
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## ATTACHMENTS

- **ATTACHMENT A:** Grand Jury Report Response from County Counsel
- **ATTACHMENT B:** Grand Jury Report Response from the Auditor-Controller
- **ATTACHMENT C:** Response from Assistant County Administrator regarding the “Case Study” of her moving allowance claim
- **ATTACHMENT D:** Grand Jury Report Response from the District Attorney
- **ATTACHMENT E:** Grand Jury Report Response from the Clerk-Recorder
- **ATTACHMENT F:** Grand Jury Report Response from the Sheriff
Board of Supervisors’ Mileage Reimbursement

Findings:

1. Supervisor Silva violated two Sutter County policies, the Sutter County Salary Code Ordinance (Section 52-599(b)) and the Sutter County Board of Supervisors’ Expense and County Elected Official Ethics Policy (12/05 1.h.ii) on November 15, 2006, and June 5, 2007, by filing reports that were not representative of actual mileage, exceeded a reasonable timeframe and the 120-day reimbursement period.

2. The Grand Jury makes no finding as to whether Supervisor Silva inflated or understated the mileage reimbursement that was due to him.

3. The Grand Jury finds that inaccurate and untimely record keeping is the cause of these violations. The Grand Jury further finds that Supervisor Silva acknowledges this poor record keeping and “pleads ignorance” of his own policies. Supervisor Silva makes the assurance that future expense reimbursements will be made timely within 120 days or less.

4. The Grand Jury finds that the procedure for submitting expense reimbursement claims is to submit their reports to the County Counsel at which time they are checked for legality, endorsed by the County Counsel, and forwarded to the Auditor-Controller’s Office for payment. The Grand Jury finds that no other Supervisors are in violation of these policies in this way. The four remaining Supervisors all elected to take the $100 flat mileage reimbursement.

5. Through the course of this investigation, the Grand Jury also found that it is the responsibility of the individual submitting the reports to audit and report accurately and with integrity.

Recommendations:

1. It is the continued recommendation of the Grand Jury that all expenses be recorded with complete accuracy, including start and destination mileage, meals that are on county time, and all other travel or business expenses that are allowed in the Sutter County Travel and Business Expense Policy, the Board of Supervisors’ and Elected County Official Ethics Policy and the Sutter County Ordinances Salary Code Sections 52-592 and 52-599.

2. The Grand Jury further recommends that all expense reimbursement requests be filed every 120 days or less to comply with the Board of Supervisors’ and Elected County Official Ethics Policy.

3. While it is not the obligation of the County Counsel to check for truthfulness in documents submitted and signed by Supervisors, glaring and chronic disregard of county policy should be apparent with even a cursory glance. The Grand Jury recommends that each Supervisor, and County Counsel, take a second look at each of the expense reimbursement forms to which they are signing their names, to check for veracity as well as compensability.
4. Finally, the Grand Jury recommends that the Auditor-Controller’s Office provide all of the Supervisors with an expense reimbursement form before their next reimbursement that includes spaces for start and destination points to accurately record mileage and more space to detail other expenses.

Response from the Board of Supervisors and the County Administrative Officer:

The Board of Supervisors and the CAO are committed to accuracy and timeliness in the submission of their travel and business expense reimbursement claims. The CAO notes that the County’s draft revised Travel Policy includes a firm 120-day deadline for submission of travel expense reimbursements, as recommended by the Grand Jury.

A detailed response from County Counsel is included in this document as Attachment A.

The Auditor-Controller is a separate elected official and, as such, responds directly to the Grand Jury’s findings and recommendations concerning his office. A copy of Mr. Stark’s response is included in this document as Attachment B.
Annual Financial Report and Audit

Findings:

1. The Grand Jury finds the audited financial statements reflect accurately the financial position of Sutter County.

2. The Grand Jury finds that twelve financial accounting deficiencies were identified by the Independent Auditor. Of these, one has been corrected and two others will be eliminated by actions already taken by the Board of Supervisors. Of the remaining conditions, most are "easy to correct" and those corrections must be initiated by the Auditor-Controller.

3. The Grand Jury finds that the Auditor-Controller does not have a complete written procedures manual. This condition was first identified in the 2002-03 fiscal year. The 2006-07 Grand Jury stated the following: "The Grand Jury recommends the Auditor-Controller focus on completing updated and accurate policies and written accounting procedures for the use of all departments within the county, as recommended by the Harvey M. Rose report, and that the Auditor-Controller's Office provides periodic updates to the Board of Supervisors as to the status of completion of these recommendations.

4. The Grand Jury finds, and commends, an increased level of cooperation between the Auditor-Controller's Office and County Administration.

Response from the Sutter County Board of Supervisors and the County Administrative Officer:

We agree with all four findings.

Recommendations:

1. The Grand Jury recommends that the Auditor-Controller implement the recommendations suggested by Smith & Newell in their Management Report. It should be the goal, which in the view of the Grand Jury can be easily achieved, to correct all identified conditions by the end of the next fiscal year.

2. Due to the obvious importance of having a written procedures guide and the assistance that has been provided to him, the Grand Jury is incredulous that this condition has taken so long to be addressed by the Auditor-Controller. The Grand Jury recommends that the Auditor-Controller complete the written procedures manual post-haste.

Response from the Sutter County Board of Supervisors and the County Administrative Officer:

The Sutter County Board of Supervisors and the County Administrative Office agree with both recommendations. The Board of Supervisors believes that it is essential for the Auditor-Controller to develop the written procedures manual. The Board continues to be willing to fund the firm of Harvey M. Rose & Associates to assist the Auditor-Controller in writing the manual. The Board must emphasize to the citizens and to the Grand Jury that, because the Auditor-
Controller is an independently-elected official, the Board cannot compel the Auditor to comply with the recommendation.

In his response to the Grand Jury (Attachment B), the Auditor stated that:

"Unfortunately, much of the work will have to be redone now since we have just learned that the County Administrator is recommending that the County adopt an administrative guide which uses a special format that is not compatible with the work which has already been done. We will continue to work on this as time allows. We anticipate having this done by the end of 2008-09." [this concept is repeated in several other sections of the Auditor’s response]

It should be noted that the proposed Countywide Administrative Policy Manual was conceived as a document that would be separate and distinct from the Auditor’s financial management policies manual. Therefore, the Auditor may format the financial management policy manual in the manner that is most logical to him. Nevertheless, we cannot conceive how a matter of formatting styles should cause a significant delay in developing the financial management policy manual.

In his response to the Grand Jury (related to a recommendation regarding recordation of reserves/designations), the Auditor also stated that:

"This involves coordinating the County’s standalone budget system with the general ledger. This is not under the control of the Auditor-Controller’s Office. We understand that Stephanie Larsen in the County Administrator’s Office and Information Technology Department are working on this project."

The County’s stand-alone budget system is approximately 35 years old, a dinosaur by information technology standards. The County Administrator’s Office has learned that acquiring the budget module of the integrated Financial Management System already approved by the Board of Supervisors would cost only an additional $28,000. This is far less expensive than attempting to purchase a new budget software system by any other manufacturer. When the contract with SunGard Systems goes to the Board of Supervisors for final approval, the CAO intends to recommend that the budget module be included with the purchase of the upgraded Financial Management System and new Personnel and Payroll modules. Since a new integrated financial management and budget system will be available to the County within the next year or two, it does not appear to be cost-effective to devote resources to custom programming of the old systems at this time.

The Auditor-Controller is a separate elected official and, as such, responds directly to the Grand Jury’s findings and recommendations concerning his/her office. As stated above, a copy of Mr. Stark’s response is included in this document as Attachment B.
Travel & Business Expense Policy

Findings:

1. The Grand Jury finds that the practice of Sutter County Administrative Officer Larry Combs to submit his expense reimbursements annually exceeds standard business practices and the recommendations of the IRS.

2. Auditor-Controller Robert Stark’s interpretation of the IRS rule does not fall within standard accounting practices. The “Safe Harbor Rule” is not a steadfast timeframe for reimbursement. Since the County policy did not contain a timeframe for expense reimbursements, the “Facts and Circumstances” of which the reimbursement would depend enabled the County to reimburse Mr. Combs.

3. The Grand Jury disagrees with County Counsel Ronald Erickson’s opinion that a four-year period for reimbursement of the CAO’s claim was “within a reasonable timeframe.” There is disagreement, even within the CAO’s office, as to whether the IRS code section referenced by the County Counsel even applies in this case. Common sense dictates to the Grand Jury, and should have to County Counsel and the Board of Supervisors as well, that a four-year delay in submitting a claim for reimbursement cannot be deemed reasonable, absent any extraordinary circumstances.

4. Mr. Combs’ inattention to his financial record-keeping resulted in an inefficient use of County resources. The Auditor-Controller, County Counsel, and the Board of Supervisors were all required to spend time on this issue, which would have been unnecessary had Mr. Combs submitted his claims in a timely manner.

5. The Grand Jury finds that the current Travel & Business Expense policy is insufficient to address these issues, and it is necessary to implement the new, consistent, non-arbitrary policy. The lack of a comprehensive policy, which was exacerbated by the delay in coming to agreement upon a new policy, has caused chaos between departments.

6. Unclear direction from Deputy CAO Barbara Kinnison and steadfast refusal to accept a denial of claim from County Counsel Ronald Erickson has caused delay in payments and required that the Board of Supervisors become involved in small dollar amount reimbursement claims. In both cases, these claims may have been resolved by referring to a comprehensive travel policy.

Recommendations:

1. The Grand Jury is aware that a revised Travel & Business Expense Policy has been submitted for the Auditor-Controller to evaluate. It is the recommendation of the Grand Jury that the drafted and revised policy be adopted immediately to prevent any further ambiguity.

2. It is the Grand Jury’s further recommendation that the Auditor-Controller take his direction first from a clear and comprehensive policy, as it pertains to all manner of expense
reimbursements. When there is an unclear point in the policy regarding a reimbursement, the
Grand Jury recommends that the Auditor-Controller attempt to obtain clarification from the
Department Head and/or the CAO's Office.

3. In the current highly-charged climate between the CAO's office and the Auditor-Controller,
there is no room for unclear communication. The Board of Supervisors, department heads,
and members of the CAO's office must be clear in their direction ensuring that their
communications are precise and well-documented. Reasonable, professional employees and
elected officials should be able to come to an understanding or resolve a misunderstanding
without involving all of the other County resources. The Board of Supervisors should only
be involved with these matters when all reasonable methods have been exhausted.

4. Further, the Grand Jury recommends that department heads use this new Travel & Business
Expense Policy as a minimum internal control standard, accentuating it, if necessary, to meet
the needs of their individual departments.

5. To adhere with the spirit of the IRS laws and sound financial practices, it is the Grand Jury's
recommendation that CAO Larry Combs or any other county employee responsibly submit
expense reports for expenses incurred within the timeframe set out in the policy. If an
exception must be made, it should only be made in the fiscal year in which it was incurred.
Any additional requests for expense reimbursements should be considered forfeited.

Response from the Board of Supervisors and County Administrative Officer:

The Board of Supervisors stands by the decisions and actions of its County Counsel, County
Administrative Officer, and Deputy County Administrative Officer. The Board of Supervisors
and the County Administrative Officer agree that a revised Travel & Business Expense Policy is
needed. The draft version of the revised Travel & Business Expense Policy that was obtained by
the Grand Jury has been revised several times since then, to remove further ambiguities and as
new areas of disagreement have arisen. The current version of the draft policy requires all
employees to submit travel claims within 120 days after the employee has returned from his/her
trip. Additional paragraphs will address travel which occurs near the end of the fiscal year or
travel dates which span two fiscal years.

We wish to comment specifically with regard to Findings 4 and 5, that there would have been no
difficulties at all if the Auditor-Controller complied with the Travel Policy that he and the CAO
jointly authored in 1994. Until Auditor-Controller Robert Stark's disagreements with the Board
and CAO developed, Mr. Stark had not written or expressed concerns about any provisions of
the Policy being unclear, nor did he have any trouble making reasonable interpretations with
regard to any questions that arose - usually by mutual agreement with the CAO, as defined in
the Policy. It is specifically because of Mr. Stark's change in perspective that a very clear and
delineated Travel Policy must now be adopted by the Board of Supervisors.

Once the new Travel & Business Expense Policy is finalized and adopted by the Board, we
believe that the rules will be clear and unambiguous, so there will be no difficulty in interpreting
them.
Response from County Counsel:

A detailed response from County Counsel regarding the “Case Study of Claim of Deputy County Counsel Richard Stout” is included in Attachment A.

Response from Assistant County Administrator:

A detailed response from the Assistant County Administrator regarding the “Case Study” of her moving allowance claim is included in this document as Attachment C.

Response from the Auditor-Controller:

The Auditor-Controller is a separate elected official and, as such, responds directly to the Grand Jury’s findings and recommendations concerning his office. A copy of Mr. Stark’s response is included in this document as Attachment B.
Publication of Approved Documents

Findings:

1. The Grand Jury finds that the practice of holding ordinance changes and other public documents until there are “several” is unacceptable.

2. The Grand Jury finds that County Counsel needs to clarify this issue with his staff member to enforce his policy regarding all future publications.

Recommendations:

1. Consistency in policy enforcement by the administration and transparency in government demand easy access to public documents. The Grand Jury recommends that any approved Board documents, such as ordinance changes, be published within three to five business days of their approval.

Response from the Sutter County Board of Supervisors:

Although it’s not clear that this has been a serious problem in the past, we appreciate the Grand Jury bringing it to our attention. As County Counsel has indicated in his response to the Grand Jury (included as Attachment A):

“Although the department charged with ordinance administration and enforcement would be aware of an ordinance change even if it has not been placed in the Ordinance Code book yet, County Counsel agrees that several months is too long.

Therefore, County Counsel will implement a policy to update Ordinance Code books on a monthly basis.”
Brown Act

Findings:

1. The Grand Jury finds that no violation of the Brown Act Section 54954.3(a) as alleged in the complaint. The agenda, minutes, and video of the April 17, 2007 Board of Supervisors meeting reflect two separate occasions for public comment.

2. The Grand Jury further finds no violations of the Brown Act Section 54957.1(a) or 54957.1(a)(2) as alleged in the complaint regarding non-disclosure of pending litigation.

Recommendations:

1. Transparency in government benefits all of its citizens. Therefore, the Grand Jury recommends that the Board of Supervisors and County Counsel, in addition to adhering to the letter of the law, adhere to the spirit of the law as it relates to the Brown Act.

2. The Grand Jury recommends that the Board of Supervisors and County Counsel, whenever prudent, should disclose as much information as possible to the public.

Response from County Counsel, the County Administrator, and the Board of Supervisors:

The Board of Supervisors, County Administrator, and County Counsel concur with the Grand Jury's finding that no Brown Act violations occurred.

The District Attorney is a separate elected official and, as such, responds directly to the Grand Jury's findings and recommendations concerning his/her office. A copy of Mr. Adams' response is included in this document as Attachment D.
Salaries of the Board of Supervisors

Findings:

1. The office of Sutter County Supervisor has not received a salary increase since 1997.

2. The current BOS salaries are approximately half the median salaries of other comparable counties.

3. There is no mechanism in place that would permit BOS salaries to rise, absent the political consideration of an affirmative vote.

Recommendations:

1. The Grand Jury recommends that the BOS adopt an ordinance increasing the salary of each Supervisor by at least 20% in each of the next three fiscal years.

2. The Grand Jury recommends that a salary-setting mechanism be employed by Sutter County regarding future pay increases, beginning in FY 2009-10.

3. The Grand Jury recommends that the mechanism should be implemented as follows: Sutter County Supervisors salary shall increase at the same rate awarded to Superior Court Judges by the State of California in the preceding fiscal year.

Response from the Board of Supervisors:

The Sutter County Board of Supervisors agrees with the Grand Jury’s findings and recommendations. It is always difficult for an elected official to publicly set his/her own salary. This has led directly to the situation experienced by the Board of Supervisors today, where the Board of Supervisors, to avoid public criticism, has not voted for a salary increase for its own members in over a decade.

Current Sutter County Supervisor salaries are $2,873 per month, or $34,476 annually. The median County Supervisor salary for the ten-county comparison group surveyed by the Grand Jury was $4,331 per month, or $52,782 annually. As of February 2008, when the Grand Jury’s survey was completed, a Superior Court Judge’s annual salary was $178,789. The ten-county median is 29.6% of a Superior Court judge’s salary.

The Sutter County Board of Supervisors could set as its goal that a County Supervisor’s salary should be 30.0% of a Superior Court Judge’s salary. Using the Grand Jury’s recommendation of a 20% increase per year, their salaries would then increase as follows:
<table>
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<th>Current Salary</th>
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<td>Year 1 (20% increase)</td>
<td>$41,371</td>
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<tr>
<td>Year 2 (20% increase)</td>
<td>$49,645</td>
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<tr>
<td>Year 3 (lesser of 20% increase or amt equivalent to 30% of Superior Court Judge's salary)</td>
<td>$59,575 (if 20% increase)</td>
</tr>
<tr>
<td>Year 4 (lesser of amt req’d to reach 30% of Judge’s salary, or increase in Judge’s salary)</td>
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The Board of Supervisors will direct County Counsel to develop an ordinance to implement the Grand Jury’s recommendations, and bring it back to the Board for action.

The Sutter County Board of Supervisors thanks the Grand Jury for its understanding of the complexities of a Supervisor’s job and the need for the creation of a salary that will encourage individuals from all sectors of society to consider representing the citizens of Sutter County as County Supervisor.
County Administrator

Management Style

Findings:

1. Prior to March 2008, Mr. Combs has failed to conduct employee evaluations of non-elected department heads on a regular basis, as is required under the Sutter County Rules and Regulations. Since the writing of this report, all required performance evaluations for the calendar year 2008 have been completed.

*The Board of Supervisors and County Administrative Officer agree with this finding.*

2. The methodology and paperwork employed by Mr. Combs to assess work performance appears antiquated and outdated.

*The Board of Supervisors and County Administrative Officer disagree with this finding. The Department Head performance evaluation worksheet is an extremely useful evaluation tool that covers virtually every aspect of performance that is important in a department head position.*

3. The objective of the newly-created position of PIO is to improve communication and public outreach between Sutter County and its citizens.

*The Sutter County Board of Supervisors and the County Administrative Officer agree with this finding.*

Recommendations:

1. The Grand Jury recommends that Sutter County Rules and Regulations regarding evaluations of non-elected department heads be amended to require that the evaluations be standardized and in writing. The Grand Jury also recommends amending the ordinance to mandate the completion of a written evaluation prior to any employee being eligible to receive pay with distinction.

*The Board of Supervisors and the County Administrative Officer disagree with this recommendation, and believe that the language of the Rules and Ordinances are sufficient. The Board of Supervisors receives sufficient information from the CAO regarding department head performance and, in addition, provides the CAO -- in a personnel closed session as permitted by law -- with their own perspective regarding the performance of department heads.*
2. The Grand Jury recommends that the 2008-09 Grand Jury follow up and assess the performance of the PIO in aiding improved communications within Sutter County.

_The Board of Supervisors has no response to this recommendation, as it is addressed to the 2008-09 Grand Jury._

Financial Philosophy

Findings:

1. Sutter County, during Larry Combs’ tenure as CAO, has budgeted conservatively, incurred almost no debt, and amassed considerable savings.

_The Sutter County Board of Supervisors and the County Administrative Officer agree with the Grand Jury’s finding._

2. The Grand Jury finds that Mr. Combs has a very optimistic view for future property assessment revenue. Anticipated county property assessment revenue is forecast to rise just 2% for 2008, a considerable decline from preceding years.

_The Board of Supervisors and the County Administrative Officer disagree with this finding. The property tax assessment roll for FY 2008-09 that was recently finalized by the Assessor shows an increase in total assessed value of 2.19% -- slightly higher than the CAO’s budgeted revenue projections._

_As mentioned in budget hearings, the County Administrative Office is keeping a close watch on economic indicators and state budget developments. While it is true that property valuations are increasing more slowly than they were during the peak of the housing boom, Sutter’s total assessed valuation is still increasing. Several factors influence total assessed valuation: (1) the private sector is still investing in Sutter County. New commercial development means an increase in the total tax roll. (2) Although individual homes are not selling at the prices that they could have received a few years ago, whenever a house is sold that was previously sold prior to the housing boom, that home’s Proposition 13 value is reset to the new market rate. For example, if a home was worth $100,000 when it sold in January 2002, could have sold for $300,000 in January 2006, and sells now for $200,000, its property tax valuation still increases from its $100,000 base value to $200,000. The continued (albeit slow) turnover of pre-boom housing helps ameliorate some of the losses related to homes that are now selling for less than their previous cost. (3) The property tax roll is set for the following fiscal year based on values as they stood the previous January. In other words, the property tax roll for FY 2009-10 will be based on assessed valuation as of January 1, 2009. None of us have crystal balls. Competing economists have conflicting opinions regarding the length and depth of the housing downturn. The County Administrative Office is carefully monitoring monthly housing statistics for better projections of future assessed valuation._
The main point that the Board of Supervisors and CAO would like to convey is that Sutter County, because of the Board’s tradition of conservative budgeting and cautious fiscal practices, is uniquely poised among California counties to weather the current fiscal crisis.

3. A backlog of capital improvements, some identified by the CAO as “critically needed”, has developed in recent years. Sutter County currently has no concrete plans, timeframes, or cost estimates to implement several of the much-needed capital improvements. The new Animal Control building is to be planned and designed first. If so, it would be the first to be completed. The new Health & Human Services Department [building] has been designed but the construction is currently delayed due to the lack of state funding. Finally, and probably the largest undertaking, is the design, planning, and construction of a new General Government building. Currently, there has not been any study completed for this new building, but according to Mr. Combs, one will be proposed for the 2008-09 budget, pending BOS approval. Again, it is still unclear and uncertain who will reside in the new General Government building: Auditor-Controller, Information Technology, Treasurer-Tax Collector and Assessor, the District Attorney’s Office, or Mr. Combs and Sutter County Government.

As of this writing, proposals from several architectural firms to design the new Animal Shelter are still under review. Public Works intends to recommend a contract award in the near future. The Health & Human Services Building is indeed “on hold” due to lack of financial participation from the state and federal governments. However, County staff is studying other funding alternatives, and will include a recommendation in the FY 2009-10 Capital Improvement Plan (to be discussed below). In addition, the County issued a Request for Proposal (RFP) for needs assessment and space planning for the proposed General Government building. The deadline for responses to that RFP was September 19th. Public Works is currently reviewing the proposals.

The Facilities Master Plan that was completed in 1999 still guides the County’s long-term vision. As of 1999—almost a decade ago—the County had a shortfall of 120,000 square feet of office space. The need can only have grown since then. Although the County has added 40,685sf of office space since then (the Probation building on Boyd Street and the Public Works/Community Services Building on Civic Center Boulevard), these purchases only absorbed a portion of the shortfall. The Needs Assessment will update the Master Plan’s data.

The County needs to stay flexible at present regarding which departments would ultimately occupy a new building on Civic Center Boulevard. The Master Plan envisioned a new 76,000sf courthouse adjacent to the Sheriff’s Operation Building and Jail, as well as a 105,000sf General Government building in the same area. The Master Plan assumed that the Assessor, Treasurer, Auditor-Controller and a new Board Chamber would be located in

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1 Superior Court is discussed in several sections of the Sutter County Facilities Master Plan of December 2000: pp. L-12, L-21, and L-27. The final recommendation appears to be a three-story building of 76,084sf, which was projected to meet Superior Court’s needs through the year 2020.

2 According to the same Facilities Master Plan of December 2000, page G-1, the Lionakis Beaumont Design Group envisioned a General Government building of 105,000sf, to be built in several phases: (1) a 60,000sf building consisting of two finished floors (20,000sf each) and a shelled third floor to be finished as the needs arise. (2) The building would be designed so that a 45,000sf addition (also three-story) could be added in the future.
the new building. However, recent events may cause the County to update and revise its vision.

Senate Bill 1407 was passed by both houses of the State Legislature on August 31, 2008. It currently awaits the Governor’s signature. Sutter County’s replacement courthouse ranks twelfth on the state’s priority list for courthouse construction projects, and is currently scheduled for the state’s FY 2009-10 funding cycle with anticipated completion by 2014.

County staff is currently in discussions with the State Administrative Office of the Courts regarding whether the Courthouse would be built on the originally-envisioned site adjacent to the Jail, or elsewhere. We are also discussing whether office space for the District Attorney can be included in the new courthouse building. If, as currently seems likely, the construction of a new courthouse is imminent, then serious consideration needs to be given to the idea of re-evaluating the County’s plans for how this site and Second Street would be used.

If the concept of a General Government Building on Civic Center Boulevard is retained, the ultimate allocation of departments to the building will depend upon the updated office space needs assessment, the need to co-locate certain departments for more convenient customer service (e.g., the Assessor, Treasurer-Tax Collector, and Clerk-Recorder often serve the same clientele), and whether or not a Courthouse will be on the site or elsewhere (which dictates the ultimate size of the non-courthouse building that can be built on the site).

Recommendations:

1. The Grand Jury recommends that the CAO and his staff implement a capital improvement plan. This plan must consist of a prioritized list of capital improvements and timeframes for completion, with short-term and long-range funding strategies.

The Board of Supervisors and the County Administrative Officer agree with the recommendation, and the CAO intends to present a proposed capital improvement plan in conjunction with the development of the FY 2009-10 budget.
2008 Primary Election

Findings:

1. The Elections Department was able to plan effectively and prepare the paper ballots for the early Primary Election held in February 2008.

2. The Elections Department was well prepared, trained, and had experience running the paper ballot reader machines. As in previous years, the Information Technology Department was on staff to run the manual ballot reader and assist the Elections staff. The County Government Committee was able to observe the ballot intake and reading process of paper ballots, and was very impressed with the efficiency of the elections and I.T. Departments. After observing the process for three to four hours, with close to half of the polling places accounted for, it was noted that not one electronic voting machine had been used. Polling places were visited by the County Government Committee, inquiring about the electronic machines. The poll workers appeared knowledgeable about the machines, the required “seals”, and the confidentiality required. One poll worker showed us a log (Exhibit A) that must be filled out four times throughout the Election Day after ensuring the seals have not been tampered with.

3. The Elections Department should be commended for being prepared for the early Primary Election. They should also be commended in their efforts to keep all ballots and electronic voting machines secured and locked, separate from the day-to-day operations.

4. The Elections Department should also be commended for its effort in keeping up with the continuously changing requirements and re-approval process of the electronic voting machines.

Recommendation:

1. The Grand Jury recommends that the Elections Department remain current and up-to-date on the electronic voting machines, making the necessary changes imposed by Secretary of State Debra Bowen.

Response from the Board of Supervisors:

The County Clerk-Recorder-Registrar of Voters is a separately elected official and, as such, responds directly to the Grand Jury’s findings and recommendations concerning his/her office. A copy of Ms. Johnston’s response is included in this document as Attachment E.
Replacement of Elected Officials

Finding:

The Grand Jury finds that Sutter County acted within the law in the process they employed to fill the vacancies created by the resignations of the Clerk-Recorder and the Sheriff. However, the Grand Jury further finds that the process employed was the least public permissible by law. Because these vacancies involve elected officials, a more public process, more approximating an election, should have been employed. Members of the Board of Supervisors, as representatives of their constituents, should have a choice of candidates as opposed to simply ratifying a candidate selected by the County Administrator.

The Board of Supervisors and the County Administrative Officer disagree with this finding. The electorate was represented in determining which candidate would be recommended by the County Administrative Officer. Joan Bechtel, the publicly-elected Clerk-Recorder, interviewed candidates with the CAO. Clerk-Recorder Bechtel and the CAO made a joint recommendation of the finalist candidate to the Board of Supervisors.

Recommendations:

1. The Grand Jury recommends that, in the event of a vacancy in an elected office, a committee be formed to advertise, screen, interview, and recommend up to three candidates for consideration by the Board of Supervisors. A scripted public interview could then be conducted with specific questions designed by the committee to determine the best candidate for the position.

2. The Grand Jury recommends that a nominating committee, selected by the Board of Supervisors, be comprised of a member of the CAO’s office, other department heads, and interested citizens. The Grand Jury believes that with basic direction from the CAO’s office, and proper preparation, committee members could be sufficiently instructed not to ask inappropriate questions of the candidates.

3. Presenting more than one candidate for the Board of Supervisors’ consideration, and doing so in a public form, is a process that better resembles a democratic election.

Although the Board of Supervisors and the County Administrative Officer appreciate the Grand Jury’s recommendation, it should be noted that vacancies in the offices of elected officials are not routine. There have been only three mid-term appointments in the last 25 years – when Cliff Weatherby retired as Auditor-Controller in 1986, Joan Bechtel’s retirement as Clerk-Recorder in 2007, and Sheriff Jim Denney’s resignation in early 2008.

Although in some circumstances, it may be appropriate to conduct full-scale interviews of potential Sheriff candidates when there is a vacancy in the office, counties in general routinely appoint the Undersheriff when the Sheriff leaves unexpectedly. In this particular case, Undersheriff J. Paul Parker was extremely well-qualified, performed his duties in an exemplary manner, and had the support of the members of his own department and the community.
The Board of Supervisors needs to make decisions on the procedure for filling vacancies of other elected officials' offices, such as the Auditor-Controller or Clerk-Recorder, based upon the circumstances of the incumbent's departure, the qualifications of internal candidates, if any, and any other pertinent circumstances that exist at that time.
Board of Supervisors Response to
2006-07 Grand Jury Report

Findings:

1. The Sutter County Taxpayers Association and Citizens for Change are private associations and are, therefore, beyond the purview of the Grand Jury.

2. In discussions conducted by the Grand Jury with each member of the Board of Supervisors, not one of them alleged or offered any proof of bias or political motivation on the part of the 2006-07 Grand Jury or its Report.

3. In discussions conducted by the Grand Jury with Sutter County Administrative Officer Larry Combs, Mr. Combs offered no proof of bias or a political agenda on the part of the 2006-07 Sutter County Grand Jury.

4. The Grand Jury finds that there is no evidence of bias or political agendas on the part of the 2006-07 Sutter County Grand Jury.

Recommendations:

1. As private associations, the Sutter County Taxpayers Association and Citizens for Change are beyond the Grand Jury’s purview. However, the Grand Jury urges that they and all other interested parties remember that the jury is comprised of nineteen citizens who voluntarily devote a year of their lives, work confidentially, and then render collective judgments to the best of their ability. Impugning their integrity and service should not be done lightly or without proof.

Unfounded allegations of bias, or the furtherance of a political agenda, as were directed by the Board and CAO toward the 2006-07 Grand Jury and its Report do a disservice to the citizens of Sutter County. The Grand Jury system is dependent on the voluntary service of ordinary citizens who may be either reluctant to serve, or reluctant to initiate investigations of important matters, if their character or motives are called into question without just cause by government officials.

Sutter County CAO Larry Combs stated:

“One of the principles that formed the foundation of our discussions was the importance of the Grand Jury in assisting the County of Sutter in seeing its operations through the eyes of its citizens and, thus, enabling the County to correct identified problems or even perceptions of problems that dedicated public servants might not perceive because they are "part of the system". This is an invaluable service, both to the County government and the citizens we all serve. It is apparent that conflict between the County and the Grand Jury would have a negative effect on the provision of that service by Grand Jury members who, after
all, are dedicated members of the community volunteering their time and effort to help improve Sutter County government."

The Grand Jury concurs and recommends that the dialog established between the Board, the CAO, and the Grand Jury continue. It is the belief and hope of the Grand Jury that an ongoing dialog will contribute to an atmosphere that encourages a healthy exchange of information, analysis, ideas, and constructive recommendations.

Response from the Board of Supervisors and the County Administrative Officer:

The Board of Supervisors and the CAO are appreciative of the dialog that has been established with the Grand Jury, and hope to continue this productive working relationship for many years into the future.
Gang Enforcement in Our Community

Findings:

1. The Grand Jury finds that gangs, and their associated violence, are a substantial and growing threat to the citizens of Sutter County.

2. The Grand Jury finds that there are brave and dedicated law enforcement officers who are battling the problem of gang violence in our community every day. Regrettably, at present, they are losing that battle.

3. The Grand Jury finds that, absent a change in strategy, there is no reason to believe the situation will improve.

4. The enormity of the problem demands that more dedicated assets be assigned exclusively to gang enforcement.

Recommendations:

1. The Grand Jury recommends that the Sutter County District Attorney’s Office encourage and arrange for the training of more of its prosecutors to become experts in gang-related prosecution.

2. The Grand Jury recommends that those with oversight of the member bodies of Yuba-Sutter Area Gang Enforcement convene a forum. The purpose of this forum should be to discuss the advantages and feasibility of creating a dedicated gang enforcement unit.

The Board of Supervisors concurs with the District Attorney’s and Sheriff’s responses. The District Attorney and the Sheriff are separate elected officials and, as such, respond directly to the Grand Jury’s findings and recommendations concerning their offices. Copies of District Attorney Carl Adams’ and Sheriff J. Paul Parker’s responses are included in this document as Attachments D and F, respectively.
Sutter County Jail

Findings:

1. The Grand Jury finds that currently there is no central A/C system in the jail and that the chillers (water coolers) are inadequate. All areas, including staff areas, has antiquated cooling systems.

2. The 2007-08 Grand Jury concurs with the 2006-07 Grand Jury that space requirements in visiting, maximum security, female housing, isolation and holding cells are deficient.

3. The Grand Jury finds the disrepair of the control room presents a significant safety hazard to staff. The main control panel is non-functional and must be replaced.

4. The 2007-08 Grand Jury finds that the feasibility study concerning construction of a new jail is in progress.

Recommendations:

1. The 2007-08 Sutter County Grand Jury recommends that priority attention should be given to replacing the air cooling system.

2. The Grand Jury recommends that the control panel be removed and replaced with an updated system. The Control Room needs to be re-designed to code with safety and security as the primary criteria. These upgrades and repairs need to be completed as soon as possible.

3. The Grand Jury recommends a nurse be on duty twenty-four hours a day, seven days a week.

4. The Grand Jury recommends attention be given to the need for additional correctional officers.

5. The Grand Jury recommends that the Sheriff's Department follow up on the assessment of space requirements and the critical need for a new and larger jail.

Response from the Board of Supervisors:

The Sheriff is an independently elected official and, as such, responds directly to the Grand Jury's findings and recommendations concerning his/her office. A copy of Sheriff Parker's response is included in this document as Attachment F.
Sheriff’s Department

Finding:

➢ The Grand Jury finds that Sheriff J. Paul Parker is well-qualified for his new appointment and has already begun to make changes in his department.

Recommendation:

➢ Due to the short time J. Paul Parker has held this position, the 2007-08 Grand Jury recommends that next year’s Grand Jury follow up on his job performance.

Response from the Board of Supervisors:

The Sheriff is an independently elected official and, as such, responds directly to the Grand Jury’s findings and recommendations concerning his/her office. A copy of Sheriff Parker’s response is included in this document as Attachment F.
Fire Services

Findings:

1. The Grand Jury finds the security of county property is insufficient at the Oswald-Tudor Fire Station.

Response from the Board of Supervisors, County Administrative Officer, and Community Services Department/Fire Services Manager:

We agree with this finding.

2. The Grand Jury finds by review of the contract for Fire Services between Sutter County and the City of Live Oak that the request for the county to pay more for the installation of the generator is not in accordance with the contract. Further delay of installation could deny the citizens of the City a resource during an emergency.

Response from the Board of Supervisors, County Administrative Officer, and Community Services Department/Fire Services Manager:

We agree with this finding.

3. The Grand Jury finds that contract negotiations between Sutter County and the City of Live Oak are hindering progress in regard to the Reserve Firefighter Program.

Response from the Community Services Department/Fire Services Manager:

We disagree wholly with this finding. Negotiations for a new contract are continuing. The Reserve Firefighter Program has been an item of discussion, but the concept has not been presented to either the Board of Supervisors or the City Council to determine their acceptance of the concept of the program.

Response from the Board of Supervisors and County Administrative Officer:

The County is currently in discussions with officials from the City of Live Oak on a number of topics. It is the County's goal to arrive at agreements that are to the mutual benefit of both jurisdictions. The Board of Supervisors and the CAO cannot comment on a program that has not yet been presented for the Board's discussion.

Recommendations:

1. The Grand Jury recommends that Sutter County remodel the Oswald-Tudor Fire Station to provide security for Sutter County property. This recommendation is consistent with a recommendation made by last year’s Grand Jury.
Response from the Community Services Department/Fire Manager:

The recommendation has not yet been implemented, but will be implemented in the future. Fire Services will request a metal building to accommodate the property security needs of the station in budget requests for Fiscal Year 2009-10.

Response from the Board of Supervisors and County Administrative Officer:

The Oswald-Tudor fire station is located at the southeast corner of the intersection of Highway 99 and Barry Road on the southern end of Yuba City. It is considered part of County Service Area (CSA) F, which provides fire protection services for the City of Live Oak, the community of Sutter, and a 254-square-mile swath of the unincorporated portion of the County.

The fire apparatus storage building of the Oswald-Tudor Fire Station was constructed in the 1980s. Standard-sized fire engines have lengthened in the decades since then, which is why the water tender does not fit in the storage building. Although replacing the building is a goal for Sutter County Fire Services, Fire Services Manager Dan Yager's primary funding priority is to focus on replacing their aging rolling stock. He tries to budget for one fire engine per year. The need to replace a $260,000 1978-era fire engine at the Sutter Fire Station outweighed the need to replace the storage building at Oswald-Tudor for FY 2008-09. He believes that he will have the funding to replace the building with a metal four-apparatus storage bay in FY 2009-10 without going to the voters for an increase in the fire tax.
2. The Grand Jury recommends that, in accordance with the contract for Fire Services between Sutter County and the City of Live Oak, the County and the City pay the contracted amounts and complete the installation of the generator. If the City of Live Oak is unclear as to the contractual obligations of Sutter County, they should consult with their City Counsel.

Response from the Community Services Department/Fire Manager:

The recommendation has not been implemented. Sutter County agrees with the recommendation and is prepared to pay $500 as required by the contract for major repairs.

Response from the Board of Supervisors and County Administrative Officer:

In later discussions with the Community Services Department and the Fire Services Manager, we have learned that the generator was recently tested by its manufacturer, Kohler. The generator was making a loud noise while it was running. The technician told City officials that it would probably cost thousands of dollars to get it running right, and he could not guarantee how long it would last. In addition, the station apparently needs some electrical upgrades before a generator could be installed. It has been estimated that it would cost approximately $60,000 for capital improvement upgrades at the Live Oak Fire Station and the installation of a generator, an amount that far exceeds the $10,000 in the City’s Major Repairs Fund for the fire station. Although the County agrees with the concept that it would be advantageous for the Fire Station to have an emergency generator, it does not appear that the City of Live Oak can afford the prerequisite capital improvements at this time.

3. The Grand Jury recommends that Sutter County and the City of Live Oak obtain a mediator to settle their negotiations.

Response from the Board of Supervisors, County Administrative Officer, and Community Services Department/Fire Manager:

We disagree with the recommendation because staff negotiations between Sutter County and the City of Live Oak are ongoing and constructive. The negotiations have been positive between the two entities.
Emergency Services

Findings:

1. The Grand Jury finds that John E. DeBeaux, Jr., is to be commended for his outstanding performance of his duties, passion for his job, and commitment of service to the citizens of Sutter County.

   Response from the Board of Supervisors, County Administrative Officer, and the Community Services Department:

   We agree with this finding.

2. The Grand Jury finds that the Sutter County Sheriff’s Department dispatchers are to be commended for the outstanding performance of their duties during the storm. Equally commendable are the efforts of all other county employees involved in the response to the emergency.

   Response from the Board of Supervisors, County Administrative Officer, and the Community Services Department:

   We agree with this finding.

3. The Grand Jury finds that notification methods available to inform the public of established warming shelters were insufficient.

   Response from the Board of Supervisors, County Administrative Officer, and Community Services Department:

   We disagree in part with this finding. While it is true that not all of the citizenry of the County were notified of the availability of a warming shelter, the County cannot be held singularly responsible. Any preparedness and prevention effort requires a complete partnership between the government, private sector partners, and the citizenry. When preparing for a disaster, government attempts to identify all hazards and develop scenarios to train responders and inform the public. In this situation, a major power outage, not like anything experienced in Sutter County before, demonstrated gaps in our public communications efforts that will be addressed as lessons learned and applied to future trainings/public information. An effort was made to notify the public through local radio stations, cable, local media and website. However, due to the widespread lack of power, most citizenry did not have the means to receive any radio, television, or website transmissions. This, coupled with the radio stations, local cable, and data center being off the air/out of service hampered the notification. Ever since Hurricane Katrina, and before, the public has been asked to develop ways to ensure they are capable to help themselves in a disaster. Brochures, pamphlets, websites, state and local information have suggested an emergency battery-operated or crank-type radio. Additionally, quite a few homes have telephones that require electricity to operate. Even when suggested by television, radio,
local media, and government agencies, people still elect to use a phone that must be plugged into a power source to work. Unfortunately, these suggestions more often than not go unheeded.

It is also unfortunate that private sector partners in the media delivery services are not able to provide back-up power to ensure continuous operation in catastrophic events. For emergency notification, radio stations are listed as Local Programmers (LP) 1, 2, and 3. All LP radio stations abide by rules established by the Federal Communications Commission (FCC) and governed/guided by the State Emergency Communications Committee (SECC). This guidance and governance is provided to local governments and private sector radio stations through the Local Emergency Communications Committee (LECC). Through these committees and following FCC rules, the LP radio stations are identified. LP-1 radio stations are the primary notification system for the Emergency Alert System (EAS). The LP-1 for this region is KFBK in Sacramento; it is an AM radio station and the primary EAS station. The LP-2 for this region is KKCY, a local FM radio station transmitting from the top of Sutter Buttes and as the primary station, second only to KFBK, as determined by the LECC and SECC. All other local radio stations in this region can elect to be an LP-3 radio station and receive EAS bulletins to transmit to their listening area as long as they follow the appropriate guidance from LECC and SECC.

During the (January 4th) storm, the Sutter County Emergency Services Division attempted to contact the LP-1, LP-2, and LP-3 radio stations, along with other media. The Emergency Services Manager made contact with the State Office of Emergency Services (OES) and notified them of the warming center. State OES released the information and State OES and our local dispatch received phone calls from citizens of Sutter and Yuba Counties in regards to services being provided at the warming center. One of the LP-3 radio stations made it back on the air and broadcast the location of the warming center. However, we received only one person, and most people elected to stay home and wait for the power to return.

Had this been an immediate threat to life and property (such as a flood event), we would have resorted to more extreme measures, including law enforcement/fire vehicles using sirens and public address systems.

As with any major event, we have learned several things that can be improved on. One of these improvements is the addition of a Public Information Officer, who in the course of ongoing disasters, can make notifications to LP radio stations as well as other media centers. Additionally, we will continue to post on websites and provide information on how the public can be better prepared for emergencies.

With the cooperation of the citizenry, private sector, and government agencies, we should be able to be better prepared for future emergencies.
4. The Grand Jury finds that immediate communication between government departments, at all levels, as well as communication between allied agencies and other utilities needs to be improved.

Response from the Board of Supervisors, County Administrative Officer, and Community Services Department:

We agree with this finding. We also note that no matter what is done, improvement is always needed. The communication issues seen during the storm with allied agencies and utilities have been addressed during meetings held after the storm, and by reviewing lessons learned. Sutter County holds quarterly communications drills to test system readiness and operator proficiencies. We will continue to build on these drills and incorporate into exercise and training the continuing needs for improvements.

5. The Grand Jury finds that not all weather-related events will have as much of an early warning as this past storm, and that community awareness and preparedness is a key factor in minimizing property and personal loss.

Response from the Board of Supervisors, County Administrative Officer, and Community Services Department:

We agree with this finding.

Recommendations:

1. The Grand Jury recommends that the County work together with the local radio station to provide local EAS reporting instead of relying on the Sacramento media market for emergency notices.

Response from the Board of Supervisors, County Administrative Officer, and Community Services Department:

The recommendation has been implemented. As stated above, we will continue to work with our local media partners to provide emergency information, awareness, and warnings. Our Public Information Officer will be instrumental in building rapport with the media and ensuring reliable contacts during an emergency.
2. The Grand Jury recommends a concerted effort between agencies to establish a standard of communication between departments, and recognizes the outstanding service provided by the Sheriff's dispatchers and other county responders.

Response from the Board of Supervisors, County Administrative Officer, and Community Services Department:

The recommendation has been implemented. All agencies involved in this emergency have made efforts to address their shortfalls/problems identified during the emergency and improve upon them. With the communication drills and the meetings held to discuss improvements needed, we are confident that we have made great strides in this area.

3. The Grand Jury finds that as warming shelters are opened to the public, additional notification methods must be employed so that the public can access these resources.

Response from the Board of Supervisors, County Administrative Officer, and Community Services Department:

The recommendation has been implemented. All reasonable efforts will be made to ensure notification to the public. It is also the hope of this office the citizenry will reassess the value of having a non-powered telephone for their home, a battery or crank-powered radio for emergencies, and assume responsibility for their own protection during an emergency.

4. The Grand Jury recommends that the Board of Supervisors do everything in their power to assist local radio stations to obtain power generators, perhaps in the form of zero interest loans. Had the January storm been a catastrophic event, the ability of citizens to access information from a local radio station could potentially be life-saving and well worth the investment required by Sutter County.

Response from the Board of Supervisors, County Administrative Officer, and Community Services Department:

County representatives have discussed the options for providing the recommended assistance with one local radio station. The federal government does provide such equipment for the designated regional radio station (KFBK in Sacramento). The difficulty in going beyond that level of support is where to draw the line with tax-supported funds.

The County would have to decide who gets the funding/loans first, and why. Does the LP-2 get it before the LP-3? Does the non-English language radio station have priority over English language radio station following the LP-2? If so, which non-English radio station gets funding first? All these and many other questions raise concerns with regard to this recommendation.

While we can agree that the concept has some merit conceptually, the recommendation is impractical to implement.
Human Services – Health Division

Departmental Comments Regarding Human Services – Health Division Report:

I have reviewed the Sutter County Grand Jury findings and recommendation for the Health Division and offer the following comments.

It should be noted that the Grand Jury members were very congenial and very astute in reporting the data that I provided. However, one item needs to be corrected:

- The number of WIC (Women, Infants, and Children's Program) clients served in the past month was 3,775.

Findings:

1. The Grand Jury acknowledges that the Health Division is maintaining a high level of care.

   Response from the Board of Supervisors and Human Services Department – Health Division:

   We appreciate this acknowledgement and agree with the finding.

2. The Grand Jury finds that the computer software used by the Health Division is inadequate for accurate and efficient data storage, electronic record-keeping and financial services.

   Response from the Board of Supervisors and Human Services Department – Health Division:

   We agree with this finding. The Health Division agrees that the current software for its billing system is inadequate. The Division is in need of updating this system and other information management systems. It should be noted, however, that the Health Division is primarily funded through State Health Realignment Funds.

3. The Grand Jury finds that the Public Health program has proactively identified and responded to a culturally sensitive and specific health screening need in our community.

   Response from the Board of Supervisors and Human Services Department – Health Division:

   We agree with this finding.

4. The Grand Jury finds an absence of preventative health programs specifically addressing the needs of older adults.

   Response from the Board of Supervisors and Human Services Department – Health Division:

   The Board of Supervisors and the Health Division partially disagree with the finding. It is agreed that there is a need to further address older adult health needs in our community. However, the Assistant Director of the Health Division neglected to mention the flu shot
clinics that are offered in numerous locations of our community for easy access. These clinics offer prevention services (vaccines that prevent flu, pneumonia, and tetanus). Also, our Wellness Program Health Program Specialist has started a Walk-in-the-Park program with seniors to increase physical activity in this population.

5. The Grand Jury finds that there is insufficient funding to adequately support the programs addressing the increasing problem of childhood obesity.

Response from the Board of Supervisors and the Human Services Department – Health Division:

The Board of Supervisors and the Health Division agree with this finding. Counties, through the California State Association of Counties (CSAC), have been advocating for increased funding in the health and welfare service areas for many years, and will continue to do so. Until the State resolves its fiscal issues, however, we see little likelihood of increased funding in the near future.

6. The Grand Jury finds that the Health Clinic is operating at a $1.3 million deficit and a feasibility study has been approved to address possible privatization of the clinic.

Response from the Board of Supervisors and Human Services Department – Health Division:

The Board of Supervisors has conceptually approved planning for possible transition of management of the Health Clinic to a local Federally Qualified Health Center (FQHC). FQHCs are private, non-profit organizations. The Health Division is still in the process of studying the possibility and feasibility of transitioning management of the County’s Health Clinic to an FQHC.

Recommendations:

1. The Grand Jury commends the Health Division for maintaining a high standard of care.

Response from the Board of Supervisors and Human Services Department – Health Division:

We thank the Grand Jury for this acknowledgement.

2. The Grand Jury recommends that cost estimates for purchase of updated software be attained, and that commensurate funds be sought for making necessary upgrades, including electronic record-keeping.

Response from the Board of Supervisors and Human Services Department – Health Division:

During FY 2008-09, the Health Division will develop a cost estimate for purchase of updated software, including electronic record-keeping. Depending upon cost and available resources, and the ultimate outcome of the current feasibility study regarding the Health Outpatient Clinic, the Division will assess its ability to commit to making the necessary upgrades. The
Division will plan for these changes during FY 2008-09 with the intention to implement the changes during FY 2009-10.

3. The Grand Jury commends the Health Division for the mobile health services and its part in proactively addressing culturally specific health screening needs. It recommends that the Department actively promote and expand its services in this area.

Response from the Board of Supervisors and Human Services Department – Health Division:

We thank the Grand Jury for this commendation.

4. The Grand Jury recommends that funding be secured and programs be developed to provide health care specific to older adults.

Response from the Board of Supervisors and Human Services Department – Health Division:

We agree that an expansion of existing services to older adults would be beneficial. In FY 2008-09, the Health Division staff will assess the types of preventative services needed for this specific population. Based on those needs, funding opportunities will be researched and pursued. It is not known when funding will be secured.

5. The Grand Jury commends efforts already made in addressing the problem of childhood obesity. It recommends that funds continue to be sought, and programs be implemented, to address the issue.

Response from the Board of Supervisors and Human Services Department – Health Division:

We thank the Grand Jury for this commendation and agree with this recommendation. As noted earlier, however, until the State resolves its fiscal issues, we see little likelihood of increased funding in the near future.

6. The Grand Jury recommends that the 2008-2009 Grand Jury monitor development of the health clinic feasibility study, to balance patient needs with financial impact on the county.

Response from the Board of Supervisors and Human Services Department – Health Division:

The above recommendation is directed towards a future Grand Jury rather than towards a County agency. Therefore, no response by the Board of Supervisors is necessary.
Sutter-Yuba Mental Health Services
& Psychiatric Emergency Services

Departmental Comments Regarding Human Services – Health Division Report:

I have reviewed the Sutter County Grand Jury findings and recommendation for the Mental Health Division and offer the following comments:

I wish to clarify some factual information in the discussion section of the report. It should be noted that any misunderstanding by members of the Grand Jury of comments are entirely my responsibility. The members of the Sutter County Grand Jury were simply trying to accurately convey the information I provided.

- The capacity of the Psychiatric Health Facility (PHF) is 16 beds.

- Sutter-Yuba Mental Health Services and the Sutter County Housing Authority are working together to acquire between one and two each, four to six bedroom single story housing units for mentally ill individuals. Funds in the amount $750,000 have been allocated for this purpose within the Mental Health Services Act (MHSA) budget. Also under consideration are apartment complexes for clients.

Findings:

1. The Grand Jury acknowledges the fiscally responsible decision to avoid immediate paving for the yet unpaved parking lot, in anticipation of future construction. However, since construction is not imminent, the Grand Jury finds that the need for safety takes precedence over frugality, and that paving needs to be a priority.

   Response from the Sutter County Board of Supervisors and Department of Human Services – Mental Health Division:

   The Public Works Department has placed maintenance of this parking area on a regular schedule. The parking lot will be inspected quarterly, and will be leveled and compacted as necessary to remove pothole depressions or visible irregularities. As always, maintenance will also be performed upon notice of any significant deficiency in the parking lot’s surface.

2. The Grand Jury finds that an area of the paved parking lot, near the west end of the facility is in need of repair.

   Response from the Sutter County Board of Supervisors and Department of Human Services – Mental Health Division:

   The Public Works Department repaired this area in August 2008.

3. The Grand Jury finds that the current computer software used by the Division is insufficient.
Response from the Sutter County Board of Supervisors and Department of Human Services – Mental Health Division:

We agree that the current software for the billing system is inadequate. The Division is in need of updating this system and other information management systems, and will work towards prioritizing software upgrade projects.

4. The Grand Jury finds that non-smoking areas are inadequately delineated.

Response from the Sutter County Board of Supervisors and Department of Human Services – Mental Health Division:

We agree with this finding.

Recommendations:

1. The Grand Jury recommends that the unpaved parking lot be paved as soon as possible to increase safety and reduce liability.

Response from the Sutter County Board of Supervisors and Department of Human Services – Mental Health Division:

The recommendation may be implemented. During FY 2008-09 the Mental Health Division will work closely with the Public Works Department to develop a cost estimate for paving the gravel lot. Depending upon cost and available resources, the department will assess its ability to commit to paving the gravel lot during FY 2009-10. In addition, for FY 2008-09, Public Works will implement scheduled, routine grading and maintenance of the gravel lot.

2. The Grand Jury recommends that the pothole in the existing paved parking lot, near the sidewalk at the west end of the building be filled as soon as possible to increase safety for those walking to and from vehicles parked nearby.

Response from the Sutter County Board of Supervisors and Department of Human Services – Mental Health Division:

The recommendation has been implemented. As noted in Finding #2, Public Works repaired this area in August 2008.

3. The Grand Jury recommends that the cost be determined for upgrading the information technology system for the Mental Health Services division, to accommodate required changes in government regulations. Furthermore, the Grand Jury recommends that the department continue to seek funding for such upgrades.
Response from the Sutter County Board of Supervisors and Department of Human Services – Mental Health Division:

The recommendation will be implemented if financially feasible. The department will continue to seek funding for software upgrades.

4. The Grand Jury recommends that ash trays/receptacles be placed at a minimum of 25 feet from building entrances and that non-smoking area be defined clearly to encourage compliance with County Smoking ordinances.

Response from the Sutter County Board of Supervisors and Department of Human Services – Mental Health Division:

The recommendation has been implemented. The County has recently painted boundaries to delineate the “no smoking” areas around the entrances to the building and receptacles have been relocated.
Sutter County Children and Families Commission

Findings:

1. The Grand Jury finds that the composition of the Sutter County Children and Families Commission (SCFCC) Board of Directors still reflects that of the original board, installed predominantly for reasons other than their expertise regarding needs of children ages 0-5.

2. The Grand Jury finds that there is a conspicuous absence of board members with expertise in child development.

3. The Grand Jury finds that there are still concerns about the efficacy of SCCFC in providing services to children and their families in outlying areas of the county.

4. The Grand Jury finds that there is little cooperative effort among SCCFC, school officials in remote areas of the county, and members of the Board of Supervisors relating to those constituencies.

5. The Grand Jury finds that the SCCFC has sufficient funds, but that none have been designated specifically for developing services to rural county regions.

6. The Grand Jury finds that a huge fund of money is being held to ensure longevity of, and job security for those employed within current programs. It further finds that the amount held is beyond that necessary for three years of program expenses, exclusive of additional income.

Recommendations:

1. The Grand Jury strongly recommends that the Board of Supervisors considers changing the composition of the SCCFC Board of Directors to include members with current training and education in the areas of child development for those ages 0-5. We are the third consecutive Grand Jury to recommend such action and it should be considered, at the very least, due to changing circumstances since the inception of the Commission and the installation of the original Board.

2. The Grand Jury commends the SCCFC for its programs and continued efforts to expand, improve, and increase visibility to county residents. The Grand Jury recommends that those efforts be continued energetically and further recommends that the Commission continue to avail itself of experts in the area of child development with equal energy and consider board involvement by regular attendance of one or more individuals with child development experience.

3. The Grand Jury recommends that the SCCFC request Supervisors to regularly assess needs in their respective constituencies, and report them to the Commission. In turn, it is recommended that the SCCFC provide, annually, in writing, a report to each Supervisor, on services delivered in his District. It is also recommended that the Commission provide guidelines for the Supervisors’ use in gathering pertinent data.
4. The Grand Jury commends the SMILES program. The Grand Jury recommends that the van visit all outlying areas of the county at least once during the year, averaging cost effectiveness with the better attended sites, to ensure accessibility to all eligible children.

5. The Grand Jury recommends that the SCCFC designate funds specific to program development in remote areas of Sutter County. It also recommends that the SCCFC Executive Director and members of the Board of Supervisors meet with, and provide lunch for, principals, teachers, and area church leaders to develop a strategy for providing, promoting, and maximizing health and educational support to outlying regions of the county.

6. The Grand Jury recommends that the SCCFC responsively reduce its reserve funds by one-third, still leaving more than two years’ operating expenses in place, and that the Commission continue to seek additional grant funding and synergistic program opportunities.

Response from Board of Supervisors and County Administrative Officer:

Although the Children and Families Commission is not a County agency, the Board of Supervisors and CAO wish to respond to the Grand Jury’s recommendations regarding the composition of the SCCFC commissioners. Staff surveyed the websites of 16 other California Children and Families Commissions to determine the composition of their Commissioners. Like Sutter County, the vast majority of the Commissions had nine members, with membership ranging from four to fourteen commissioners.

The most common categories of commissioners consisted of County Supervisors (15), unspecified community members (19), an educator, oftentimes with expertise in early childhood education (11), the County Health Care Services or Public Health Director (10), a school superintendent (9), the County Mental Health Director (8), a representative from a community-based organization focusing on early childhood development (6), the County Public Health Officer (5), the local child care planning council director (5). Representatives of the law and justice community were rarely members of Children and Families Commissions.

As noted by the Grand Jury, the nine commissioners appointed to the SCCFC include a County Supervisor, a Sutter County judge, the Yuba City Police Chief, a pediatrician, the Assistant Director of the Social Services Division of Human Services, the Director of Human Services, the Chief Probation Officer, the Superintendent of the Yuba City Unified School District, and the Deputy Director of the Mental Health Division of Human Services.

Based upon the survey, although we believe that the Commission has excellent representation from the disciplines that provide services to this age group, either directly or through family involvement, one could argue that the Sutter County Children and Families Commission is perhaps over-represented in the law and justice category. The Board of Supervisors agrees with the Grand Jury that it is time to reconsider the composition of the SCCFC commissioners, and directs the CAO to make recommendations regarding its future composition.
General Plan Update

Findings:

1. The Grand Jury finds that, due to growth and the changing needs of the community, there are multiple core issues the General Plan needs to and intends to address.

2. It appears the General Plan Update process is well underway and on track. Those we spoke with, involved with the Update, appeared to be well-informed, helpful, and dedicated to the process.

Recommendations:

1. During this Update, the Grand Jury recommends that Sutter County officials give residents as many opportunities as possible to participate in this process by attending public meetings and workshops. The Grand Jury hopes that the public will participate in these opportunities and take advantage of the chance to be heard and help shape Sutter County.

Response from the Community Services Department and the Board of Supervisors:

We agree with the Grand Jury’s findings, and have implemented their recommendation regarding public meetings and workshops. Notices of upcoming events are posted on the County’s website, and citizens can add their names to an e-mail list to be notified of upcoming workshops and roundtables.
Levee District 1

Findings:

1. The Grand Jury finds that Levee District 1 has made many upgrades and repairs over the years to improve the safety of the area in Sutter County that the district serves.

2. Funding seems to be adequate and the levees appear well-maintained.

3. There are some relief wells to the north of Star Bend that may not be functioning as designed.

4. The Grand Jury further finds that the Levee Board, Mr. Hampton, and staff have worked hard to repair and maintain the levee to make it as safe as possible, and they should be commended.

Recommendations:

1. The Grand Jury recommends that the District pursue a resolution to the possible problems with the relief wells near Star Bend.

2. The Grand Jury also recommends that the District continue to pursue solutions, including funding from the Army Corps of Engineers, to resolve the erosion occurring along the river behind the Courthouse.

The above recommendations are directed toward Levee District #1, which is not a County agency. Therefore, no response by the Board of Supervisors is necessary.
Planning Commission

Findings:

1. The Grand Jury finds that the Board of Supervisors and the Planning Commission have ceased to work as a cohesive team. It is inappropriate for County Supervisors to chastise other County commissions or agencies in a public forum such as a newspaper. It is more appropriate to take concerns directly to the people involved in the form of a study session or public meeting.

2. The Grand Jury agrees with the Commissioner's comment that land use decisions are discretionary and should be looked at on a case-by-case basis.

Recommendations:

1. It is understood that the county ordinances allow “any county officer” to appeal land use decisions and that, currently, there is a moratorium on ranchette approval. It is hoped that during the next revision in the Sutter County general plan, the matter of ranchettes will be more clearly defined and this issue will be resolved.

2. Until this happens, the Grand Jury recommends that the Board of Supervisors allow the Planning Commission to do the job it was appointed to do by allowing it to make land use decisions according to not only the established scoring system and the criteria set by the zoning code, but the collective discretionary judgment of the Commission. If the Board decides to routinely overturn decisions made by the Planning Commission, then it might as well take over the duties, as is done in other jurisdictions.

3. The Grand Jury further recommends that the Board of Supervisors hold more joint study sessions with the Planning Commission for the purpose of communicating the direction that the Board wishes to take concerning land use issues.

4. As the Planning Commission is a body that is populated by the Board of Supervisors and uses a combination of their direction, staff reports, and the General Plan to make their recommendations, the Grand Jury recommends that the Board improve and solidify their direction to the Commission to allow them to properly formulate their recommendations.

5. In conclusion, the Grand Jury recommends that, since the CEQA (California Environmental Quality Act) guidelines indicate that a land use decision should be discretionary, all land use decisions should be subjective and, regardless of having passed the criteria for approval, they should be objectively considered for their effect on the County.

*The Board of Supervisors concurs with the Planning Commission's response. The Planning Commission's response is attached on the following page.*
August 28, 2008

To: Stephanie J. Larsen, Assistant County Administrator

From: Lisa Wilson, Secretary, Sutter County Planning Commission


During the regular Planning Commission Meeting of August 20, 2008, the Commission approved the following response to the 2007-2008 Grand Jury Report.

Findings

Paragraph 1: "The Grand Jury finds that the Board of Supervisors and the Planning Commission have ceased to work as a cohesive team. It is inappropriate for County Supervisors to chastise other County Commissions or Agencies in a public forum such as a newspaper. It is more appropriate to take concerns directly to the people involved in the form of a study session or public meeting."

The Planning Commission disagrees partially with this finding.

Many decisions of the Planning Commission have not been controversial and the two bodies have been in agreement. Variances and Ranchette zoning have been controversial.

The League of California Cities publishes the "Planning Commissioner's Handbook" which provides suggestions for promoting a good ongoing relationship with the Board of Supervisors (Attachment A). Two of the pertinent suggestions are:

- Ask for clarification of the governing body's policies or actions if they are unclear.
- Request an annual joint work session to discuss priorities, communication and other pressing issues.

There was a joint study session on September 10, 2007, where the differences were being discussed and on this occasion Board members expressed concern the Planning Commission was not following policy. Planning Commissioners felt their perspective was not being appreciated. The Planning Commission believes that each body should review the pertinent facts of each application and make independent decisions.

Paragraph 2: "The Grand Jury agrees with the Commissioner's comment that land use decisions are discretionary and should be looked at on a case by case basis."
The Planning Commission agrees with this finding.

Discretionary land use decisions brought before the Planning Commission should be acted upon individually on the merit of each application and it's conformance with the regulations.

**Recommendations**

*Recommendation 1*: "It is understood that the County ordinances allow 'any county officer' to appeal land use decisions and that currently, there is a moratorium on Ranchette approval. It is hoped that during the next revision in the Sutter County general plan the matter of Ranchettes will be more clearly defined and this issue will be resolved."

The recommendation has been implemented.

The General Plan update process began in July 2007. The update process is lengthy, due to the scope of work involved, and is not anticipated to be completed for adoption until early 2010. It should be noted that there is not a moratorium on Ranchette "approval" but rather on accepting or processing new applications. During the General Plan Advisory Committee meetings and public workshops, Ranchette zoning continues to be identified as an issue that will need to be fully explored through the update process.

*Recommendation 2*: "Until this happens, the Grand Jury recommends that the Board of Supervisors allow the Planning Commission to do the job it was appointed to do by allowing it to make land use decisions according to, not only the established scoring system and the criteria set by the zoning code, but the collective discretionary judgment of the Commission. If the Board decides to routinely overturn decisions made by the Planning Commission then it might as well take over the duties, as is done in other jurisdictions."

As worded by the Grand Jury, the recommendation will not be implemented.

Government Code Section 65101 gives authority to the Board of Supervisors to create or eliminate the Planning Commission. The Board of Supervisors created the Planning Commission and established the powers, duties and function of the body as referenced in the County Code. The Board of Supervisors has not discussed eliminating the Planning Commission. As stated in Finding 1 above, many decisions of the Planning Commission have not been controversial and the two bodies have been in agreement. During the 2008 calendar year, the Board has not overturned a decision of the Planning Commission. However, each body should review the pertinent facts of an application and make independent decisions. The Planning Commission does not 'rubber stamp' planning staff recommendations and the Board of Supervisors does not feel they must 'rubber stamp' the decisions of the Planning Commission.

*Recommendation 3*: “The Grand Jury further recommends that the Board of Supervisors hold more joint study sessions with the Planning Commission for the purpose of communicating the direction that the Board wishes to take concerning land use issues.”
The recommendation has been implemented.

Both the Planning Commission and Board of Supervisors may ask for a study session on any stated topic at their discretion. A regularly listed agenda item for the Planning Commission is a discussion of potential topics to discuss with the Board.

Recommendation 4: "As the Planning Commission is a body that is populated by the Board of Supervisors and uses a combination of their direction, staff reports and the General Plan to make their recommendations, the Grand Jury recommends that the Board improve and solidify their direction to the Commission to allow them to properly formulate their recommendations."

The recommendation has been implemented.

The Planning Commission should not be directed to the degree that their evaluation of applications is not independent. The Board of Supervisors and the Planning Commission use joint study sessions and the General Plan update process to develop reasonable solutions to serious land use issues. Each member of the Board of Supervisors selects their Planning Commission member. That Supervisor may choose to discuss issues with the appointee, or may allow a high degree of independence. If the Board member is not satisfied with the appointee, it is their discretion to change the appointee.

Recommendation 5: "In conclusion, the Grand Jury recommends that, since CEQA guidelines indicate that a land use decision should be discretionary, all land use decisions should be subjective and regardless of having passed the criteria for approval they should be objectively considered for their effect on the County."

The recommendation has been implemented.

According to California law, as succinctly paraphrased in "Guide to California Planning" by Fulton and Shigley (Attachment B), the role of the California Environmental Quality Act is primarily informational. CEQA lays out a process but does not dictate an outcome. CEQA documents may be prepared by County planning staff or qualified individuals and submitted as part of the staff reports utilized by the Planning Commission and Board of Supervisors in their deliberations of discretionary projects. The Planning Commission continues to deliberate on applications independently and expects the Board of Supervisors to also consider applications independently.

Attachments

A. Excerpts from the "Planning Commissioner's Handbook"
B. Excerpts from "Guide to California Planning"
ATTACHMENT A
Excerpts from the "Planning Commissioner's Handbook"
Planning
Commissioner’s
Handbook
• Connects People to the Community. Planning ensures that architectural and aesthetic elements are incorporated into projects to connect people to their community and establish a sense of place.

• Protects Property Values. Property values are enhanced when a community plans for parks, trails, playgrounds, transit, and other amenities. Planning also protects property and property values by separating incompatible land uses. Imagine if a factory could just set up shop in the middle of a neighborhood. Planning assures that this will not occur.

• Reduces Environmental Damage and Conserves Resources. Planning helps identify important natural and cultural resources and can channel development in a way that protects or augments these resources.

THE COMMISSION’S DUTIES

The planning commission plays a central role in the planning process in three important ways. First, it acts as an advisory board to the main governing body on all planning and development issues. Second, the commission assures that the general plan is implemented by reviewing development applications on a case-by-case basis. Just as you build a building one brick at a time, you implement a community vision one project at a time. Third, the commission functions as the decision-making body for many proposals. However, any planning commission action can be appealed to the governing body, which can uphold the commission’s decision, overturn it, modify it, or send it back for further study.

Planning commission duties vary depending on the jurisdiction. You can learn about your commission’s particular responsibilities by asking the planning department. Most commissions have the following responsibilities:

• General Plan. Assist in writing the general plan and hold public hearings on its adoption. (The governing body retains authority to actually adopt the general plan.) Promote public interest in the general plan. Consult with and advise public officials and agencies, utilities, organizations, and the public regarding implementation of the general plan. Also review, hold hearings on, and act upon proposed amendments to the plan.

• Specific Plans. Assist in writing any specific plans or community plans and hold public hearings on such plans. (The governing body retains authority to actually adopt specific plans.) Also review, hold hearings on, and act upon proposed amendments to such plans.

• Zoning and Subdivision Maps. Review, hold hearings on, and act upon zoning ordinances, maps, conditional use permits, and variances. Similarly consider subdivision applications.

• Individual Project Approvals. Review individual projects for consistency with the general plan, any applicable specific plans, the zoning ordinance, and other land use policies and regulations.

• Report on Capital Improvements Plans. Annually review the jurisdiction’s capital improvements program and the public works projects of other local agencies for consistency with the general plan.

• Coordinate Planning Efforts. Coordinate local plans and programs with those of other public agencies.

• Consider Land Acquisitions. Report to the governing body on the consistency of proposed public land acquisition or disposal with the general plan.

• Special Studies. Undertake special planning studies as needed.

With so many responsibilities, it is important for every planning commission to think about how it will divide its time between day-by-day approvals and long-range planning efforts, both of which are important. It is easy to get caught up in the day-to-day efforts at the expense of long-range planning.

3 See for example Cal. Gov’t Code §§ 65103, 65353, 65400, 65401, 65402, 65854 and 66452.1.
information to assist the planning commission in developing creative solutions to local problems.

Consultants
Local agencies face serious restrictions on staff expansion, while the demand for public planning continues to increase. Consultants are often used to address temporary staffing needs, such as:

- Complete studies requiring special skills
- Provide additional support on an as-needed basis
- Prepare studies and analyses required by environmental laws
- Assist on large projects, such as a general plan update

The commission should consider consultants as extensions of regular staff.

WORKING WITH THE GOVERNING BODY
One not so obvious ongoing relationship to take into account is the relationship between the planning commission and the governing body (city council or board of supervisors). In most cases, individual commissioners serve at the pleasure of one or more members of the governing body and therefore should consider the views of the governing body in making their decisions.

The planning commission-governing body relationship can become strained (at least from the commission’s perspective) if the governing body repeatedly overturns planning commission decisions. In such cases, you may feel that the governing body did not look at the land use issues as closely as the commission. One thing to keep in mind, however, is that the governing body must also contend with political pressures that are not always felt by the appointed commission.

Here are some ideas on how to promote a good ongoing relationship between the planning commission and the governing body:

- Balances staff analysis, including agency goals and policies, with community input
- Renders a decision based on findings of fact when acting in a quasi-judicial capacity
- Makes recommendations to the governing body on policy matters when acting in a legislative capacity
- Evaluates land use aspects of projects and leaves more technical issues for staff review and implementation (commissioners should trust staff to implement their general directions)

GOVERNING BODY
- Balances staff analysis, planning commission decisions, and agency goals
• Make adequate findings to insure that the reasons for your actions are clear

• Ask for clarification of the governing body’s policies or actions if they are unclear

• Include in planning commission minutes any questions or points of view that are not obvious in your decisions and findings

• Send a planning commission representative to meetings of the governing body to discuss difficult decisions

• Request an annual joint work session to discuss priorities, communication and other pressing issues

• Do not rely solely on staff to convey your message, either to the public or to the appropriate elected officials

• Do an annual self-evaluation and follow through with any needed changes in how the commission does business

Keep in mind that elected officials must answer to the voters. You may find it helpful to be familiar with the policy perspectives of the members of the governing body, particularly as they relate to land use policies and programs. (For example, are they “slow growth” or “pro-growth”? Casting individual commission decisions in ways that address issues of concern to individual members of the governing body (if not conforming to them) reduces the likelihood that a commission decision will be overturned on appeal.

WORKING WITH THE MEDIA

The media can be a commissioner’s best friend—or worst enemy. Developing a good relationship with the local media is an important—and often underrated—element of working in local government. Most members of the public will learn about local land use decisions through local newspapers, radio, and television. Because of this, it is important to engage reporters to make sure that the local agency’s side of the story gets told.

One of the keys in working with the media is to retain your credibility. Here are some tips for retaining your credibility:

• Share information when you can and be as transparent as possible.

• Return phone calls promptly (respect reporter deadlines). Leaving questions unanswered invites errors and unintentional bias.

• Never say “no comment;” this always sounds evasive.

• One of the most respected comments is “I don’t know. I’ll get back to you.” Be sure to get back with the information.

• Remember that there is no such thing as “off the record.” If you don’t want a comment to end up in the press, don’t make it.

It can be beneficial to establish ongoing relationships or an open-door policy with media representatives, but always be careful to keep your comments concise and on point. Often the media is just looking for a quote from the commission, not necessarily all the relevant facts. Staff may be able to provide reporters with more specific facts or details.

Getting Your Message Out

Another good tip for dealing with the media is to identify and repeat a single message. If you think about it, most people are only quoted once or twice in an article. What is it that you want that quote to be? (See Media Messages for Local Government on the next page) If you stick to your message and keep repeating
ATTACHMENT B
Excerpts from "Guide to California Planning"
At the same time, the relationship between CEQA and the basic planning process is often a murky one. Members of the public and even local officials sometimes confuse environmental review with discussion of a project's actual merits. Most of the time, the two processes move along parallel tracks—sometimes in harmony and sometimes in confused conflict.

**CEQA's Role**

Contrary to popular perception, CEQA's primary function is not to improve California's environment directly. CEQA does not usurp local authority over land use decisions or establish a state agency to enforce the law. CEQA does not even require local governments to deny all projects that would harm the environment.

Rather, CEQA's role is primarily informational, and in fact the act is sometimes referred to as a "full disclosure law." By law, CEQA has four functions:

- To inform decisionmakers about significant environmental effects
- To identify ways environmental damage can be avoided
- To prevent avoidable environmental damage
- To disclose to the public why a project is approved even if it leads to environmental damage

In carrying out these functions, the CEQA process is meant to unearth information about the likely environmental consequences of any "project"—from general plan adoption to permit approval—and make sure that those consequences are debated by the public and elected officials before a decision is made.

As we will discuss in much greater detail later, this process begins with an assessment of whether a specific project is subject to CEQA's provisions at all. Then local government planners conduct an "initial study" of the probable environmental consequences of a project. If those consequences are likely to be significant, then an "environmental impact report" must be prepared, specifying the environmental damage and laying out ways to "mitigate" that damage. The initial study and the EIR form the basis for public discussion of the project.

In this sense, CEQA is not unlike many state planning laws, such as the general plan law. It lays out a process but does not dictate an outcome. CEQA does not absolutely require that environmentally harmful projects be rejected, nor does it even specify how to minimize environmental damage. These decisions are left up to local governments, which operate with relatively little interference from the state.
Do-It-Yourself EIRs

For years, environmentalists complained about the practice of some cities and counties to allow a developer to submit his own environmental impact report. Environmentalists and other opponents of development projects contended this practice set up a conflict of interest. In 2001, they found what appeared to be a prime example of the conflict.

Consultants hired by the Newhall Land & Farming Co. to prepare an EIR for the 21,000-home Newhall Ranch project near Santa Clarita had been advised to search for the San Fernando Valley spineflower. The plant, previously thought extinct, was rediscovered in 1999 on similar land in the Santa Monica Mountains. The biologists found one stand of spineflowers along a dirt road at Newhall Ranch, and several other stands of what they suspected were members of the same species. Newhall then instructed the biologists it had hired to stop searching, and reminded the consultants that they were bound by a confidentiality agreement that barred them from disclosing what they had found to anyone outside the company. The suspect plants were never sent to a lab for testing; and at some point the site where the plants were found was plowed up.

When Newhall released the EIR, it reported only a single confirmed stand of spineflowers along the road, and concluded that a fence could protect the plants from development. Environmentalists and

As with general plan law, the Governor's Office of Planning and Research and the Resources Agency are required to prepare guidelines for CEQA on a regular basis. While the General Plan Guidelines are truly advisory, however, the CEQA Guidelines are binding on local governments, and courts often give as much weight to the Guidelines as to the law itself. These guidelines have grown from about 10 pages when they were first written, in the early '70s, to more than 200 pages today.

Updating the Guidelines, however, is politically difficult, with developers, local governments and environmentalists advocating very different amendments. The Wilson administration did not complete an update until three months before it left office, while the Davis administration finished an update only weeks before Davis left office. Environmentalists sued over some of the Wilson administration changes, and the courts ultimately threw out some of the most substantive changes. The Davis administration changes were mostly technical amendments.

How CEQA Has Evolved

CEQA's procedural nature has made it perhaps the most litigated environmental or planning law in the state. Even environmental law experts agree that CEQA's procedural requirements are so broad, and so expandable, that virtually any CEQA document could be challenged in court. Also, no state agency holds the administrative power to enforce CEQA; it is meant to be enforced by citizens through litigation. However, the state attorney general can file lawsuits to force CEQA compliance. Attorney General Bill Lockyer, for example, sued some counties in the San Joaquin Valley that were permitting the construction of large dairies with little or no environmental review. Still, Lockyer's lawsuits filed on behalf of the state were exceptions.

CEQA's litigious nature has had two consequences. First, citizen groups (environmentalists, homeowners, and so forth) have used the threat of CEQA litigation to obtain leverage over land use planning and, especially, over the review of particular development projects. Second, the litigation has given the courts an unusual opportunity to shape the law and since its passage. More than 250 public agencies have been referenced in these court rulings.

- Whether a CEQA, argued the review authority, is a challenge.
- Whether a most common challenge, the courts have ruled, and the courts have ruled. This line is by rule.
- Whether the rule is to make complete proceedings broader.
- Whether the rule is to make broader proceedings.

Though C 250 appellate court and the rest of the court applies to private projects. Friends of County, 8 Cal. 3 broader impact in the planning field—t

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governor's Office of Resources Agency are CEQA on a regular basis truly advisory, reliance on local government's weight to the guidelines have. Since its passage in 1970, CEQA has generated more than 250 published appellate court decisions, the vast majority of which have expanded CEQA's scope and requirements. According to planner/lawyer Ronald Bass, these court rulings fall into four general categories.

- Whether CEQA applies. Especially in the early days of CEQA, developers and local governments often argued that certain projects were exempt from CEQA review altogether. Even in recent years, a few important cases have revolved around this question.

- Whether an EIR should be prepared. This is perhaps the most common area of litigation. Citizen groups often challenge a project's negative declaration, which declares that an EIR is not necessary. Over the years, whenever a question in this area has arisen the courts have usually ordered the EIR to be done. This line of cases has greatly expanded CEQA's scope by requiring EIRs on a broad range of projects.

- Whether the EIR is adequate. Another common legal tactic is to challenge the adequacy of the EIR, arguing that some particular aspect of the discussion is incomplete. Again, over time the courts have greatly broadened the scope of EIRs themselves by requiring more complete discussions of potential environmental damage.

- Whether procedures were followed. CEQA contains a broad array of procedural requirements, from hearings to findings to review processes. Generally, the courts have protected these procedural safeguards zealously.

Though CEQA has been the subject of more than 250 appellate cases, one has far more importance than the rest of the cases: the *Friends of Mammoth* case in 1972, in which the California Supreme Court ruled that CEQA applies to private development projects as well as public projects. *Friends of Mammoth v. Board of Supervisors of Mono County*, 8 Cal. 3d 247 (1972). No other case has had a broader impact on the everyday use of CEQA in the planning field—nor does any other case illustrate the expansive attitude the courts have brought to CEQA cases.

California Department of Fish and Game investigators—who Newhall had refused to allow on the site—were suspicious, so they contacted the Los Angeles County District Attorney's Office with allegations that Newhall was covering up the presence of additional stands of the endangered plant. After the district attorney started investigating, Newhall acknowledged having found additional stands of spines suckers. But the company said that the destruction of endangered plants took place during the course of routine agricultural operations and was therefore lawful. The company subsequently filed new environmental documents disclosing the additional spine sucker populations.

The district attorney did not prosecute, but state lawmakers took up the cause. A bill introduced in 2003 would have prohibited cities and counties from allowing a developer to hire his own EIR consultants. Under the proposed law, only a lead agency or consultants hired by the lead agency could prepare an EIR. The building industry, business interests, and even the California Chapter of the American Planning Association waged a successful war on the bill, and it died.

Cities and counties defend their practice as a pragmatic approach to CEQA. Planners say they do not have the resources to manage all of the environmental reviews on projects proposed within their jurisdiction—a tacit admission that they do not even try to learn everything about development within their city or county.
Regional Water and Sewer Treatment Plant

Findings:

1. The Grand Jury finds that no plan, not even a preliminary plan, exists to address the urgent needs of wastewater treatment in Robbins, Sutter, and Live Oak.

2. The Grand Jury finds that all of the leaders of Sutter County and its cities agree that a regional sewer and water treatment plant is the best solution to address their infrastructure challenges.

3. The Grand Jury further finds that to support economic development and community growth, a regional sewer and water treatment plant will be a necessary component to the area’s infrastructure.

Recommendations:

1. The Grand Jury recommends that a feasibility study for a regional sewer and water treatment plant be performed immediately.

2. Following that feasibility study, the Grand Jury urges all in a position of responsibility to coalesce behind a plan of action to definitively address the wastewater challenge.

3. Lastly, the Grand Jury recommends that all efforts toward future growth, including the upcoming general plan revisions, consider regional options to pool resources as a viable alternative to local independent efforts.

Response from the Board of Supervisors:

Representatives from the County have met with representatives from the City of Yuba City and/or representatives from the City of Live Oak in March, August, and September to discuss the feasibility of conveying wastewater from the City of Live Oak and the unincorporated community of Sutter to the Yuba City wastewater treatment plant. All parties agreed that there is an interest in evaluating a regional facility in Yuba City. On August 5, 2008, the Yuba City Council voted to name Mayor Pro Tem Leslie McBride and Council Member Tej Maan to an Ad Hoc Committee to work with the County and the City of Live Oak to examine the potential for a regional water treatment facility. The Sutter County Board of Supervisors has named Chairman Larry Montna and Supervisor Larry Munger to a similar Ad Hoc Committee. The Board of Supervisors believes that a regional water and sewer treatment plant would provide a great benefit to the community, and will continue to work with the Cities of Yuba City and Live Oak to implement these recommendations.
August 21, 2008

TO: Stephanie J. Larsen, Assistant County Administrator

RE: Grand Jury Report Response

I am providing the following comments with regard to the Grand Jury report for the 2007-2008 fiscal year. Only one portion of the report appears to involve the operation of County Counsel's office directly. Other portions of the report involve advice given by County Counsel. You may use our responses as you see fit in preparing the Board's response to the Grand Jury report.


2. Updating of County Ordinance Books at Page 79 of the Report. The Grand Jury criticized County Counsel's office with reference to the speed by which County Ordinance Code books are updated. County Counsel provides updates to Ordinance Code books to approximately 50 users. Ordinarily, updates are not sent out immediately. Rather a certain period elapses while more than one ordinance change is adopted to justify the cost of printing and sending out to the various users. The Grand Jury complains of one minor Ordinance Code amendment that was delayed by several months.

Although the department charged with ordinance administration and enforcement would be aware of an ordinance change even it has not been placed in the Ordinance Code book yet, County Counsel agrees that several months is too long.

Therefore, County Counsel will implement a policy to update Ordinance Code books on a monthly basis.
3. **Travel and Business Expense Policy.**

   (a) **Supervisor Dan Silva’s expense reimbursement.** Although the Grand Jury made no finding as to whether Supervisor Silva inflated or understated the mileage reimbursement that was due him, the Grand Jury believed that accurate record keeping was not taking place. In this regard, the Grand Jury noted that it is “not the obligation of the County Counsel to check for truthfulness in documents submitted and signed by supervisors.” The Grand Jury recommends that County Counsel take a “second look” at such reimbursement claims. County Counsel concurs that it not the responsibility of County Counsel to determine the truthfulness of claims submitted by members of the Board of Supervisors. County Counsel will continue to review such claims as to their facial regularity. County Counsel would not presume to interrogate members of Board as to the truthfulness of their claims.

   (b) **The “Case Study” of Claim of Deputy County Counsel Richard Stout.**
   This was a matter of the Auditor-Controller refusing to pay a valid claim. County Counsel adhered to the policy which allows County Counsel to approve travel by private automobile. Nothing in the policy requires air travel, even if it may be cheaper. The Grand Jury criticizes the actions relating to this reimbursement claim. County Counsel had no choice but to go to the Board of Supervisors for approval of the claim and appropriate direction to the Auditor-Controller so that the County Counsel staff member could be properly reimbursed. County Counsel will continue adhere to the Board of Supervisors Travel and Business Expense Policy as it currently exists or as it may be amended from time to time.

   County Counsel is criticized by the Grand Jury for contacting Robert Stark’s attorney to seek payment of the travel claim. This contact was necessary because, even after Board direction, Mr. Stark failed to pay the claim. The Grand Jury’s criticism of contact with Mr. Stark’s attorney is perhaps due to a misunderstanding of the relationship between the Auditor-Controller and County Counsel. County Counsel has declared a conflict of interest with Mr. Stark pursuant to the Rules of Professional Responsibility governing attorneys. At the time County Counsel contacted Mr. Stark’s attorney, the county was in litigation with Mr. Stark in a lawsuit filed by Mr. Stark against the county. Under the Rules of Professional Responsibility, it would be improper for County Counsel to contact Mr. Stark directly. Rather County Counsel must communicate with Mr. Stark through his attorney.

   (c) **Business Expense Claim of County Administrative Officer.** The Grand Jury criticizes County Counsel for opining that it was reasonable for the County Administrative Officer to submit travel claims for a four-year period. County Counsel stands by this opinion. There is nothing unreasonable about a four-year timeframe or any
other period unless the Board of Supervisors has so determined. In this case, the Board
determined that four years was reasonable. Regardless of the time involved, an employee
has a right to reimbursement for legitimate expenses if appropriate documentation is
available.

Please feel free to let me know if you need any further information.

Very truly yours,

Ronald S. Erickson
Sutter County Counsel

RSE:js

cc: Larry T. Combs, County Administrative Officer
COUNTY OF SUTTER

April 4, 2008

The Honorable Christopher R. Chandler
Presiding Judge, Sutter County Superior Court
446 Second Street
Yuba City, CA 95991

Dear Judge Chandler:

The first of the 2007-2008 Grand Jury reports—Board of Supervisor's Mileage Reimbursement—"recommends that the Auditor-Controller's office provide all of the Supervisors with an expense reimbursement form before their next reimbursement that includes spaces for start and destination points to accurately record mileage and more space to detail other expenses".

Pursuant to the requirements of Penal Code Section 933.05(a) (1) this response is submitted reflecting the Auditor-Controller's agreement with the recommendation.

To document compliance with the requirements of Penal Code Section 933.05(b) (1) the recommendation has been implemented as explained below and by providing copies of this response to the individual Supervisors as notification of the availability of the mileage log form.

In consideration of the above we have located a mileage log form (see attachment) which can be downloaded at http://office.microsoft.com/en-us/templates/TC060884581033.aspx. This form or a comparable substitute is to be used for the purpose of claiming actual mileage pursuant to Sutter County Ordinance 52-599 /04/07 (b). This is an Excel form which can be filled out and printed for attachment to the County of Sutter Travel and Business Expense Accounting form, or it can be printed and filled out manually, to document mileage from an odometer reading. Alternative acceptable documentation is a printout of a standard internet map direction printout which shows driving directions and calculated mileage. The total miles can then be entered by the claimant on the Travel and Business Expense Accounting form. Documentation should conform to the standards explained in IRS Publication 463 Travel, Entertainment, Gift and Car Expenses. Publication 463 also has examples of mileage logs. Additional sheets can be added to attach receipts or additional written explanations when necessary to detail other expenses.

The Auditor-Controller's office routinely provides direction to other county employees on how to comply with County policies and procedures but we rarely have any contact with most Supervisors. We encourage the Supervisors to contact the Auditor-Controller's office so we can show them techniques for submitting all of their claims properly with minimal effort. We know the requirements. This is very much a part of the Auditor-Controller's mission as stated on the County's internet site (but not intranet) to provide management information, which leads to increased awareness of and improvements in economy, efficiency, and effectiveness of operations.

Sincerely,

Robert E. Stark, CPA
Auditor-Controller

COPY PROVIDED TO
ALL BOARD MEMBERS

RECEIVED
APR 04 2008

COUNTY CLERK
and EX-OFFICIO CLERK
BOARD OF SUPERVISORS
SUTTER COUNTY
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August 25, 2008

COPY PROVIDED TO ALL BOARD MEMBERS

The Honorable Christopher R. Chandler
Presiding Judge of the Superior Court of California
County of Sutter
446 Second Street
Yuba City, California 95993

Dear Judge Chandler:

Submitted herewith is the Auditor-Controller’s Office response to the 2007-2008 Grand Jury Final Report. Penal Code § 933(c) and § 933.05 require my office to respond to the findings and recommendations of the Grand Jury. This response is submitted directly to you pursuant to Penal Code § 933.05(f). Please note that I previously responded separately to the section Board of Supervisors Mileage Reimbursement in my letter of April 4, 2008.

I commend the individual members of the Grand Jury for their public service.

I share the Grand Jury’s concerns in making Sutter County government work better. I am looking forward to working constructively and positively with the Board of Supervisors and the County Administrator’s Office to implement improvements with the objective of increasing the County’s efficiency and effectiveness.

By law I am also required to send a copy of this report to the Sutter County Board of Supervisors, after which they will have another 30 days to write their response. I am complying with that requirement. I trust that my response will likewise be distributed to all recipients of the Grand Jury’s report and all recipients of the Board of Supervisor’s response.

Sincerely,

Robert E. Stark, CPA
Auditor-Controller

Cc: Sutter County Board of Supervisors
Sutter County Auditor-Controller’s Response to 2007-2008 Grand Jury Report


Finding One (in order presented)

“The Grand Jury finds the audited financial statements reflect accurately the financial position of Sutter County.”

The Auditor-Controller responds— We agree. The financial statements reflect accurately the financial position of Sutter County within the limitations of the materiality level accepted by the auditor for the limited purpose of attesting to the accuracy of the financial statements. This is characteristic of all financial statements.

Finding Two

“The Grand Jury finds that twelve financial accounting deficiencies were identified by the Independent Auditor. Of these, one has been corrected and two others will be eliminated by actions already taken by the Board of Supervisors. Of the remaining conditions, most are "easy to correct" and those corrections must be initiated by the Auditor-Controller.”

The Auditor-Controller responds— We partially agree as discussed below. We disagree with characterizing the “Independent Auditor’s” (Smith & Newell CPA’s) recommendation using the terminology “financial accounting deficiencies” because those terms have the implication that something is wrong with the accounting when, in fact, the recommendations cover a spectrum of issues involving management, budget, accounting and policy in one or many departments.

07-01 “We recommend that the County initiate a serious effort to develop and implement comprehensive policies and procedures for all current financial processes. This is a repeat of a prior year recommendation.”

The Auditor-Controller responds— We agree and have undertaken a serious effort, compiling a draft guide with the help of management consult Harvey M. Rose & Associates, LLC. Unfortunately, much of the work will have to be redone now since we have just learned that the County Administrator is recommending that the County adopt an administrative guide which uses a special format that is not compatible with the work which has already been done. We will continue to work on this as time allows. We anticipate having this done by the end of 2008-2009.

07-02 “We recommend that the General Reserve be restored back to its original balance of $1,080,000. This is a repeat of a prior year recommendation.”
The Auditor-Controller responds—We agree. Having now received clear authorization from the Board of Supervisors the General Reserve was restored in 2007-2008.

07-03 “We recommend that the County require that the AAP-4s be signed by the "Authorized Official of County Welfare Department" (County eligibility staff) and that this person check the appropriate box showing determination of FFP eligibility on the bottom of this form. We also recommend that the County incorporate into their review process procedures to ensure that the AAP-4s are properly completed and executed."

The Auditor-Controller responds—We agree. We were informed this was implemented by the Welfare Department.

07-04 “We recommend that the County adopt a comprehensive updated capitalization policy which includes all required capital asset accounting elements including infrastructure and estimated useful asset life. This is a repeat of a prior year recommendation."

The Auditor-Controller responds—We agree. To accomplish this we have been working on a capitalization policy for adoption by the Board of Supervisors but with the anticipated adoption of the new format for the administrative guide mentioned above this will require significantly more time to complete in the prescribed format. We anticipate having this done by the end of 2008-2009.

07-05 “We recommend that the unresolved differences be resolved and any inactive accounts be closed. This is a repeat of a prior year recommendation."

The Auditor-Controller responds—We agree. However, it should be noted that Smith & Newell’s report incorrectly uses the sub-heading “payroll trusts”. The text is correct describing this as “Personnel Benefits Revolving Trust fund (5226). Accordingly, the Personnel department is the managing department for this fund and the County this year has hired a consulting accountant to assist them with the reconciliation.

07-06 “We recommend that [t]he County only record provisions for reserves/designations in County Budget Form Schedule 1A. This is a prior year recommendation."

The Auditor-Controller responds—We agree. This involves coordinating the County’s standalone budget system with the general ledger. This is not under the control of the Auditor-Controller’s Office. We understand that Stephanie Larsen in the County Administrator’s Office and Information Technology department are working on this project.

07-07 “We recommend that the County analyze this fund [Fleet Management 4580] and determine whether there are unrecorded reserves/designations for fleet replacement that should be recorded. If there are reserves/designations to be recorded, the entry would be to credit the reserve account within the Fleet Management fund and debit the undesignated retained earnings. If a policy change is to be implemented, it should be
agreed upon between the interested parties and clearly described in a written policy statement. If the new Vehicle Replacement fund 4585 was intended to function as a reserve, fund procedures need to be developed to accomplish that purpose. This is a repeat of a prior year recommendation."

The Auditor-Controller responds— We partially agree. We have analyzed the Fleet Management Fund 4580 and determined that not only are there no unrecorded reserves/designations but that it would be inappropriate to set them up since the fund is a proprietary fund. According to Government Accounting Auditing and Financial Reporting (GAAPR) (Stephen J. Gauthier, Government Finance Officers Association, 2005) the terms “designated” and “reserved” are only defined for use in governmental funds as modifiers of the term “fund balance” (Glossary, pages 685 and 709). More precisely:

Designations are used to reflect a government’s intended use of current available financial resources. The focus on current financial resources is unique to governmental funds. Accordingly, designations should be reported only on the governmental fund balance sheet. There is no equivalent equity designation that may be used for government-wide financial reporting or for proprietary fund and fiduciary fund financial reporting to reflect the intended use of resources.

Smith & Newell’s recommendation in the management report may be based on the State Controller’s Handbook of Cost Plan Procedures for California Counties section 2245: “Portions of unrestricted net assets may be ‘designated’ to indicate that the management of the ISF does not consider these assets to be available for general operations”. Section 2245 is clearly in conflict with GAAPR which is authoritative with regard to defining generally accepted accounting principles. Nevertheless, within unrestricted net assets Fleet Management 4580 already has the Contribution from County account distinct from Net Assets, with a balance of approximately $1.49 million. A portion of Vehicle Replacement funds (VRP) amounting to approximately $583,000 is commingled in this contribution account. Per Board order March 12, 2008, VRP (fund 4585) will be closed, approximately $170,000 transferred to Fleet Management and then to the General Fund as of June 30, 2008. At this time the $583,000 commingled VRP should also be transferred from Fleet Management to the General Fund. The “Designation for Future Vehicle Purchases” in the approximate amount of $753,000 ($170,000 + $583,000) will be then be established within the General Fund, which is appropriate.

07-08 “We recommend that the County reconcile and record the activity in the flexible spending account. This is a repeat of a prior year recommendation.”

The Auditor-Controller responds— We agree. This is not under the control of the Auditor-Controller’s Office. Flexible spending is managed by the Personnel Department. We have assisted Personnel with this and the reconciliation should be done as of June 30, 2008 by the time the books are closed in September.

07-09 “We recommend that the County operating funds be numbered in a sequence that is separate from the trust and agency funds and that any funds inappropriately numbered be re-numbered. This is a repeat of a prior year recommendation.”
The Auditor-Controller responds—We agree and this has been done.

07-10 "We recommend that this account [Fleet Management fund 4580] be analyzed and that the County review their accounting policies and procedures to ensure that all items of revenue are accounted for properly. This is a repeat of a prior year recommendation."

The Auditor-Controller responds—We agree and this has been done.

07-11 "We recommend that the County review fund 4585 to ensure that this fund is being used for the purpose for which it was established. In addition, we recommend that the capital assets and accumulated depreciation be transferred to Fleet Management fund 4589. This is a repeat of a prior year recommendation."

The Auditor-Controller responds—We agree. This fund is closed as of June 30, 2008 and we will be available to the Public Works Department to advise them on the final closing procedures.

07-12 "We recommend that the County take all necessary steps to ensure that staff is in compliance with Statement on Auditing Standards No. 112 requirements."

The Auditor-Controller responds—We agree. This will be implemented for preparation of the 2007-2008 financial statements.

Finding Three

"The Grand Jury finds that the Auditor-Controller does not have a complete written procedures manual. This condition was first identified in the 2002-2003 fiscal year. The 2006-2007 Grand Jury stated the following, "The Grand Jury recommends the Auditor/Controller focus on completing updated and accurate policies and written accounting procedures for the use of all departments within the county, as recommended by the Harvey M. Rose report, and that the Auditor/Controller’s office provides periodic updates to the Board of Supervisors as to the status of completion of these recommendations.""

The Auditor-Controller responds—We agree.

Finding Four

The Grand Jury finds, and commends, an increased level of cooperation between the Auditor-Controller’s office and County Administration.

The Auditor-Controller responds—We agree. The Auditor-Controller’s Office works cooperatively with the County administrative officer to provide timely and relevant management information and financial information in accordance with generally accepted accounting principles.
Finding Five

“As of the writing of this report, Sutter County does not have any prospects to contract an Independent Auditor. If the county cannot hire its own, an agreement must be entered into with the California State Controller’s Office.”

The Auditor-Controller responds—We have no basis to agree or disagree with this finding. The Auditor-Controller’s Office has not been involved in the process to contract with an “Independent Auditor”.

Auditor-Controller’s response to Recommendations in Grand Jury Report, page 19

Recommendation One

“The Grand Jury recommends that the Auditor-Controller implement the recommendations suggested by Smith & Newell in their Management Report. It should be the goal, which in the view of the Grand Jury can be easily achieved, to correct all identified conditions by the end of the next fiscal year.”

The Auditor-Controller responds—We partially agree as noted above in the Findings. Implementation plans are explained above as appropriate.

Recommendation Two

“The Grand Jury recommends that the Auditor-Controller complete the written procedures manual post haste.”

The Auditor-Controller responds—We partially agree. This project will be done within the constraints of staffing relative to ongoing workload. While we did have the assistance of consultant Harvey M. Rose & Associates, LLC and prepared a draft manual, much of that work will have to be redone since the Board of Supervisors’ adoption of a new standard format for preparing administrative policies. Depending on the involvement required of our office in the implementation of the new payroll system we are making every effort to complete the procedure manual by the end of this fiscal year, 2008-2009.

(end of section)
AUDIT & FINANCE COMMITTEE SECTION—Travel & Business Expense Policy


Finding One

The Grand Jury finds that the practice of Sutter County Administrative Officer, Larry Combs to submit his expense reimbursements annually exceeds standard business practices and the recommendations of the IRS.

The Auditor-Controller responds—We agree.

Finding Two

Auditor-Controller Mr. Stark’s interpretation of the IRS rule does not fall within standard accounting practices. The “Safe Harbor Rule” is not a steadfast timeframe for reimbursement. Since the county policy did not contain a timeframe for expense reimbursements, the “Facts and Circumstances” of which the reimbursement would depend enabled the county to reimburse Mr. Combs.

The Auditor-Controller responds—We disagree. Following the Safe Harbor rule is a conservative position for the Auditor-Controller to take which is a prudent management policy that minimizes the likelihood of tax compliance issues arising which could result in sanctions against the County. Deviating from this without express direction from the Board of Supervisors is not good public policy. Nevertheless, Mr. Combs was subsequently paid as directed by the Board of Supervisors.

Finding Three

The Grand Jury disagrees with County Counsel Ronald Erickson’s opinion that a four-year period for reimbursement of the CAO’s claim was “within a reasonable timeframe.” There is a disagreement, even within the CAO’s office, as to whether the IRS code Section referenced by the County Counsel even applies in this case. Common sense dictates to the Grand Jury, and should have to County Counsel and the Board of Supervisors as well, that a four-year delay in submitting a claim for reimbursement cannot be deemed reasonable, absent any extraordinary circumstances.

The Auditor-Controller responds—We agree.

Finding Four

Mr. Combs’ inattention to his financial record keeping resulted in an inefficient use of county resources. The Auditor-Controller, County Counsel and the Board of Supervisors were all
required to spend time on this issue which would have been unnecessary had Mr. Combs submitted his claims in a timely manner.

The Auditor-Controller responds—We agree.

Finding Five

The Grand Jury finds that the current Travel & Business Expense policy is insufficient to address these issues and it is necessary to implement the new, consistent, non-arbitrary policy. The lack of a comprehensive policy, which was exacerbated by the delay in coming to agreement upon a new policy, has caused chaos between departments.

Unclear direction from Deputy CAO Barbara Kinnison and steadfast refusal to accept a denial of claim from County Counsel Ronald Erickson has caused delay in payments and required that the Board of Supervisors become involved in small dollar amount reimbursement claims. In both cases, these claims may have been resolved by referring to a comprehensive travel policy.

The Auditor-Controller responds—We disagree. The current Travel & Business Expense policy was adopted by the Board of Supervisors to curb known abuses at that time and to allow for efficient administration of the reimbursement process while providing adequate internal controls to detect and correct flagrant abuses. We have had very few problems with the policy until recently when claims have been submitted which do not meet even minimal standards for compliance. The Board’s recent approvals of four-year-old claims for the CAO and the County Counsel claim appear to be the result of the liberalization of the majority of the Board’s opinions regarding the propriety of certain kinds of expense reimbursements. It is within the Board’s discretion to make these policy changes from time to time even though, in the opinion of the Auditor-Controller, they are not good public policy because of the poor example set for rank and file employees and the budgetary issue. In order to address this more liberal interpretation, however, we are working with the CAO to change the current policy.

Finding Six

The Grand Jury finds that there is an inconsistency in county policy and that at least one department, the Division of Mental Health, Department of Health and Human Services, has arbitrarily created its own policy.

The Auditor-Controller responds—We partially agree. The policy set by the Board of Supervisors should be consistently followed by all County departments. In some instances, though, departments have special requirements and when it is not in conflict with Board of Supervisor’s policy County managers have discretion to set departmental policies. No special requirements triggering a deviation from Board policy are apparent from reading the Grand Jury report but it should also be noted Mental Health is a bi-county agency which may have some bearing on this.
Finding Seven

The Grand Jury finds that the Board of Supervisors failed to act on their ability to set policy by precedent in the case of the least cost method of travel in Richard Stout’s claim.

The Auditor-Controller responds—We agree.

Auditor-Controller’s response to Recommendations in Grand Jury Report, page 41

Recommendation One

The Grand Jury is aware that a revised Travel & Business Expense Policy has been submitted for the Auditor-Controller to evaluate. It is the recommendation of the Grand Jury that the drafted and revised policy be adopted immediately to prevent any further ambiguity.

The Auditor-Controller responds—We partially agree. However, the April 2008 revised policy is still in the process of review by the CAO and Auditor-Controller’s office so there is still work to be done before a final draft is agreed upon. We expect this recommendation to be implemented this fiscal year upon adoption of the new Travel & Business Expense Policy.

Recommendation Two

It is the Grand Jury’s further recommendation that the Auditor-Controller take his direction first from a clear and comprehensive policy, as it pertains to all manner of expense reimbursements. When there is an unclear point in the policy regarding a reimbursement, the Grand Jury recommends that the Auditor-Controller attempt to obtain clarification from the Department head and/or the CAO’s office.

In the current, highly charged, climate between the CAO’s office and the Auditor-Controller, there is no room for unclear communication. The Board of Supervisors, Department heads and members of the CAO’s office must be clear in their direction ensuring that their communications are precise and well documented. Reasonable, professional employees and elected officials should be able to come to an understanding or resolve a misunderstanding without involving all of the other county resources. The Board of Supervisors should only be involved with these matters when all reasonable methods have been exhausted.

The Auditor-Controller responds—We partially agree. This has been the Auditor-Controller’s office policy. When clarification is needed we consult as necessary all authoritative sources. Ultimately, the Board of Supervisor is the final arbitrator, which is appropriate. We expect this recommendation to be implemented this fiscal year upon adoption of the new Travel & Business Expense Policy.
Recommendation Three

Further, the Grand Jury recommends that department heads use this new Travel & Business Expense Policy as a minimum internal control standard, accentuating it, if necessary, to meet the needs of their individual departments.

The Auditor-Controller responds—We agree. See discussion above on Finding Six which is similar. We expect the new policy to be adopted by the Board of Supervisors and implemented this fiscal year.

Recommendation Four

To adhere with the spirit of the IRS laws, and sound financial practices, it is the Grand Jury's recommendation that CAO Larry Combs or any other county employee responsibly submit expense reports for expenses incurred within the time frame set out in the policy. If an exception must be made, it should only be made in the fiscal year in which it was incurred. Any additional requests for expense reimbursements should be considered forfeited.

The Auditor-Controller responds—We agree. However, the Board of Supervisors is ultimately responsible for implementing this recommendation if reimbursements denied by the Auditor are appealed to the Board—if this recommendation is not written into the revised policy, which it is not.

(end of section)

Submitted by,

Robert E. Stark, CPA
Auditor-Controller

August 25, 2008
The Honorable Christopher R. Chandler  
Presiding Judge  
Superior Court of California, County of Sutter  
446 Second Street  
Yuba City, CA 95993

September 18, 2008

Dear Judge Chandler:

I would like to take the opportunity to respond to information published in the “Claim Case-Study, Moving Expenses, Accountable Plan, Assistant CAO, Stephanie Larsen” that was included as Exhibit B of the Travel and Business Expense Policy section of the Grand Jury’s 2007-08 Final Report. That response follows immediately below:

**Moving Expense Claim of Assistant County Administrator Stephanie Larsen**

On December 18, 2007, the Board of Supervisors approved a $7,500 moving allowance for my relocation from Eureka to Yuba City (a distance of over 264 miles). I submitted a claim on February 12, 2008, in the amount of $4,287.79, and another claim on March 5, 2008, in the amount of $808.86. The two claims totaled $5,096.65.

In the course of the events leading to the payment of the claims, two issues arose: (1) the proper mileage reimbursement rate for moving-related mileage, and (2) whether expenses related to a pre-move house-hunting trip were appropriately a County expense under the Board-approved moving allowance. The technical debate on accounting issues diverted attention from the public policy issue at hand.

The Grand Jury’s chronology of events could allow inaccurate conclusions to be drawn. Perhaps most importantly, the Grand Jury was unaware of a letter mailed from the Auditor’s Office to my home which played an important role in events.

1. **Mileage Reimbursement Rates Associated with Relocation Expenses:**

The Grand Jury’s chronology stated that I revised my claim on March 5th because I “was unable to substantiate (with receipts) enough to warrant the 48.5¢ [sic] reimbursement amount”. This is an incomplete picture of what actually occurred.
Employees have two options for claiming reimbursement for mileage driven. One method is to produce gasoline receipts and claim actual costs. This method is often impractical (especially on short trips) because the employee would need to fill up the gas tank before embarking on the trip, and then again immediately upon his/her return. The far more commonly-used method is to claim mileage at the standard reimbursement rate published by the IRS. In addition to being less cumbersome than providing gasoline receipts, the IRS standard business rate also incorporates factors for the costs of depreciation, maintenance, and automobile wear-and-tear.

Thus, following customary practice for mileage reimbursements, my February 12\textsuperscript{th} claim calculated mileage based upon the Internal Revenue Service’s then-standard business mileage reimbursement rate of 50.5\$ per mile.\textsuperscript{1} In a verbal discussion with Assistant Auditor-Controller Ronda Putman on February 29, she informed me that, for moving-related costs, the IRS rate was only 20\$ per mile. Until that conversation, I was unaware that there was a lower mileage reimbursement rate for moving purposes. I said that I would try to substantiate my gasoline costs with actual receipts. With gasoline prices over \$3.00 per gallon, the 20\$ per mile figure underestimated my real costs. Since I had submitted my claim based on a standard mileage reimbursement rate and thought the original gasoline receipts were irrelevant, I had not retained all of my gasoline receipts. Because of this, I later asked Ms. Putman to revise my original February 12\textsuperscript{th} claim to calculate my mileage at 20\$ per mile.

2. Pre-Move House-Hunting Trip Expenses:

Eureka is located over 264 miles away from Yuba City. It is obviously too far to commute, so I had to secure new housing in Yuba City before I could commence work with Sutter County. During the week of January 13\textsuperscript{th}, my family and I drove to Yuba City to look for a rental house. My first moving expense claim, submitted on February 12\textsuperscript{th}, included a request for reimbursement of lodging, meals, and mileage related to this trip. IRS Publication 521 clearly defines which moving-related expenses are tax-deductible and which are not. The cost of a pre-move house-hunting trip is not tax-deductible. The Auditor-Controller questioned whether it was the Board’s intent to include the cost of a pre-move house-hunting trip in the Moving Allowance, and withheld those costs from my reimbursement check. This situation set off another round of events.

One issue that occurred is that Ms. Putman asked Deputy County Administrator Barbara Kinnison (in the same verbal conversation that occurred on February 29\textsuperscript{th}) whether the Board intended for my Moving Allowance expenses to be reimbursed under an “Accountable Plan.” Ms. Kinnison said “yes”. Ms. Kinnison later put that response in writing in an e-mail to Ms. Putman on March 6\textsuperscript{th}.

If expenses meet the IRS’ definition of falling under an “Accountable Plan”, payments are treated as excluded from the employee’s gross income and are not reported as wages or other compensation on the employee’s form W-2 and are exempt from the withholding and payment of

\textsuperscript{1} The IRS’ standard business mileage rate as of February 12, 2008, was 50.5\$ per mile, which is the rate I used to calculate my claim. The figure of 48.5\$ per mile quoted in the Grand Jury’s chronology is an error. At the time the claim was submitted, the moving allowance mileage rate was 20.0\$ per mile. Effective July 1, 2008, the IRS raised both rates to 58.5\$ per mile.
employment taxes. In other words, expenses falling under an Accountable Plan are not considered to be taxable income (i.e., they are tax-deductible). Expenses falling outside of an Accountable Plan would be considered taxable income (and are not tax-deductible). This office assumed that the Auditor-Controller would reimburse my pre-move house-hunting trip expenses as taxable income and my other moving expenses, which did fall within the definition of an Accountable Plan, as non-taxable income. However, the Auditor’s Office apparently interpreted Ms. Kinnison’s e-mail to mean that expenses falling outside of the Accountable Plan should not be paid at all.

The Grand Jury’s chronology says that on March 12th, “Rather than having Barbara Kinnison amend her previous statement, Stephanie Larsen prepares a staff report on this issue in anticipation of the Agriculture, Public Protection, and General Government meeting. Barbara Kinnison then reviews and signs off on this staff report.” The Grand Jury was apparently unaware that, by preparing a staff report to get the matter in front of the Board of Supervisors, I was responding to the Auditor’s direction. On Wednesday, March 11th, I received my reimbursement check in the amount of $3,097.26 in the mail. The reimbursement amount excluded the costs associated with the pre-move house-hunting trip. The check was accompanied by an unsigned letter from the Auditor-Controller’s office dated March 7th, the last paragraph of which stated, “Since pre-move expenses do not fall under the accountable plan as indicated above we will need further clarification on whether the Board intended on paying these expenses under an accountable plan as per IRS Publication 521 guidelines” (Attachment 1). I know of no other way to determine the Board’s intent except by asking them. It was precisely because of the Auditor’s request to seek clarification from the Board on its intent that I wrote the staff report on March 12th. Since the check had already been issued, it was too late for Ms. Kinnison to clarify her March 6th direction to the Auditor-Controller.

Interestingly enough, on March 13th, I received an e-mail from Accountant II Monica Tejeda of the Auditor-Controller’s Office entitled “Accountable Plan Expenses, Claim #1” (Attachment 2). It said, “The enclosed documents detail your most recent payment in the amount $3,097.26. The payment was released by our AP department and should soon arrive at the address provided on the claim.” The e-mail also included a copy of the same letter from the Auditor-Controller that I had received in the mail two days earlier, except that this version revised the last paragraph to read: “Since pre-move expenses do not fall under the accountable plan as indicated above they are not eligible for reimbursement.”

A copy of the staff report written on March 12th was sent to the Auditor-Controller. It was scheduled for the next meeting of the Agriculture, Public Protection, and General Government Committee on March 24th. Because Ms. Kinnison typically presents agenda items related to the Auditor-Controller, and because Ms. Kinnison was planning to be on vacation on April 1st, we scheduled the Moving Allowance staff report for the April 8th Board of Supervisors meeting.

In a letter dated March 23rd, the Auditor-Controller attempted to bypass the Agriculture, Public Protection, and General Government Committee, and place an alternative staff report directly on the Board of Supervisors agenda for April 1st. He did not submit his March 23rd letter to the Committee for its meeting of March 24th. We attached Mr. Stark’s staff report to the one we had already written for the April 8th Board Meeting.
When the matter finally came before the full Board of Supervisors on April 8th, the Board approved reimbursement of all expenses claimed related to the pre-move house-hunting trip.

3. The Public Policy Question

The Auditor raised an appropriate public policy question: Did the Board intend for pre-move house-hunting expenses to be included in the reimbursements they authorized when they approved my $7,500 moving allowance? Since my moving allowance was the first one ever approved by the Sutter County Board of Supervisors, questions relating to the details of such a claim had never been raised before. This was an important opportunity to review practices and policies in other jurisdictions.

To do so, I surveyed 26 other counties. The vast majority offer moving allowances for executive recruitments, with the total allowance ranging from $1,000 to $15,000. Of the few counties that have written policies that specifically address the issue of a pre-move house-hunting trip, two excluded such costs as eligible expenses under the moving allowance, and two authorized them. Thus, the few counties that specifically address the issue are evenly divided.

I submitted the expenses relating to the pre-move house-hunting trip because the sole purpose of my trip to Yuba City was to search for housing, and my need to find a new home was directly related to Sutter County’s offer of employment. Thus, reimbursement for the house-hunting trip appeared to be a necessary and legitimate expense eligible for reimbursement under the moving allowance. The Sutter County Board of Supervisors supported this view.

I would like to thank the members of the 2007-08 Grand Jury for their intensive effort in addressing the County’s Travel & Business Expense Policy in general and this moving allowance in particular. Their work is greatly appreciated.

Sincerely,

Stephanie J. Larsen
Assistant County Administrator

SJL/js

Attachments (3):
- Letter from Auditor-Controller to Ms. Larsen dated March 7, 2008
- E-mail from Ms. Tejeda and attached letter from Auditor-Controller dated March 13, 2008
- Revised Chronology of Moving Expense Claim
March 7, 2008

Dear Mrs. Larsen,

The Board of Supervisors on December 18, 2007, approved paying moving allowance up to $7,500. In reviewing IRS Publication 521-Moving Expenses, the Auditor-Controllers Office determined that only certain expenses fall under an accountable plan by meeting the following three rules.

As outlined in IRS Publication 521-Moving Expenses, (Page 9), Types of Reimbursement Plans.

Accountable Plans:

To be an accountable plan, your employer's reimbursement arrangement must require you to meet all three of the following rules.

- Your expenses must have a business connection that is you must have paid or incurred deductible expenses while performing services as an employee or your employer. Two examples of this are the reasonable expenses of moving your possessions from your former home to your new home and traveling from your former home to your new home.
- Must adequately account to your employer for these expenses within a reasonable time.
- You must return any excess reimbursement or allowance within a reasonable period of time.

The items listed below are eligible expenses which fall under an accountable plan therefore treated as a nontaxable reimbursement paid to the employee.

Accountable Plan reimbursable (Nontaxable expense):

1. One way (Jan 25) Eureka to YC- 261.30 ml x .20 **$52.26
2. United Van Lines (Feb 7)-Moving to new home $3,045.00

Total Nontaxable Expense: $3,097.26

In addition to these expenses Mrs. Larsen is also requesting reimbursement for pre-move house hunting expenses as detailed below. However, these expenses are not covered under the accountable plan and must be paid in accordance to the IRS Publication 521, (Page 10).

Nonaccountable Plans:

A nonaccountable plan is a reimbursement arrangement that does not meet the three rules listed earlier under Accountable Plans.

In addition, the following payments will be treated as paid under a nonaccountable plan.

- Excess reimbursements you fail to return to your employer.
- Reimbursements of nondeductible expenses. See Reimbursements of nondeductible expenses, earlier (Page 9).
Non-accountable plan is a reimbursement arrangement that does not meet the three rules to qualify as an Accountable plan.

The Non-deductible Expense:
- Pre-move house hunting expenses.

Non-accountable plan reimbursable (Taxable expense): House hunting trip (Jan 13-18)

1. Lodging $525.75
2. Mileage (round-trip Eureka-Yuba City Plus in town mileage, 609.6 mi x .20/ml) **$121.92
3. Meals (incl. husband and daughter) $277.23

Total Taxable Expense: $924.90

Since pre-move expenses do not fall under the accountable plan as indicated above we will need further clarification on whether the Board intended on paying these expenses under an accountable plan as per IRS Publication 521 guidelines.

**Indicates adjusted mileage rate change from .505 to .20 as indicated in Publication 521, Moving expense mileage rate differs from the Travel expense mileage rate.

Enclosed: IRS Publication 521- Moving Expenses
Stephanie Larsen

From: Monica Tejeda  
Sent: Thursday, March 13, 2008 4:46 PM  
To: Stephanie Larsen  
Cc: Ronda Putman; Robert Stark  
Subject: Accountable plan expenses claim #1  
Attachments: RE:; pub 521-Moving expense.pdf; Stephanie Larsen.doc

Stephanie,

The enclosed documents detail your most recent payment in the amount $3,097.26. The payment was released by our AP department and should soon arrive at the address provided on the claim.

Monica Tejeda  
Accountant II  
Auditor-Controller's Office

9/17/2008
March 13, 2008

Mrs. Larsen,

The Board of Supervisors on December 18, 2007, approved paying moving allowance up to $7,500. In conformance with the advice in Barbara Kinnison’s, March 6, 2008 email, “that the intention was to pay any reimbursement that is in compliance with the accountable plan” we have reimbursed all accountable plan expense to date as indicated below.

As per the IRS Publication 521-Moving Expenses, the Auditor-Controller’s Office determined that only certain expenses fall under an accountable plan by meeting the following three rules outlined in IRS Publication 521-Moving Expenses, (Page 9), Types of Reimbursement Plans:

Accountable Plans:

To be an accountable plan, your employer’s reimbursement arrangement must require you to meet all three of the following rules.

- Your expenses must have a business connection that is you must have paid or incurred deductible expenses while performing services as an employee or your employer. Two examples of this are the reasonable expenses of moving your possessions from your former home to your new home and traveling from your former home to your new home.
- Must adequately account to your employer for these expenses within a reasonable time.
- You must return any excess reimbursement or allowance within a reasonable period of time.

The items listed below are eligible expenses which fall under an accountable plan and therefore are treated as a nontaxable reimbursement paid to the employee.

Accountable Plan reimbursable:

1. One way (Jan 25) Eureka to YC- 261.30 mi x .20 **$52.26
2. United Van Lines (Feb 7)-Moving to new home $3,045.00

Total Authorized Reimbursement: $3,097.26
In addition you are requesting reimbursement for pre-move house hunting expenses as detailed below. However, these expenses are not covered under the accountable plan per IRS Publication 521, (Page 10).

Nonaccountable Plans:

A nonaccountable plan is a reimbursement arrangement that does not meet the three rules listed earlier under Accountable Plans. In addition, the following payments will be treated as paid under a nonaccountable plan.

- Excess reimbursements you fail to return to your employer.
- Reimbursements of nondeductible expenses. See Reimbursements of nondeductible expenses, earlier (Page 9).

Non-accountable plan is a reimbursement arrangement that does not meet the three rules to qualify as an Accountable plan.

The Non-deductible Expense:
Pre-move house hunting expenses.

Non-accountable plan reimbursable: House hunting trip (Jan 13-18)

1. 
   Lodging $525.75

2. 
   Mileage (round-trip Eureka-Yuba City
     Plus in town mileage, 609.6 mi x .20/ml)
     **$121.92

3. 
   Meals (incl. husband and daughter)
     $277.23

Total Disallowed Expense: $924.90

Since pre-move expenses do not fall under the accountable plan as indicated above they are not eligible for reimbursement.

Robert E. Stark, CPA
Auditor-Controller

**Indicates adjusted mileage rate change from .505 to .20 as indicated in Publication 521; Moving expense mileage rate differs from the Travel expense mileage rate.

Enclosed: IRS Publication 521- Moving Expenses
Revised Chronology
Moving Expense Claim of Assistant CAO Stephanie Larsen

12/18/2007: Board of Supervisors authorizes a $7,500 moving expense allowance "based on receipts" for the move of new Assistant CAO Stephanie Larsen.

2/12/2008: Ms. Larsen submits a claim for reimbursement in the amount of $4,287.79 for moving expenses approved by the Board of Supervisors. The claim includes $924.90 in expenses incurred for a house-hunting trip prior to the actual move. Her claim calculates mileage driven at the then-standard IRS business mileage reimbursement rate of 50.5¢ per mile.

2/26/2008: Assistant Auditor-Controller Ronda Putman sends Deputy CAO Barbara Kinnison an e-mail requesting clarification on the method of reimbursement, asking "Did the Board intend to follow the Internal Revenue Service accountable plan guidelines?"

2/29/2008: In a verbal conversation that took place in Tulare County, Ms. Putman informed Ms. Larsen that the IRS mileage reimbursement rate for moving expenses is 20¢ per mile instead of the standard business mileage reimbursement rate of 50.5¢ per mile. During that same conversation, Ms. Kinnison verbally responded to Ms. Putman's e-mail of February 26th by stating that non-taxable expenses would be paid under the accountable plan and taxable expenses would be paid outside of the accountable plan.

3/5/2008: Ms. Larsen asked Ms. Putman to amend her original claim to $4,022.16 to incorporate the lower IRS mileage rate allowed for moving expenses.

3/6/2008: Ms. Kinnison responds to Ms. Putman's e-mail in writing, stating, "I would assume that the intention was to pay under the accountable plan any reimbursement that is in compliance with the accountable plan." The Auditor's Office did not ask for clarification regarding payment of taxable expenses that fall outside of the accountable plan.

3/7/2008: The Auditor-Controller's Office issues a check in the amount of $3,097.26 to Ms. Larsen, subtracting the $924.90 of expenses attributable to the pre-move house-hunting trip. The Auditor's Office includes a letter of explanation of the amount, which concludes with: "Since pre-move expenses do not fall under the accountable plan as indicated above we will need further clarification on whether the Board intended on paying these expenses under an accountable plan as per IRS Publication 521 Guidelines."

3/11/2008: Ms. Larsen receives the Auditor's March 7th letter in the mail.

3/12/2008: Responding to the Auditor's direction, Ms. Larsen prepares a staff report on this issue for presentation to the Agriculture, Public Protection, and General Government Committee meeting of March 24th. Because Ms. Kinnison typically presents reports to the Board of Supervisors on issues related to the Auditor-Controller, and because Ms. Kinnison was scheduled to be on vacation on April 1st, the Board Agenda item was
scheduled for the April 8th meeting of the Board of Supervisors. A copy of the staff report was sent to the Auditor-Controller’s Office.

3/13/2008: Accountant II Monica Tejada sends an e-mail to Ms. Larsen stating that “The enclosed documents detail your most recent payment in the amount of $3,097.26. The payment was released by our AP department and should soon arrive at the address provided on the claim.” The e-mail included an attachment that comprised essentially the same letter that had been mailed to Ms. Larsen six days before, except that the last paragraph had been revised to read, “Since pre-move expenses do not fall under the accountable plan as indicated above they are not eligible for reimbursement.”

3/23/2008: The Auditor-Controller attempts to bypass the Agriculture, Public Protection and General Government Committee by placing an alternative staff report directly on the Board of Supervisors agenda of April 1st. The letter was not submitted to the Committee for its meeting of March 24th.

3/24/2008: The Agriculture, Public Protection, and General Government Committee approved the CAO’s staff report for placement on the appearance section of the Board’s April 8th agenda.

4/4/2008: The CAO’s office attaches the Auditor’s staff report to its own staff report for the April 8th Board meeting.

4/8/2008: The Board of Supervisors directs the Auditor-Controller to pay the remaining balance of the claim.
ATTACHMENT D
July 21, 2008

The Honorable Christopher R. Chandler  
Presiding Judge of the Sutter County Superior Court  
446 Second Street  
Yuba City, California  95991  

Re:  Response to the 2007-2008 Grand Jury Final Report  

Dear Judge Chandler,

The District Attorney responds as follows to each of the recommendations of the 2007-2008 Grand Jury pertaining to the Office of the Sutter County District Attorney:

Recommendation One:  The Grand Jury recommends that the Sutter County District Attorney’s Office encourage and arrange for the training of more of its prosecutors to become experts in gang related prosecution.  (Grand Jury Report, page 130)

Response:  The District Attorney’s Office has a second prosecutor already scheduled to attend the Gang Violence Prosecution Seminar, a training program of the California District Attorney’s Association, when the class is offered in 2008-2009.  In addition, the District Attorney plans to train a third prosecutor in the office in gang prosecution and specifically in the civil enforcement approach to the gang issues.

Comment to Recommendation One:  Gang related crime and violence has become an increasingly serious problem in Sutter County.  The District Attorney has had continuous and recent conversations about the issue with County Administration, the Sheriff, the Chief Probation Officer and with the Yuba City Police Chief.  A cooperative and focused approach is desired by everyone.  Although the first local Gang Intervention Task Force was formed over a decade ago no effort so far has had a significant impact on reversing the trend of increasing activity and violence.  Although a serious community and law enforcement problem, the actual number of cases going through court is not enough to constitute a prosecutor’s full-time caseload under normal circumstances.  Assigning additional legal staff will permit the prosecutor to work more closely with law enforcement and to become involved in the investigation phase of these gang-related cases.
Response to the 2007-2008 Grand Jury Final Report, page two

Recommendation Two: The Grand Jury recommends that those with oversight of the member bodies of YSAGE convene a forum. The purpose of this forum should be to discuss the advantages and feasibility of creating a dedicated gang enforcement unit. (Grand Jury Report, page 130)

Response: A meeting of the District Attorney, Sheriff and Chief Probation Officer has been called by the Sutter County Administrator to discuss the feasibility of a dedicated gang enforcement unit. The county agencies are working on the idea and when they reach some agreement, the logical next step will be to involve the Yuba City Police Department, which already has an internal gang enforcement unit with well-trained and experienced officers. The role and involvement of other Yuba-Sutter Area Gang Enforcement (YSAGE) member agencies would be the next step in those discussions.

The District Attorney and the District Attorney's Office were also mentioned in the Grand Jury's report on "The Brown Act," released in April of this year. While there is no recommendation in that report concerning the D.A., I would simply like to thank the Grand Jury for their diligence and effort in the background work that went into that Report. My Response to that Report is attached to this letter.

Sincerely,

Carl V. Adams
District Attorney of Sutter County

Cc: Kenneth D. Brooke
    Grand Jury Foreperson

    Larry Combs
    County Administrator

Attachment (1 page)

CVA:hs
August 22, 2008

TO: Kenneth D. Brooke, Foreperson and Christopher R. Chandler, Presiding Judge

RE: Response to 2007-08 Grand Jury Report

Recommendation

The Grand Jury recommends that the Elections Department remain current and up to date on the electronic voting machines, making the necessary changes imposed by Secretary of State, Debra Bowen.

Response:

We appreciate the recognition by the Grand Jury of staff’s knowledge and experience. The recommendation has been implemented as we continue our involvement with the Secretary of State’s office regarding these continuously changing requirements.

Respectfully submitted,

Donna Johnston
Clerk-Recorder/Registrar of Voters

Clerk-Recorder
433 Second Street
Yuba City, CA 95991
Tel: (530) 822-7134
Fax: (530) 822-7114

Clerk of the Board of Supervisors
1160 Civic Center Blvd.
Yuba City, CA 95993
Tel: (530) 822-7106
Fax: (530) 822-7103

Registrar of Voters
1435 Veteran Memorial Circle
Yuba City, CA 95993
Tel: (530) 822-7122
Fax: (530) 822-7587

SUTTER COUNTY WEBSITE: www.suttercounty.org
SUTTER COUNTY SHERIFF'S DEPARTMENT
J. PAUL PARKER
SHERIFF - CORONER

RECEIVED

August 14, 2008

Office of the County Administrator
Sutter County


As per 933(c) PC, the following is the Sheriff's Department response to the aforementioned report.

Overview:

On June 23, 2008, this department received a portion of the Sutter County Grand Jury report as it relates to this department and/or Law Enforcement in general. The Grand Jury findings as they relate to Sheriff’s Patrol and Jail Operations are included in the report.

Gang Enforcement in our Community
(Page 126 of the report)

Grand Jury Discussion and Findings - Some of the main points raised in the report were:

- Criminal street gangs are a major and increasing threat to the community with the associated shootings and stabbings increasing also.
- Juvenile participation in criminal street gangs is a major factor.
- There are 1500 to 2000 criminal street gang members or associates in this area.
- Some of the gang members are transplants from other areas.
- Prosecution of crimes related to street gangs are difficult due to the “code of silence” that gang members adhere to.
- Dedicated assets to combat criminal street gangs in Sutter County are lacking.
- The Yuba Sutter Anti Gang-Enforcement team (YSAGE) is proactive and effective in combating street gangs however a more dedicated full time unit similar to Net-5 and tasked specifically to gang activities would be advantageous.

Response – The Sheriff’s Department concurs with the findings of the Grand Jury.
Grand Jury Recommendations – The recommendations specific to the Sheriff’s Department was that those with oversight on YSAGE convene a forum to discuss the advantages and feasibility of creating a gang enforcement unit.

The recommendation is being implemented. The Sheriff’s Department is appreciative that the Grand Jury expended the time and effort to educate themselves on the issue of criminal street gangs in our area. I can report to the Grand Jury the following:

1. Front line law enforcement members of YSAGE (Sutter and Yuba Sheriff - Yuba City and Marysville Police) and other members of YSAGE (Sutter County District Attorney, Yuba County District Attorney and Sutter Probation) have had initial discussions on this issue as it relates to both feasibility and advantages/disadvantages based on the Net-5 model. The major hurdle in this concept is to get all the agencies in agreement as to their level of commitment, funding, supervision and housing. Many of the fourteen agencies involved in YSAGE have limited or no available resources to commit to an undertaking such as this. For example, the City of Marysville has recently withdrawn from participation in Net-5 due to financial difficulties. Net-5 is one of 41 other task forces in California led by and partially funded by the California Department of Justice (DOJ). Unfortunately, the charters of those task forces are specific to narcotics. However, on August 6, 2008 I, along with a handful of other law enforcement leaders met with the California Attorney General regarding violent crime and gangs in California and what could be done to combat this. One of our requests to the Attorney General was to explore the idea of expanding the charter of the narcotic task forces to include gang enforcement in their duties.

2. The Sheriff’s Department will dedicate more personnel to the gang problem. It has been my intent that upon completion of our enhanced recruitment program to fill open road deputy positions, that we would start a Special Investigation Unit (SIU) that would concentrate on gang activity from existing personnel. We have seen great results in recruitment and expect to start-up the SIU by November 2008.

3. Additionally, we are taking steps to re-orient our patrol forces to specifically attack gang related crime. We have taken the first step in this direction by conducting mandatory gang training for all members of our department. One hundred percent of our department has now received this training which was completed in August 2008. This training was for all department members, from clerical staff to administration.

4. At the request of Sutter County CAO Larry Combs, District Attorney Carl Adams, Chief Probation Officer Chris Odom and myself have met and are costing out an operational/cost plan as it relates to increased enforcement and prosecution against gang activity.
5. As far as front line law enforcement, I have held several meetings with Sheriff Durfor of Yuba County and YCPD Assistant Chief Jeff Webster. We will have further discussions as to combating the gang violence problem on a cooperative Bi-county wide basis.