

The Grand Jury of Humboldt County



2009-2010
Final Report

Table of Contents

2009-2010 Grand Jury of Humboldt County:

Officers and Members.....1

Committee chairpersons and photo of the Grand Jury.....2

About the Grand Jury:

History of the Grand Jury system.....3

The Grand Jury of Humboldt County.....3-4

Serving on the Grand Jury.....5

Filing complaints with the Grand Jury.....5

Final Report of the 2009-2010 Grand Jury:

Citizen complaints.....6

Investigations resulting in formal Reports:

Board of Supervisors Salaries

County Government's Accounting Standards

County Government Management

Delayed Action on the Part of the District Attorney's Office

Elk River Land Use

Ethnic Tensions in Public Schools

Humboldt County Association of Governments (HCAOG)

Humboldt First Five

Sites Visits, Law Enforcement (including Sheriff's Office and all facilities,

Coroner's office, all Police Departments, Juvenile Probation, and government-operated animal shelters)

Victim Witness Program



GRAND JURY
COUNTY OF HUMBOLDT

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EUREKA, CALIFORNIA 95501-1153 PHONE (707) 476-2475

June 30, 2010

Honorable Christopher G. Wilson, Presiding Judge
Superior Court of California
Humboldt County

Your Honor,

The 2009-2010 Grand Jury term of service has come to an end, and we now present our final report. This includes the case reports that have previously been released and several we are now releasing. These are the result of citizen complaints which resulted in our investigation into various public agencies in the county. Additionally, we investigated areas of interest to this Grand Jury based on information revealed to us during these investigations.

During this year we continued two investigations from last year and received 21 new complaints. After investigation into these complaints, the Grand Jury was satisfied that in eight cases the situations were handled correctly and we did not file Reports. The 13 Reports the Grand Jury did adopt were written after extensive investigation by its committees, approved by the entire Grand Jury, reviewed by County Counsel and by yourself. It is this thoroughness of which we are most proud.

My thanks on behalf of the entire Grand Jury go to County Counsel Wendy Chaitin (now in her 13th year of supporting the Grand Jury) for her efforts in reviewing these reports and to Your Honor for approving our efforts. In addition, we appreciate those public officials and employees who provided insight into the workings of the subject agencies within the county. Without their cooperation, our work would not be possible.

We dedicate this report to two of our members who died during our term: Tracy Nelson and Ed Albert. With the strong support of their families, they made genuine contributions to the work of the Grand Jury during the months we were privileged to have them with us.

Sincerely,

Sue Hemmann

Sue Hemmann, Foreperson

2009-2010 Grand Jury of Humboldt County

Officers:

Presiding Judge - The Honorable Christopher G. Wilson
Foreperson - Sue Hemmann
Foreperson Pro tem - Darrel Petersen
Sergeant at Arms - Charles Taylor
Office Manager - Sam Giannandrea
Recording Secretary - Peter Hannaford
Corresponding Secretary - Lee Ulansey
Parliamentarian - Jorgen von Frausing-Borch

Members:

Albert, Clyde "Ed", Jr. * - Eureka
Brunner, Nancy - Eureka
Ciancio, Charles - Eureka
Coleman, Jack - Fortuna
Furnish, Colleen - Hydesville
Giannandrea, Sara "Sam" - Arcata
Hannaford, Peter - Eureka
Hemmann, Sue - Eureka
Hourany, Larry - McKinleyville
Nelson, Tracy * - Ferndale
Macdonald, Sally - Eureka
Marks, Tim - Rio Dell
Morris, Robert - Blocksburg
Pell, James - Eureka
Petersen, Darrel - Eureka
Taylor, Charles - Eureka
Tomko, Lorelie - Eureka
Ulansey, Lee - Kneeland
Von Frausing-Borch, Jorgen - Ferndale

* Ed Albert and Tracy Nelson passed away during their term of service. Their fellow Grand Jurors dedicate this Report to their memory.

Committee Chairpersons:

Administration & Finance - Colleen Furnish
Cities & Districts - Lee Ulansey
Continuity - Tracy Nelson
Editorial - Peter Hannaford
Health, Education and Social Services - “Sam” Giannandrea
Jails - James Pell
Law & Justice - Charles Taylor
Public Works - Darrel Petersen

Members of the Grand Jury:



(First row, left to right): The Honorable Christopher Wilson, Sue Hemmann, “Sam” Giannandrea, Sally Macdonald, James Pell, Jack Coleman, Robert Morris, Nancy Brunner, Lorelie Tomko, Colleen Furnish.

(Back row, left to right): Tim Marks, Charles Ciancio, Darrel Petersen, Jorgen von Frausing-Borch, Larry Hourany, Lee Ulansey, Peter Hannaford, Charles Taylor, Ed Albert.

About the Grand Jury

History of the Grand Jury System

Grand juries date back to English Common Law of the 11th and 12 Centuries. The term “Grand Jury” is used to indicate a jury membership that is larger than that of a “petit” (trial) jury. The first Grand Jury in America was impaneled in the Massachusetts Bay Colony in 1635. The United States Constitution did not include a provision for Grand Juries until ratification of the Fifth Amendment in 1791.

Today in the United States there are two types of Grand Juries: Criminal and Civil. Criminal Grand Juries review evidence presented by a prosecutor and determine whether there is probable cause to return an indictment against an individual accused of a crime. Civil Grand Juries are responsible for oversight of the operations and performance of local government agencies to ensure that counties, cities and special districts lawfully and efficiently discharge their duties and responsibilities.

California’s state constitution requires that a Civil Grand Jury be impaneled annually in each of the state’s 58 counties. Civil Grand Juries in California are a part of the judicial branch of state government and function under the authority of the Superior Court.

The Grand Jury of Humboldt County

It is composed of 19 citizens selected by the Presiding Judge of the Superior Court from a pool of volunteer applicants and nominees of the Court. Grand Jurors are sworn in and formally charged with their responsibilities by the Presiding Judge.

The Grand Jury’s oversight extends to all governmental units in the county: County, cities, special districts, school districts and joint power agencies. Its primary responsibility is to make recommendations for the improvement of local governments. It is said that a Grand Jury’s goal is government that is honest, efficient and transparent.

Issues come before the Grand Jury in one of five ways:

- Complaints filed by citizens against a local government agency or official;
- Regular reviews of government agencies initiated by the Grand Jury on a rotating schedule established by it;
- Issues brought before the Jury by individual members of it;

- Issues brought to its attention by the Presiding Judge of the Superior Court;
- Investigations required by State law.

All proceedings of the Grand Jury are conducted in secret session. Every jury member and witness is bound by the rule of secrecy. Records of the Grand Jury proceedings may be obtained only by subpoena or court order.

The Grand Jury of Humboldt County publishes an annual report to the community. This year's report will be available in print, CD-ROM and web versions. It contains the results of the Jury's investigations and agency reviews and may include specific findings and recommendations. The report also includes the responses of government agencies to findings and recommendations of previous Grand Juries.

State law requires that government agencies and/or officials identified respond to findings made by the Grand Jury in one of the following ways:

- Agree with the findings/recommendations;
- Disagree, wholly or in part, with the findings, specifying the portion of the finding with which there is disagreement and explaining the reasons for this disagreement.

California law also requires that government agencies and/or identified officials respond to recommendations made by the Grand Jury in one of the following four ways:

- State that the recommendations have been implemented and provide a summary of the action taken;
- State that the recommendation has not yet been implemented, but will be in the future (specifying when it will be implemented);
- State that the recommendations require further analysis (and providing a detailed explanation of the needed analysis);
- State that the recommendation will not be implemented because it is not warranted or is not reasonable (and providing an explanation for this decision).

Service on the Grand Jury

To be considered for service on the Grand Jury applicants must meet the following qualifications:

- Be a citizen of the United States of America;
- Be 18 years of age or older;
- Be a resident of Humboldt County for at least one year immediately prior to beginning service on the jury;
- Have ordinary intelligence, sound judgment and fairness of character;
- Have sufficient knowledge of the English language
- Not currently serving as a trial juror in any court in the state;
- Not having been discharged from service as a Grand Juror in any county in the state within the past year;
- Never having been convicted of malfeasance in office or any felony or other high crime;
- Not currently serving as an elected public official.

If you are interested in being considered for service on the Grand Jury of Humboldt County, please contact the Office of the Jury Commissioner, Humboldt County Superior Court, 825 Fifth Street, Eureka, California 95501.

Tel. 707/269-1270. Email: grandjury@co.humboldt.ca.us

Filing Complaints

Grand Jury complaint forms are available at www.co.humboldt.ca.us/grandjury. In addition, complaint forms are contained in a “take-one” box on the door of the Grand Jury office on the first floor of the County Court House.

Report of the 2009-2010 Grand Jury

Citizen Complaints

During this 12-month period, the Grand Jury received 21 complaints. Upon investigation it was determined that eight of these did not rise to the level of full-scale investigation leading to specific recommendations for action.

The 13 cases that did lead to formal Findings and Recommendations are as follows (in alphabetical order):

Board of Supervisors Salaries

County Government's Accounting Standards

County Government Management

Delayed Action on the Part of the District Attorney's Office

Elk River Land Use

Ethnic Tensions in Public Schools

Humboldt County Association of Governments (HCAOG)

Humboldt First Five

Sites Visits, Law Enforcement (including Sheriff's Office and all facilities, Coroner's office, all Police Departments, Juvenile Probation, and government-operated animal shelters)

Victim Witness Program

Actual reports are shown on the following pages.

Grand Jury Report 2010-AF-01:

Board of Supervisors Salaries

Required Response:

Pursuant to California Penal Code Sections 933 to 933.05, response to the Findings and Recommendations of this report shall be provided as follows:

- **The Humboldt County Board of Supervisors** shall respond to Findings 1 through 4 and Recommendations 1 through 3.

Background:

A complaint was filed with the 2009-2010 Grand Jury bringing up the discrepancy between Supervisorial salaries of the lesser populated Humboldt County and the slightly larger Shasta County. After an initial review of the salary schedules, and the fact that the Grand Jury is empowered to review the Supervisor's salaries and had not undertaken a review recently, it was determined that a full review of the Supervisor's salary schedule was warranted.

Determining the appropriate salary for the County's top decision makers is not a simple or easy task. Since these individuals control public monies of a budget approaching nearly one-third of a billion dollars, it is important that the monies paid them be fair, reasonable and acceptable to those who are the contributors of these monies. Over the years the determination of BoS salaries has encompassed such diverse methods as:

1. Comparing salaries with those of a group of five counties of similar size and with similar governance structure. The five counties within this group were Butte, Shasta, Mendocino, Yolo and Napa.
2. Linking the salaries to that of a Superior Court judge. For many years BoS pay was set at a level that was 40% that of a Superior Court judge.
3. The current method is left to the BoS "as they deem appropriate". It appears that Staff has routinely linked their recommendation, on a percentage basis, to that raise given to the County's largest employee bargaining unit.

In July 2009, despite a severe economic downturn, base salaries of the BoS were adjusted upwards by 3%. This increase was implemented with no apparent current analysis or research into the necessity or timeliness of the increase. The increase was originally approved in September 2008 and is evidenced by the amending of Section 213-1 of Chapter 3 of Division 1 of Title II of the Humboldt County Code.

This increase was originally linked to that of the County's largest employee bargaining unit and then reduced by the BoS in session . It has resulted in a base annual salary of \$79,208 per year, or \$ 6,600/month. This base salary is currently scheduled to adjust upwards on June 27, 2010 to \$81,584/year, or \$6,799/month. In addition to this base amount, there is a provision for more monies to be added for years of service, commonly referred to as longevity pay. This longevity pay could increase a qualified Supervisor's pay by an additional 10% to a level of approximately \$89,742/year (\$7,478 month). In addition to the base salary amounts, the inclusion of medical, retirement, travel, vacation and other benefits substantially increase the overall compensation package of a sitting Supervisor.

Report:

The Grand Jury undertook a review of the salary structure of the County's Board of Supervisors. As a basis for this review, it sent out a survey questionnaire to all 57 of the other California counties. The results of this survey, plus other collected information, were then analyzed to rank and compare objectively Humboldt County's BoS pay scale with other those of county's of similar size, region, and economic and governance structure. Not knowing with certainty the rationale for abandoning the below-listed historic methods of determining appropriate BoS salary levels, comparative results from these methods also were calculated. Review of the public testimony and resulting discussions of increasing the Supervisor's pay level did not reveal any rationale, research or analysis as to why an increase was warranted.

Data and Analysis

(NOTE: Humboldt County dollar figures have been extracted from actual County ordinances and rounded to the nearest dollar)

A. Historic Five-county methodology/comparison

<u>County</u>	<u>BoS monthly salary (2009)</u>
Butte	\$4,417/mo
Shasta	\$4,500/mo
Mendocino	\$5,666/mo
Yolo	\$4,916/mo
Napa	\$7,136/mo
<i>Average</i>	<i>\$5,327/mo</i>
Humboldt	\$6,600/mo

Humboldt County is currently 24% above what would have been reflected by the compared counties

B. Historic Forty-Percent-of-a-Superior's-Court-Judge's-Salary methodology/comparison

2009 Judge's salary = \$14,899/mo

40% = \$5,959/mo

Humboldt (2009) = \$6,600/mo

Humboldt County is currently 11% above what would have been the monthly amount had the methodology not been changed.

C. Surrounding and Regional Counties methodology/comparison

Another method compared nearby surrounding and regional counties, since these counties appeared to share similar economic bases and similar governance issues.

<u>County</u>	<u>BoS monthly salary (2009)</u>
Del Norte	\$3,340/mo
Trinity	\$2,084/mo
Mendocino	\$5,666/mo
Shasta	\$4,500/mo
Siskiyou	\$2,943/mo
<i>Average</i>	<i>\$3,706/mo</i>
Humboldt	\$6,600/mo

Humboldt County is currently 78% above the average of the surrounding and neighboring counties in the region.

D. Population-based methodology

Another method that appears to have merit compares counties based on similar population parameters. The workload per citizen should be somewhat commensurate and thus the time invested by the BoS should be somewhat similar and relative. The parameters chosen were counties with populations within a 50%+- range of Humboldt County's 2006 population estimate of approximately 132,000. The State's 2006 population estimates for the various counties was deemed most reliable and was used as the baseline population. This resulted in a population range between 66,000 and 198,000 for the selection of the comparative counties. (Source: State of California Franchise Tax Board's comparison by county.)

<u>County</u>	<u>Population</u>	<u>BoS Monthly Salary (2009)</u>
Yuba	70,000	\$4,015
Mendocino	89,000	\$5,666
Sutter	93,000	\$2,872
Nevada	99,000	\$3,287
Napa	134,000	\$7,136
Marin	146,000	\$8,939
Kings	150,000	\$4,159
Imperial	169,000	\$4,255
El Dorado	177,000	\$6,406
Shasta	180,000	\$4,500
Yolo	193,000	\$4,916
<i>Average</i>		<i>\$5,104</i>
Humboldt	132,000	\$6,600

Humboldt County is currently 29% above the average salary of counties similarly grouped by population.

Conclusions

By all of the above comparative methodologies, it is apparent that the Humboldt County BoS salary scale consistently ranks above the average for all comparative groups. A summary of the above groupings shows the following:

<u>Methodology/Comparison</u>	<u>Humboldt (as a percentage of the average)</u>
Historic Five County	124%
Historic Superior Judge	111%
Surrounding/Regional County	178%
Similar Relative Population	129%

The current method used by Humboldt County appears to have resulted, over time, in an ever-increasing level of Supervisors' pay. Had one of the "Historic" adjustment procedures remained in place the Supervisor's salaries would be 11%-24% below today's level and more in line with the comparative groups. This consistent "above average" ranking seems to indicate a flaw or bias in the current adjustment methodology. Even discarding the high and low extremes in the comparative groups, it seems to indicate that the current methodology is producing salary adjustments that have resulted in Humboldt County's BoS pay scale being 26.5% above the combined comparative averages.

Humboldt County BoS salary levels are also adjusted by a “longevity” factor that can increase certain qualifying Supervisors pay by an additional 10%. While this type of an adjustment is used in a limited number of other counties, it seems particularly inappropriate in Humboldt County, given the current above-average salaries already in place. It also seems to detract from the doctrine of fairness which has been historically evident in public servant positions. It seems to embody the doctrine of which “unequal-pay-for-equal-work” is the primary focus.

Having the Staff recommend increases by linking Supervisor pay to that of a bargaining unit's negotiated raise appears to set in place a situation in which the negotiator for the public (the BoS) receives the same reward as does the negotiator across the table. Some type of analysis of need or peer group comparison appears to be also warranted. This would remove the appearance of tainting the integrity of the process and provide more evidence of transparency.

In a time when other public and private entities are enduring salary reductions, furloughs and other cost-cutting actions, it seems inappropriate that no analysis or research was publicly provided to substantiate the logic of a salary increase. The fact that several of the Supervisors did not take all of the salary increase does not address the problem of the continually upward spiral of the BoS salary schedule. Without addressing the adjustment criteria of setting the Supervisors' salary, the gap between the median income of the average County citizen (currently one third that of the BoS) will continue to widen.

Findings:

1. The current methodology for setting the salary level of the Humboldt County Supervisors has resulted in a salary structure significantly above the two “historic” methodologies/comparisons (described in A and B above) which were previously used to determine salary levels. The two abandoned methodologies would have resulted in salary levels 11-24% below today's salary levels.
2. The current methodology for setting the salary levels of the Humboldt County Supervisors has resulted in today's salary levels being 78% higher than the average salary of the surrounding and regional counties with similar economies and governance structure.
3. The current methodology for setting the salary level of the Humboldt County Supervisors has resulted in today's salary levels being 29% higher than counties within a similar population bracket.

4. The use of a longevity factor results in unequal pay for equal work. Extra duties and/or workloads, such as the Board Chairmanship, are reasons more properly rewarded with extra pay.

Recommendations:

1. That the Board of Supervisors reduce its salaries, commencing with Fiscal Year 2011

2. That any additional monetary salary rewards be based on additional workloads or duties, not longevity in office.

3. That a third party, such as the Grand Jury (impartially selected by a Judge and empowered by State law under Section 927 of the Penal Code), provide guidance as to appropriate salary levels of the BoS and to the methodology for adjusting these levels.

Grand Jury Report 2010-HESS-04 County Government Accounting Standards

Required Responses:

Pursuant to California Penal Code Sections 933 to 933.05, responses to the Findings and Recommendations of this report shall be provided as follows:

1. The Board of Supervisors shall respond to Recommendations 1 through 6.
2. All elected and appointed department heads shall respond to Recommendation 5.
3. The Auditor-Controller shall respond to Recommendation 6.

Background:

The Grand Jury was presented with the following allegations:

1. There exists a deteriorating trend in the county's financial situation, affecting the General Fund and the budgets of all departments, and causing or threatening to cause reductions in services to the public.
2. The primary cause is the failure to recover Federal and State grant claims which, when they are paid, offset expenditures from the General Fund.
3. The problem exists primarily within the Department of Health & Human Services, and (to a much lesser extent) within the Sheriff's Office, the District Attorney's Office, and the Probation Department.

Report:

The Grand Jury looked for evidence supporting or contradicting the above allegations, and discovered two previously prepared financial audit reports, presented to the Board of Supervisors by an external, independent Certified Public Accounting (CPA) firm, which addressed the county's financial picture, policies and procedures, and areas of concern. . [Reference: 1) County of Humboldt, Single Audit Report, dated June 30, 2006, by Donald R. Reynolds, CPA; and 2) Letter from Donald R. Reynolds, CPA, to Board of Supervisors, dated March 13, 2009.]

The Grand Jury then researched and interviewed to determine whether the problems identified in these audit reports still existed. We found that too many of these problems remain uncorrected or inadequately addressed.

The Grand Jury appreciates the cooperation and courtesy shown to it by County department heads, staff and other individuals whose generous time brought the Grand Jurors to a sufficient understanding of the intricacies of the government accounting process. We further note that everyone involved showed sincere determination to act responsibly and ethically within what they understood to be their guidelines. The guidelines are the problem.

Findings:

An indistinct line of authority exists over the control of spending and revenues. Reasons vary, depending on whether the department head is elected or appointed.

1. Some elected officials have described themselves as answerable primarily to the voting public, when it comes to financial issues. This independence of office promotes competition for funding, rather than cooperation. Communication and coordination among some department heads regarding financial matters is lacking.

2. Appointed officials are answerable to a majority of the Board of Supervisors for approval of their budgets and their performance. The office of the County Administrative Officer (CAO) could be in a position to exert financial discipline across departments, but has a self-described "ministerial," function, responsible for promoting the policies of the Board, but without authority over either elected officials or appointed department heads. In interviews, staff from the Dept. of Health and Human Services (DHHS) expressed the opinion that their departmental expenditures are mandated by law, and therefore, arguably, above scrutiny.

3. The County Treasurer acts as the investment banker for the county. During the investigation, the Grand Jury learned that some receipts are greatly in arrears. By far the largest of these is the fund for the Mental Health unit, which is part of the DHHS. Significant Mental Health expenditures made over the past five years (and never yet recovered from the State) amount to many millions of dollars. The Treasurer also applies a calculation on these unrecovered expenditures, called "negative interest." This is a metric that helps to quantify how much the county has additionally lost in investment interest, because of the non-receipt of state and federal funds owed to the county.

4. The Grand Jury confirmed that shortfalls in revenues have occurred, either because a claim for reimbursement was never submitted to the state (as in a case involving the District Attorney's Office), or claims remain unpaid by the state (as in the much more significant, ongoing situation with the Mental Health unit within the DHHS).

The County Administrative Officer, the Auditor-Controller, and the DHHS conferred about this most recently in November of 2009. A memo for the files by the CAO dated 11/6/09 documents that discussion which describes "a backlog of over nine million dollars that continues to grow", and "The General Fund now loses about \$250,000 each year..." This was confirmed by the Grand Jury during an interview.

The Grand Jury was told by Auditor-Controller staff that they lacked authority to question DHHS expenditures, so long as the formalities of processing were met. In interviews with DHHS staff, the Grand Jury was told that these arrears were offset by revenues from other DHHS units (such as Public Health, and Drugs & Alcohol) and therefore have no net negative effect upon the county's General Fund. The Grand Jury finds this to be unresponsive to the problem, described above in the CAO's memo, and confirmed by the Grand Jury during an interview.

5. Some revenues (grant claims) which are still owed to the DHHS by the State, are years late, and there is no clear expectation of when to expect payment, or even assurance that they will someday be paid. DHHS meets with State officials on a monthly basis, but has received little satisfaction.

6. Reports to the Grand Jury from DHHS indicate that the department has added 48 positions during the past five years. During this same period, the dollar amount of unpaid claims rose. DHHS has indicated that the department has 20 percent of its job positions unfilled, and that this is evidence of the department's willingness to share the economic burden.

7. The Grand Jury learned in interviews that for several years the DHHS has drawn significant funds from the General Fund on the expectation of reimbursement by pre-approved grants from the state or federal governments, but the reimbursements have not been forthcoming. The Auditor's office does not question these expenditure orders from DHHS, nor do they track grant claims or reimbursements. As long as the paperwork is in order, they process the payment and cut a check. The Auditor's office does not formally report these trends in unrecovered expenses to the Board of Supervisors.

8. The Grand Jury found that the DHHS operates on funds from the county General Fund, much of it based on the award of grants from state and Federal programs. Such grant awards require that the county spend its own funds on the programs, then submit claims for reimbursement at a later time, either on a monthly, quarterly, or annual basis, depending on the terms of the grant. The expectation is that county funds expended at the outset of a program will be reimbursed within, or nearly within, the current fiscal year. The Grand Jury discovered that the DHHS calls upon the Auditor's Office to make DHHS expenditures, and the Auditor does so, with neither department adjusting to a growing backlog of unreimbursed claims.

DHHS staff stated that the department does not borrow from the General Fund.

9. Neither the Auditor nor DHHS staff have policies that define when a receivable should be regarded as uncollectable and written off the books.

10. The Grand Jury reviewed the CPA independent audits of Humboldt County finances performed for fiscal years ending 2006 and 2008. [Reference: 1) County of Humboldt, Single Audit Report, dated June 30, 2006, by Donald R. Reynolds, CPA; and 2) Letter from Donald R. Reynolds, CPA, to Board of Supervisors, dated March 13, 2009.] The following are among the recommendations made in those audits, which relate to the topic of this Grand Jury report:

- A. The County continues to have unreconciled fund balances.
- B. The County has not completed, nor set a deadline to complete, a procedures manual.
- C. The County has not yet developed written policies for wire transfers.
- D. The County only partially implemented a policy for the handling of petty cash, and there remains a potential for abuse of gift certificates intended for Social Service clients.
- E. The County does not reconcile receivable reports on a monthly basis.
- F. The County does not track federal and state grant revenue by grant number;
- G. County management does not participate in annual financial management training.
- H. "Management override can completely destroy internal controls. The Board of Supervisors must be willing to provide oversight to elected officials."
- I. "Unlike most counties, Humboldt County does not have an Audit Committee... a standing committee of the Board of Supervisors."

This Grand Jury found that, at the 2008 audit, many of the recommendations of the 2006 audit remain unimplemented, or the county is said to be "working on it."

Recommendations:

Humboldt County has a budget in excess of \$250 million dollars per year. It demands precise and transparent accounting. We believe strongly that by submitting to generally accepted accounting

practices and the recommendations of independent, unbiased experts, County government will be protecting the public.

The Grand Jury asserts that Humboldt County's money management needs improved definition, organization and discipline. The independent auditor made a similar assertion two years ago, which remains uncorrected.

1. That the County adopt all the recommendations offered by the independent auditor, (Donald R. Reynolds, CPA, 2006 and 2008 audits) setting deadlines for each, with no deadline to exceed one year. All the various problems, within and between departments that the Grand Jury identified are addressed by and should be resolved by these recommendations. The recommendations of the independent auditor, who is a Certified Public Accountant, carry much more detail and authority than anything the Grand Jury might add.
2. That the Board of Supervisors establish an Audit Committee of department heads, said committee to regularly review the implementation of the independent auditor's recommendations and the Board's policies.
3. That the independent auditor be retained to monitor the progress of these recommendations, working with the County's new Audit Committee, and reporting to the Board of Supervisors.
4. That the Board of Supervisors call for development and implementation of annual financial training for department heads and financial personnel.
5. That both elected County officers and appointed department heads abide by any resulting new standards for accounting that may be implemented or adopted by the County. Among these, that the Board of Supervisors adopt a policy regarding aging of Accounts Receivable (collectable funds) that is in keeping with generally accepted accounting practices.
6. That the County Auditor-Controller chair the Audit Committee, and arrange for the central tracking and aging of grant awards, expenditures, claims and revenues, and have the staffing necessary to accomplish these tasks.

Grand Jury Report #2010-GJ-01

County Government Management

Required Response:

Pursuant to California Penal Code Sections 933 to 933.05, response to the Findings and Recommendations of this report shall be provided as follows:

- The Humboldt County Board of Supervisors shall respond to Findings 1 through 4 and Recommendations 1 through 4.

Background:

The entire nation is in a period of what is likely to be prolonged economic uncertainty. Thus, it is timely for a reassessment of the efficiency of government at all levels.

The investigation of the effectiveness and efficiency of the current style of County government management was prompted by interviews with elected and appointed officials. The full Grand Jury panel discussed the matter and decided it was of sufficient significance to be pursued. The Grand Jury authorized one of its committees to undertake a detailed investigation of the matter.

Report:

There are two forms of governance commonly in use with regard to the management of county and city governments. These are:

- Management by a strong Chief Executive Officer;
- Management by an elected board with a Chief Administrative Office (i.e., Chief Operating Officer) serving it, but lacking executive authority.

The Committee discussed the efficiencies and effectiveness of both the above types of management in detail with four experienced managers. Two were experienced in public governance, one was experienced in private corporate management and one had experience in both government and private organizations.

The unanimous opinion of the four managers was that the strong CEO/Manager form of control was superior to the Board/CAO method. They cited these reasons:

- A. Reduces politicized decision-making;
- B. Eliminates time-consuming, costly micro-management by policy makers;

- C. Assigns responsibility and increases the accountability of the decision makers;
- D. Increases the efficiency of subordinate decision makers in that there is a clear chain of command in the executive process;
- E. Separates policy making from the day-to-day executive decision-making functions;
- F. Far more cost effective due to needing only one full-time executive versus five full-time Board members.

The 2009-2010 Grand Jury has interviewed a wide variety of individuals on a multitude of topics. Those topics dealt with diverse areas such as:

- a. Jurisdictional confusion
- b. Nepotism policies and implementation
- c. Grant applications
- d. Grant reimbursements
- e. Budget accounting accuracies
- f. Oversight of public monies
- g. Personnel evaluation policies and implementation

A common thread which arose often from the interviews was that effective responsibility and accountability seemed to be lacking.

Testimony from the interviewees led to the conclusion that the management of a public entity bears similarities to the management of a private company. In a company the policy-making function is often separated from the executive function in order to maintain a system of checks and balances on management. The system becomes distorted when the entity entrusted to setting policy is the same one responsible for supervision of operational activities. The only instance when combining these two roles (policy and operations) appears to have validity is in very small entities that do not have the funds to afford a separate manager.

From the testimony of interviewees, we determined that there is a growing trend nationally to the CEO/Manager form of organization by public entities. For example, here in Humboldt County, in the interests of efficiency, all incorporated cities have moved to this type of management. This larger trend also is seen in nearly all non-profit organizations. (Examples: The Sierra Club and the National

Rifle Association and locally the Humboldt Area Foundation, the North Coast Regional Land Trust and North Coast Environmental Center.)

Counties of varying population size use the CEO management system. Among them are Los Angeles, Orange, Nevada, Placer, Sacramento, Santa Barbara, Santa Clara and Ventura Counties.

San Francisco, with a combined city and county government, has a mayor who is elected separately from the Board of Supervisors and acts as CEO, with an appointed manager (Chief Operating Officer, or COO) who reports to him. The city of Sacramento is currently going through the process of putting a ballot initiative to the voters to establish a strong mayoral (CEO) management system to replace one in which the city council has exerted direct control of the city manager and departments (ref. Sacramento Bee, February 22, 2010). Increases in efficiency, effectiveness, responsibility and accountability in tough financial times have been cited as reasons for this change from a Board system of management.

Conclusion and Discussion:

The current governance style of Humboldt County fails to provide the citizens with the most efficient and effective form of management. As one experienced manager put it “The exercising of the will of the people through the election of a political official does not ensure that this official will make a good administrator.” With the County's budget approaching \$300 million dollars per year, clear, unambiguous lines of authority and responsibility are essential.

The County currently pays an Administrative Officer (CAO) a salary of \$164,000, plus benefits. This is commensurate with that which would be needed to compensate a CEO/Manager. The total outlay now expended by Humboldt County is for six full time positions (CAO, and five Supervisors), to handle responsibilities that one full-time person manages in many other jurisdictions.

The position of Supervisor is one in which day-to-day micro-management activities are interspersed with politics. Reelection activities and satisfaction of voter demands can often affect operational decisions and unduly sway a politician's focus. Isolating politics from operational management decisions will result in a more efficient, effective and constructive use of taxpayer dollars.

The long-term health and vitality of any community depends upon the attainment of desirable social goals. Policies which achieve these goals need to be well thought out in a forum divorced from bias and unnecessary influence. The primary

role of a Board of Supervisors should be to provide for these long-term policies to ensure that social needs, public safety and community harmony are met to the extent desired by the majority of the citizenry. Policy making is where politics is introduced and appropriate. It is not appropriate in the day-to-day operational management decisions of the County.

In times of financial uncertainty it becomes necessary to assure those who are paying the bill (the taxpayers) that all efforts are being taken to maximize the value of all public funds expended. In order to accomplish this, the Board of Supervisors should assume a role that is primarily policy-making in nature. The Board should delegate those powers necessary for day-to-day County operations to a newly-created CEO/County Manager position. All department heads except for County Counsel and elected officers, should report directly to the CEO/Manager.

Findings:

1. The current management organization of the County is not cost effective.
2. The current management organization of the County leads to erratic accountability, ineffectual assignment of responsibility and a weak system of checks and balances.
3. The setting of long-term policy for the County should be the primary focus of the Board of Supervisors.
4. The current management control of County operations, when exercised directly by the Board of Supervisors, is susceptible to political influence, to the detriment of management efficiency.

Recommendations:

1. That the Board of Supervisors establish the position of CEO/Manager to oversee day-to-day operations of the County within its purview (including the authority to hire and terminate County department heads). This position would have the responsibility and the authority to ensure that all County policies are carried out in a professional and diligent manner.
2. That the Board of Supervisors confine its efforts to setting County policy and other activities specifically reserved for it (and that cannot be delegated by it) under State law.

3. That the position of Supervisor be declared a part-time one, limited to the duties statutorily required and the setting of County policies. Salaries should reflect this.

4. A strong CEO/Manager form of governance is best suited to oversee the day-to-day management of County activities. All department heads except for legal counsel and independently-elected officers should report to the CEO/Manager;

Grand Jury Report 2010-HESS-03:

Delayed Action on the Part of the District Attorney's Office

Required Response

Pursuant to California Penal Code Sections 933 to 933.05, response to the Findings and Recommendations of this report shall be provided as follows:

- District Attorney shall respond to Finding 1 and Recommendation 1.

Background

The underlying case had to do with the County taking complainants' three young nieces and nephews from her care without advising her of reasons or their whereabouts. She was originally given custody of them because of alleged abuse at the hands of other custodial relatives.

REPORT:

The Grand Jury determined that an interview of the County Child Welfare case worker was needed. She informed the Grand Jury that a subpoena would be necessary in order to do this. Following is the sequence of efforts to obtain the subpoena

October 16, 2009 - Grand Jury requested the County Counsel to obtain a subpoena. County Counsel, citing conflict of interest, referred the Grand Jury to the District Attorney's office;

October 22, 2009 - Grand Jury contacted District Attorney's office, providing requested information;

October 25, 2009 - District Attorney's office requested more information;

December 2, 2009 - County Counsel asked DA's office for an update. DA's office indicated that three petitions had been signed;

December 3, 2009 - DA's office said addresses were needed;

December 5, 2009 - Two Grand Jury members waited in DA's office for over an hour for a meeting with the Deputy DA assigned to the case. No meeting occurred and no response was received concerning Deputy's failures to meet;

December 16, 2009 - Grand Jury members met Deputy DA by chance; inquired of progress on subpoena. Deputy DA indicated that he would check on whether an "827" has been filed, also needed address of grandparents. (Second time info was provided);

January 5, 2010 - Grand Jury supplied grandparent addresses to DA's office;

January 27, 2010 - County Counsel again requested status of the subpoena from Assistant DA;

March 2, 2010 - GJ Foreperson wrote to the judge requesting his help regarding the subpoena;

March 16, 2010 - Another query by the foreperson to the judge;

March 19 2010 - The judge said he had contacted the DA's office;

March 23, 2010: The judge informed the Grand Jury that the DA's office was now commencing the "827" process which is lengthy and complicated;

March 27, 2010 - Asst. DA responded that the "827" forms had been prepared but that files had not.

Findings:

This report sheds light on:

1. Inefficiency and/or lack of cooperation from the District Attorney's office.

Recommendation:

1. That the District Attorney's office, when presented a request by the Grand Jury, act responsibly and promptly on the matter.

Grand Jury Report 2010-PW-01

Elk River Land Use Complaint

Required Responses:

Pursuant to California Penal Code Sections 933 to 933.05, responses to the Findings and Recommendations of this report shall be provided as follows:

- **Humboldt County Board of Supervisors and the Community Development Services Department** shall respond to Findings and Recommendations 1 and 2.

Background:

Many contentious issues are involved in balancing land use among involved landowner groups, environmental groups, State public goals, County General Plan requirements and health issues.

This complaint filed with the 2009-2010 Grand Jury involved the county's approval of a zoning change of a property upstream from the complainant, and a concern involving residential water quality usage and upstream agricultural uses.

The change approved was from one agricultural category to two others. That is, from AG-B-5 (10) to AE and AG-B-5 (10) to TPZ.

The complaint form listed as involved is the Humboldt County Planning Department, Humboldt County Environmental Health Department, and Humboldt County Board of Supervisors. The narrative that accompanied the complaint named current and past Humboldt County officials as being directly and indirectly involved in the zoning change review and approval process.

The complaint listed a concern that notification procedures were inadequate; that existing procedures were not followed; and that adequate environmental review had not occurred involving adverse impacts to domestic water use, residential use in general and a State-designated impaired water body. Placement of cattle upstream from where complainant removed water from Elk River was a specific focus of the complaint.

A field visit, testimony from complainant, testimony from key Planning Department and Environmental Health personnel provided the Grand Jury with an understanding of the situation.

Report:

In reviewing the zoning change process we found that the County received a consultant report date stamped 7/24/08. Shortly afterward the consultant report, the County circulated information on a provided table with distribution to: County Building Inspection Division, County Public Works, Land Use Division, County Division of Environmental Health, City of Eureka, California Dept. of Forestry and Fire Protection, Natural Resources Division, Farm Bureau, Assessor's Office, Williamson Act Committee, and State Department of Conservation.

The table referenced above showed that all those contacted, except the California Dept. of Forestry and Fire Protection, provided an approval response; however, an official of the County Division of Environmental Health (of the Department of Health and Human Services, stated in a telephone interview with the Grand Jury, that the Division had not received a copy of a report, therefore had made no response.

The Planning Commission's passed a resolution on the matter on 9/18/08. County staff on 11/25/08 forwarded this information for review by the County Board of Supervisors. On 12/16/08 the Board approved the proposed zoning changes.

Information obtained from California Regional Water Quality Control Board, North Coast Region, showed it became involved in this matter with a letter dated 11/25/08 that was sent to the owner of the property involved in the zoning change. Other information shows this water-quality agency is still working on state water quality regulatory matters with the owner of the property involved in the zoning change.

The County determined that use of the property involved in the zoning change did not change, and was stated in County staff report "Designation of lands as Agriculture Preserves is categorically exempt from the provisions of CEQA (review) per Class 17, Section 15317". Based on past County practice when development activity is not going to change, when permitted use of the land is not going to change, and when CEQA review is not required, a review of water quality issues is not required.

According to the complainant, the County's notification of zoning change was provided through a mail receptacle at her residence. This is the complainant's tax parcel address and the address she used on her complaint. Interviewed County

Planning Department person said the Assessor's tax parcel address was usually used in notifying neighbors (within 300 feet) of a zoning change application.

The "Source of Funding" report (November 25, 2008) to the Board of Supervisors states "Costs for Processing the application are covered by the U.S. Forest Service". As verified by the County Senior Planner there is a cost reimbursement process provided through the U.S. Forest Service to the County for zoning changes involving the Williamson Act.

The way in which this matter was handled suggests that the County desires to limit residential use of agricultural lands. This zoning change approval put limitations on the divisions of the land thereby, "assuring the protection of the County's agricultural economy and minimizes the conflicts between agricultural and urban land uses by restricting the subdivision of these lands" (in County Report November 25, 2008, under Class C), and zoning will "Discourage the expansion of urban services into timberland."

In this case, it was found County had not duplicated regulatory review and approval processes already covered by other public agencies, such as the California Water Quality Agency and California Department of Fish and Game. The water quality issues are indicated to be best handled by the North Coast Water Quality Agency and the California Department of Fish and Game.

Findings:

1. In this case there was a lack by the County Planning Department to refer the concerned neighbors to other appropriate agencies that may not have been included in a County review process (such as the North Coast Quality Control Board).
2. Humboldt County is to be compensated for processing the zoning change stated under "Source of Funding" in 11/25/08 Report to Board of Supervisors "Costs for Processing the application are covered by the US Forest Service". (The account used BY the county is called the "General Plan Policy & Ordinance Integration" account which is part of a larger account covered by Public Law 106-393 (HR2389), "Secure Rural Schools and Community Self-Determination Act of 2000).
3. The County did not duplicate other regulatory review work that could be handled by other agencies--which is commendable. In this time of budget shortfall and limited resources, duplication of regulatory review can mean unnecessary

costs, work and delay for involved agencies and and those seeking permits. (Needs no response.)

Recommendations:

1. When it becomes known to the County that a neighbor has concerns that may not be included in a County review process, the County should--in a timely manner--direct the neighbor to contact other appropriate agencies.
2. To better understand the reimbursement of project costs an explanation is needed as to how the public can review ongoing use of “The General Plan Policy & Ordinance Integration” account (including names of the department to contact, where account appears in overall County expenses and/or budget accounts). The public should be advised where it can see specific project costs applied in a County expense report.

Responses:

The County Board of Supervisors and the Community Development Services Department shall respond to Findings and Recommendations 1 and 2.

Grand Jury Report 2010-HESS-01:
Addressing Ethnic Tensions in Public Schools

Required Response

None

Background

Complaint expressed a concern that there might be insufficient attention given to ethnic tensions in the student bodies within local schools. The Grand Jury explored this by interviewing local educators involved in a variety of eleven programs relevant to issue of possible ethnic tension.

REPORT:

Findings

1. There are many ethnic elements within Humboldt county, including Hmong, Samoan, Laotian, Middle-eastern, African-American, Palau, Fiji, Native American, and others.. There are over 40 languages spoken on the Eureka High School campus. We were impressed with the scope and activity of these programs.

2. Drug abuse, a problem in the County's adult population, is also one among school children. We learned that there is no local residential drug treatment program for juvenile substance abusers.

Juvenile gang membership and associated crime is a problem also, but cooperative efforts by schools, law enforcement and civic groups named above are having a positive effect.

3. We find that the concerns regarding racial tensions and violence on campus, are conscientiously addressed by qualified people who say they are having success in moderating the potential for violence within the student bodies of Humboldt County schools.

Recommendations:

1. The Grand Jury encourages interested parties (such as the schools, the juvenile justice system and private agencies) to confer leading to the establishment of a residential drug treatment center for juveniles in Humboldt County.

Responses:

None required

Grand Jury Report 2010-CD-01:

Humboldt County Association of Governments

Required Responses

Pursuant to California Penal Code Sections 933 to 933.05, responses to the Findings and Recommendations of this report shall be provided as follows:

The Humboldt County Association of Governments (HCAOG) board of directors shall respond to Findings and Recommendations 1 and 2.

Background

The Humboldt County Association of Governments (HCAOG) is charged with determining the County's Regional Housing Needs Assessment (RHNA) numbers. According to the State of California Government Code sections 65584.04(a), 65584.04(c), 65584.05(a) and 65588, the determination of these numbers involves a two-year process and includes public participation.

Report

The Grand Jury examined the development of the Housing Element of the County's General Plan to determine if HCAOG had conformed to State law and provided for notification and sufficient public participation in the process.

A review of the documentation indicated that the two-year time period began in Spring 2009. Review of the interview information verified the correctness of the timing. The Grand Jury concluded from this information that the two-year timeframe for developing the RHNA numbers was accomplished in approximately six months. The County Board of Supervisors approved the Housing Element in August 2009. A letter from the State's Department of Housing and Community Development (dated November 30,

2009) requires the county to continue to engage the public in the development of the Housing Element.

The Brown Act specified the requirements for posting meeting notices and agendas. The Act requires posting 72 hours prior to a regular meeting. Postings sited must have continuous public access for the entire 72 hours.

The HCAOG notices were posted in two locations; HCAOG offices, 427 F St. Eureka and Humboldt Transit Authority (HTA) offices at 133 V St. Eureka. Only one of these locations, HTA office, is available continuously for the 72 hours.

Findings

1. A review of items on the agendas and minutes verified the disparity between state law requirements and the RHNA process at HCAOG. This process dictates a two-year timeframe to allow for ample public participation.
2. It appears from a review of the Brown Act, that one posting available to the public for 72 hours satisfies the minimum requirement; however, the location is not one the public is likely to visit.

Recommendations

1. That HCAOG adhere to the two-year requirement for the development of RHNA, as required by State law. This will allow for adequate public participation.
2. That HCAOG post meeting notices and agendas beyond the current location at the offices of the Humboldt Transit Authority. Post announcements and publicize minutes in multiple ways so that the affected public is likely to be informed.

Grand Jury Report 2010-HESS-02:
Humboldt First Five

Required Response:

Humboldt First Five (F5), through the Children and Families Commission, shall respond to Findings 1 through 4 and Recommendations 1 and 2.

Background:

Humboldt First Five is part of a statewide network of agencies devoted to the development and health care of young children. Each county has such a program. All have been funded largely by state tobacco sales tax receipts. Each county's First Five develops its own programs. Humboldt's is under the aegis of the County's Children and Families Commission, whose members are appointed by the County Board of Supervisors.

Humboldt First Five operates several programs, including "play groups," consisting of pre-school-age children and their mothers.

The organization also makes grants and approves loans to qualified third-party operators, such as private pre-kindergarten schools. Grant and loan applicants are screened by First Five personnel by means of an "Investment in Quality" ("IQ") scheme which includes site visits and use of the Early Children Environmental Rating System (ECERS). Loans approved by F5 require the applicant to then use the loan application form provided by the Arcata Economic Development Corporation (AEDC) which serves as the lending agency.

Findings:

1. We found no deficiencies in the preparatory backgrounds of any person involved with the First Five organization. We determined that as long as loans were granted and paid for by F5, we found nothing out of line with the requirements of the loan.
2. We learned that F5 uses the ECERS system as a way to evaluate the quality of pre-school settings. Its IQ program uses ECERS to determine the viability of a school for a loan or grant.
3. We found the reliability and validity of the ECERS/IQ scale to be inadequate. We could not find substantial use of ECERS elsewhere after 2003. Evaluations done by the regular ECERS do not take Montessori school requirements into consideration
4. We are concerned that F5 emphasizes play groups *over* preschool activities.

Recommendations:

1. That Humboldt First Five use the Montessori ECERS (MECERS) for IQ evaluations that involve Montessori schools.;
2. That pre-school programs have equal budget consideration with play groups.

4/29/10

Grand Jury Report 2010-Jails-01

Site visits, including: Sheriff's Office, Coroner's Office, Police Depts., Juvenile Probation and government operated animal shelters.

Responses Required:

Pursuant to California Penal Code Sections 933 to 933.05, response to the Findings and Recommendations of this report shall be provided as follows:

- A. Sheriff's Dept. to respond to items Recommendations 1, 2 and 4;
- B. Board of Supervisors to respond to Recommendations 1 through 5.

Background:

Penal Code section 919(b) provides that the Grand Jury "shall inquire into the conditions and management of the public prisons within the county." To fulfill this responsibility, the Grand Jury assigned its Jails Committee the task of visiting, investigating, and evaluating the physical condition and the management of each jail and holding facility located within the county. Each was visited at least once by no fewer than two members of the Committee. The Committee reported its observations, findings, and recommendations to the full Grand Jury. The Grand Jury now issues this annual report on the conditions and management of those facilities. The following is a summary of the site visits:

Sheriff's Office sites:

- 1. Main Jail
- 2. Evidence room
- 3. Evidence yard (Boat shed)
- 4. Animal shelter
- 5. McKinleyville substation
- 6. Hoopa substation
- 7. Sheriff's Work Alternative Program (SWAP yard)
- 8. Sheriff's agriculture farm
- 9. Garberville substation and evidence garage

City Police Dept. sites:

- 1. Eureka P.D.
- 2. Arcata P.D.
- 3. Trinidad P.D.
- 4. Fortuna P.D.
- 5. Fortuna animal shelter

6. Ferndale P.D.
7. Rio Dell P.D.

Other Humboldt County sites:

1. Juvenile Hall
2. NorCal Regional Facility
3. Coroner-Public Administrator facility

State of California sites within Humboldt County:

1. Eel River Conservation Camp
2. High Rock Conservation Camp

Sites or Depts. not contacted:

1. Humboldt State University P.D.
2. Hoopa Valley Tribal Police
3. Office of Emergency Services, Radio Repeater sites
4. Adult Probation Dept.
5. Licensed Juvenile Residential Care facilities: Juveniles from Humboldt County are sent to facilities in Redding, Santa Rosa, Sacramento.
6. Blue Lake P.D. (Dept. was disbanded; patrol was assumed by Sheriff's Dept.)

Report:

The Grand Jury found most of the facilities to be clean, well-maintained, in good condition, well-managed and adequately staffed. The Grand Jury commends the pride, professionalism, and courtesy exhibited by all the various law enforcement agencies operating within the county, including their management, sworn officers, civilian employees.

Findings:

The Grand Jury determined the following facilities to be sub-standard or otherwise in need of remediation:

1. Hoopa substation: The substation building is owned by the Hoopa Tribe and occupancy is shared by the Tribal Police and the Sheriff's patrol deputies, in separate offices within the building. The building includes a small jail with three cells. The office area used by the deputies was orderly and adequate.

The Grand Jury found the jail to be unattended, unoccupied, unclean, and the lights were not working. We learned that the fire alarm system has been out of order for years. Obviously, the owner has not taken responsibility for upkeep, and building

maintenance and repair are not among the duties of deputy sheriffs. We were told that the jail is rarely used, and then only for very short periods of time; also, that the deputies wouldn't miss it if it were unavailable. Previous Grand Juries have pointed out deficiencies which resulted in the installation of new stainless steel toilets inside the cells, incongruous amid the filth and darkness.

The computer data link, which connects the Sheriff's portion of the building to the downtown Eureka county data center, is slow and undependable, due to obsolete technology. This delays officers trying to submit reports or retrieve data electronically. The Tribal office has a higher speed data link, but the two departments must remain separate to protect sensitive records.

Transportation of prisoners from distant Hoopa to the main jail in Eureka remains a problem, which previous Grand Juries have reported. At times when there is only one deputy on duty, it means leaving the beat unprotected during the round trip. There is also the issue of officer safety, during those periods when only one deputy is on duty, should he need help. There is presently no arrangement to compensate an off-duty deputy for "on call" availability, to cover either a transportation or backup situation.

2. Garberville substation: The Garberville substation is an old cinder-block building. Like some other county buildings, it suffers from inadequate maintenance. It was built as a tiny residence, converted to an office. Public access is poor. The roof leaks. Located at the end of a dead end street, vehicle access is limited. The holding cells within do not meet currently accepted standards and are not used anymore. Because of the distance from Eureka, transportation of prisoners and getting backup help to officers in need, are problematic.

An opportunity currently exists that may be attractive to the Sheriff's Dept.: The nearby Redway Volunteer Fire Dept. owns a conveniently located property, and is in the planning stage for constructing a building to serve the needs of public safety. The Fire Dept. has offered to include the Sheriff's Dept. in the design of a modern building to possibly be shared by both agencies.

The Grand Jury commends the Sheriff's Department this year, for establishing an improved level of worker safety standards, and supplying the SWAP yard with necessary Personal Protective Equipment.

3. Juvenile Hall: The building has insufficient capacity for the number of juvenile arrests made in Humboldt County. Presently they have 26 beds. Probation officers

use a Risk Needs Analysis and their professional judgment, to minimize and manage the acceptance of juveniles into detention. Many local arresting agencies reported to the Grand Jury that they are frequently told that the Hall is filled to capacity and has no room to house an arrested juvenile.

The arresting agencies understand the limitation and although they might prefer to incarcerate the juvenile, they find a less desirable alternative. The result is a failure of the designed system. Because the Hall administrators see no possibility of improvement in this situation, such events are not even enumerated or reported. The management of the Hall has informed the Grand Jury that a 40 bed facility would be adequate for the county's present needs, allowing for some growth. Funds are the problem. The department applied for a state grant to enlarge the facility slightly to 30 beds, but regrettably was not awarded the grant. The Grand Jury commends the Juvenile Probation Dept. for performing so effectively despite severe budgetary constraints.

4. Coroner-Public Administrator: The Grand Jury toured the Coroner's office and laboratory and observed the following problems:

As reported by previous Grand Juries, the loading entrance, where human remains are received, is open to public view. Decency demands that the handling of human remains be done with due respect for the sensitivities of neighbors, passing motorists and pedestrian traffic.

A second, more serious problem exists at the loading entrance to the Morgue. The pavement between the street and the building is tilted sharply sideways, so that the single officer, unloading remains onto a gurney, is in a very awkward and unsafe situation. There have been regrettable accidents, thus far without employee injury.

Gas vapors and chemical smells associated with the presence of cadavers accumulate inside the poorly-ventilated offices, creating an unpleasant atmosphere and possible health hazard to employees.

The same products are currently being expelled through an inadequate outside ventilator which send the odors to the vicinity of open windows of the Mental Health facility (on the second floor of the same building), to the distress of the residents and staff there. The Grand Jury regards this as unacceptable.

There is a problem with the building that stands in the way of making any improvements. The building is not ADA-Certified. That is, it is not equipped to

satisfy the requirements of the Americans with Disabilities Act -- ramps, wheelchair access, and bathroom upgrades, for example. Bringing the entire building up to standards would be extremely expensive. A licensed contractor, if employed to make an upgrade, is required to report the non-compliance to the State, or risk losing his license. Therefore, upgrades are impossible, a Catch-22 that we hope some aggressive County intervention can solve.

One of the Coroner's vehicles is an older van, inadequate to the needs of the retrieval and transport of cadavers, on the many unimproved roads in Humboldt County that the office must regularly travel. There is a need for a second large four-wheel drive pickup, appropriately equipped.

Currently, post-mortem examinations are performed at this facility by a local physician-pathologist on a fee basis, as long as there is no crime is involved. Autopsies associated with criminal prosecutions must be done by a Certified Forensic Pathologist. These require either transportation of the cadaver to an out-of-county facility, or bringing a Certified Forensic expert here, either way incurring expenses in travel, and manpower. Our local physician-pathologist has offered to accomplish the pathologist certification, at county expense, estimated at \$20,000. This physician could then take over the forensic autopsy functions, freeing vehicles and staff for improved local response.

The Grand Jury commends the Coroner for advancing the professionalism and efficiency of the department by developing a rigorous Procedures Manual, by bringing all his sworn staff up to California Peace Officer certification, with mandated training, and by instituting a successful program of volunteer assistant pathologists, which relieves deputies for duty elsewhere. The staffing level is under a strain. The addition of one more deputy position would be a great help.

Proposed Residential Juvenile Drug Treatment Facility

The Grand Jury learned from law enforcement agencies and from the Juvenile Probation Dept., of the need for a Residential Juvenile Drug Treatment Facility located within the county.

In years gone by, the Humboldt County juvenile justice system had access to a local licensed residential juvenile drug treatment facility. Those privately owned facilities have since closed. Now, juveniles with the most serious drug and violence problems must be sent to facilities in other counties. This places a burden on the juvenile, his/her family and the probation officers who must travel monthly to visit. If we had out-patient substance abuse treatment available, that would at

least provide for treatment of lower-level needs. Nevertheless, in some cases, public safety requires residential placement with 24-hour staffing.

Recommendations:

1. **Hoopa:** That the Sheriff's Dept immediately discontinue deputies' use of the holding cells, and take steps to vacate the Hoopa substation ASAP in favor of an adequate office in Willow Creek, with public access and a high-speed secure data link. Holding cells, if any, must meet current state standards.

2. **Garberville:** That the Sheriff's Dept. plan to vacate the Garberville office ASAP, and explore the opportunity to participate in the planned Redway Fire public safety building. Holding cells, if any, must meet current state standards.

3. **Juvenile Hall:** That the Juvenile Probation Dept submit a detailed analysis that defines present and expected future housing needs, and that the Board of Supervisors resolve to make a priority of this this expansion or new construction.

4. **Residential Drug Treatment:** That interested parties within Humboldt County, including the Sheriff's Dept., gather to study and determine a way to establish and fund a juvenile residential drug treatment center, either as a licensed private agency or an extension of an existing county department. And, that the Board of Supervisors encourage and track this study and, if a feasible plan evolves, resolve to make it a priority.

5. **Coroner:** The facilities occupied by the Coroner are so deficient we feel it is urgent that the department move to adequately sized and equipped offices. This will also make available additional space for the adjoining Mental Health facility.

The Grand Jury believes that subjecting Coroner staff and the Mental Health residents and staff upstairs to the fumes associated with the storage of human remains, is objectionable. If the office cannot be quickly relocated, then immediate steps should be taken to improve indoor and outdoor ventilation.

The Coroner requires an additional truck, equipped to specification.

The Coroner as well as local law enforcement agencies will benefit by having a local fully-qualified forensic pathologist. The County should fund his training and certification and equip a modern laboratory.

Grand Jury Report 2010-LJ-01 Victim-Witness Program

Required Responses:

Pursuant to California Penal Code Sections 933 to 933.05, responses to the Findings and Recommendations of this report shall be provided for as follows:

1. The County Administrative Officer and the County Auditor-Controller shall respond to Recommendation 1.
2. The Board of Supervisors and the Personnel Department shall respond to Recommendations 2 and 3.
3. The District Attorney shall respond to Findings 1 through 6, and to Recommendation 4.

Background:

This report, regarding administrative management issues and the failure to submit claims for grant reimbursement by the District Attorney's Office, originated with an investigation that was initiated by the previous Grand Jury (2008-2009). That Grand Jury could not bring the case to a conclusion before its term expired, largely because the principals from the District Attorney's Office delayed responding to Grand Jury requests for information. Thus, at the direction of the Presiding Judge, the current Grand Jury reinitiated the investigation.

The main issues this Grand Jury investigated were:

- D.A.'s Office failure to file for at least two quarters of grant fund reimbursement documents for the Victim-Witness program with the State Office of Emergency Services (OES) in FY 2006-07, resulting in substantial funds being reverted to the State;
- Problems with the timely submission of requests for grant reimbursement claims that resulted in the loss of revenue for the County;
- Complaints from District Attorney's Office staff of nepotism and favoritism toward relatives of supervisory personnel;
- The failure to complete District Attorney's Office personnel evaluations, as required by the agreement between the County and the American Federation of Federal, State, County and Municipal Employees (AFSCME), Local 1684, and reflected in County Merit System rules.

Report:

A. Grant Monies

Monies received from grant funds are a mainstay for ensuring the overall operation of the District Attorney's Office, as well as many departments in the County. Typically, State grants are applied for on a fiscal year basis and are paid to the department in arrears, in the form of periodic reimbursement for wages and other expenses associated with a particular activity. Actual expenses and wages are paid out of the County's General Fund which is subsequently reimbursed after a reimbursement claim is filed with the granting authority.

To obtain the reimbursement the applying department must submit documentation proving the amounts expended are eligible for reimbursement. In the instance specific to this investigation, the

reimbursement filing period was quarterly (with the State OES). For the last two quarters of FY 2006-07, the District Attorney's Office failed to file for the reimbursement, resulting in those accumulated expenses NOT being recovered and the state reverting those funds to itself for other uses.

The funds NOT recovered were subsequently replaced by monies from the County's General Fund. These monies were not budgeted for this use and other programs or departments were thus precluded from the opportunity of having access to these funds.

During witness interviews testimony was received indicating that situations like this one had occurred with other County departments and agencies, with similar effects on the County's General Fund. It was also noted by witnesses that there was no effective tracking of grants, resulting in the County administration's staff being unaware of these situations until well after the time for reimbursement. The Grand Jury also notes that this issue was identified by the County's independent audit in its most recent report. [Reference: 1) County of Humboldt, Single Audit Report, dated June 30, 2006, by Donald R. Reynolds, CPA; and 2) Letter from Donald R. Reynolds, CPA, to Board of Supervisors, dated March 13, 2009.]

Also revealed, while the Grand Jury was investigating the foregoing grant fund issue, were several instances where grant applications were not properly processed or submitted. This resulted in either the resubmission of the grant application (with time lost in repetitive work), and/or the loss of funding for the oft times-mandated programs affiliated with the grants. This would have resulted in General Fund monies being utilized for programs(s) when grant monies were possibly available.

B. Nepotism

Nepotism and/or favoritism toward relatives of supervising personnel is a problem in the District Attorney's Office. It is the Grand Jury's belief that the current County policy that nepotism occurs only when there exists a direct line of supervision is ineffective. Depending upon the office positions of the related parties, favoritism can transcend multiple levels of supervision. Quite often it can extend beyond the single level of supervision that the County has identified, and is as much influenced by physical location and individual behavior as it is by the involved individual's position. In one instance in the office in question, this issue resulted in confusion on the part of other staff members about the effective chain of command and the correct identity of an individual's direct superior.

Nepotism creates tension, provides an unnecessary source of resentment by staff and usually becomes a source of morale and retention issues.

C. Personnel Evaluations

Personnel evaluations are not being done routinely in the District Attorney's Office, as required by the County's Merit System rules. During the interviews conducted with department staff, it became apparent that evaluations were either done sporadically or not at all. There did not appear to be any systematic evaluation program in place.

By failing to conduct evaluations the County does disservice to itself (e.g., failing to document inadequate performance issues), its employees (loss of means to receive guidance for improved performance) and the community (loss of quality of services).

D. Office Management

Poor office management practices and communication continue to plague the District Attorney's Office, after first being noted in the FY 2004-05 Grand Jury report. These ongoing problems have been corroborated by the testimony of several witnesses.

Their testimony indicates job-related frustrations, such as: (1) needing to re-do tasks previously completed; (2) delays in the timely completion of routine tasks; and (3) failures in communications between office staff.

Findings:

1. The Victim-Witness program grant fund reimbursements for at least two quarters of FY 2006-07 were not submitted, resulting in the loss of significant reimbursement monies to the County.
2. County General Fund monies made up the Victim-Witness reimbursement shortfall.
3. Grant applications have not always been properly processed, resulting in the loss of potential funds to the County.
4. Nepotism effectively exists in the District Attorney's Office and adversely affects staff.
5. Personnel evaluations are not being routinely done by the District Attorney's Office, as required by County Merit System rules.
6. Poor office management practices continue to plague the District Attorney's Office, many of which are similar in nature to problems noted in the 2004-05 Grand Jury Report.

Recommendations:

1. That the County Administrative Office and the County Auditor collaborate to allocate additional staff to create a centralized grant-management program that is responsible to one or the other of them. The purpose of this new program would be to: (1) better manage and track the many grant funds used by all County departments and agencies; (2) improve opportunities for acquiring and applying for grants, and (3) ensuring that associated activities related to grants (including filings for reimbursement) are accomplished in a manner that does not result in a loss of monies to the County or the use of General Fund monies for unbudgeted programs.

The Grand Jury notes that this issue was also identified by the County's independent auditor, with a similar recommendation in his last report. [Reference: 1) County of Humboldt, Single Audit Report, dated June 30, 2006, by Donald R. Reynolds, CPA; and 2) Letter from Donald R. Reynolds, CPA, to Board of Supervisors, dated March 13, 2009.] The Grand Jury supports this recommendation.

2. That the Board of Supervisors review their current policy on nepotism. The Grand Jury recommends that an improved policy will clearly disallow relatives from working in the same county department.

One potential remedy would be to separate the affected parties by way of reassignment to different, uninvolved offices or units. The refined policy/ordinance should apply to all County departments and offices. The Board should charge the Personnel Department with the drafting and enforcement of this ordinance, as well as devising appropriate penalties for non-compliance.

3. The Board of Supervisors establish a County ordinance requiring that employee evaluations be accomplished on a set schedule and format. As a County ordinance, the requirement would then be binding on all County employees, including appointed and elected department heads. Said ordinance should be developed by the County's Personnel Department and contain appropriate language to ensure that evaluations occur and appropriate penalties for non-compliance are spelled out.

4. That the District Attorney recognize the ongoing responsibility of his Department to abide by the administrative, finance and personnel policies of the County when they do not conflict with the position's State Constitutional duties.