

**A REPORT BY
THE 2011-2012 CONTRA COSTA COUNTY GRAND JURY**

725 Court Street
Martinez, California 94553

Report 1201

**COMPLIANCE AND REVIEW
COMMITTEE REPORT**

Contra Costa County Grand Jury Report 1201

COMPLIANCE AND REVIEW COMMITTEE REPORT

The Contra Costa County Civil Grand Jury is impaneled annually to investigate city and county government, special districts and certain non-profit corporations to ensure that their functions are performed in a lawful, economical and efficient manner. Findings and Recommendations developed from these investigations are contained in reports signed by the Grand Jury Foreperson and the Grand Jury Judge. Responses to these reports must be made within certain time constraints and in accordance with specific formats pursuant to 933 and 933.05 of the California Penal Code.

The following Compliance and Review Committee report was prepared by the 2011-2012 Grand Jury. A function of the Compliance and Review Committee is to request additional responses in cases where the original responses were deemed to be inadequate. Any such additional responses have been included in this report.

This year as last year, responses to last year's Grand Jury reports will be posted on the Contra Costa County Grand Jury Website in their entirety. The entire responses may contain additional background information not required by law and not contained herein.

The Grand Jury believes it is important for future Grand Juries to continue to review these responses and to be vigilant in seeing that recommendations that have been accepted have been carried out. In this manner, the commitment and hard work of past and future Grand Juries will result in positive changes for the citizens of Contra Costa County.

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CONTRA COSTA COUNTY GRAND JURY REPORT NO. 1102

Financial Challenges Persist at MDUSD

Response from Mt. Diablo Unified School District

FINDINGS

Finding #1: No discussion of the 2010 Bond's possible financial ramifications took place at open Board meetings before the Board passed the resolution to proceed with a ballot measure.

Response: The respondent disagrees with the finding and is unclear as to the factual basis there for (sic). The Board had an extensive conversation on March 9, 2010, concerning the possible financial ramifications of the bond. The Board discussed the tax rate extension, tax rate estimates, the par amount of the bond, and a possible bond proceeds schedule. There has been no allegation that the Board neither was provided, nor failed to consider all legally required information. Furthermore, the Board prudently fulfilled its fiduciary responsibilities in selling \$109,996,475 of bonds in 2010 at a TIC of 4.392%. The ratio of debt service to principal is 1.94, which means that for every dollar of principal there is .94 cents of interest. The term and interest rates compare very favorably to the District's original bond sales in 2002, 2005, and 2006 as well as other bonds sold throughout the state.

Finding #2: Some of the capital projects, such as solar panels, insulation and window replacement, to be financed with the 2010 Bond should generate energy cost savings for the Districts

Response: The respondent agrees with the finding.

Finding #3: The organization's restructuring of the General Counsel's responsibilities has not resulted in anticipated operational effectiveness and may not have fulfilled the cost savings originally projected.

Response: The respondent disagrees with the finding. Due to severely decreased state funding and declining enrollment, the District has been forced to make deep budget cuts and to combine positions and responsibilities. Accordingly, the District eliminated the Assistant Superintendent for Administrative Services position. The responsibilities of that position were reallocated to the General Counsel and Chief Financial Officer. This was a financial exigency with no reasonable expectation of enhanced organizational efficiency. The cost savings originally projected were only the elimination of the Assistant Superintendent for Administrative Services position. Accordingly, all the savings originally projected have been realized. The increased responsibility of the General Counsel position has not diverted legal resources. The District's legal budget was consolidated and reduced 50% during the 2009-10 fiscal year. The District's current legal expenditures are quiet similar to what they were immediately before the reorganization.

Finding #4: In addition to the anticipated relief to the general fund from specific 2010 Bond projects, further savings could be achieved through further salary and benefit expense reductions.

Response: The respondent agrees with the finding as it is intuitively obvious from an economic and budgetary perspective.

RECOMMENDATIONS

Recommendation #1: When contemplating future taxing measures, the Board should allow sufficient time for full disclosure to the public of financial information including legal fees, underwriting costs and repayment obligations. The Board should develop a written process addressing discussion of the financial consequences of taxing measures in a public forum and share their proposal with the public in the next 180 days.

Response: This recommendation requires further analysis. The Board will continue to responsibly exercise its fiduciary responsibilities and make all disclosures required by law. The Board dutifully adheres to many written processes regarding public disclosure, reporting and deliberative processes including, but not limited to, those set forth in the California Education Code, the California Government Code (Brown Act), the California Elections Code, Roberts Rules of Order and Board Policy. Development of additional written processes, specific to discussions of tax measures appears duplicative and extraneous.

Recommendation #2: To verify the estimate energy savings from specific planned capital projects, there should be an annual audit of energy expenditures. The audit should focus on and reflect any costs reduced by the use of solar panels funded by the Bond. This audit should be done within 180 days after the initial solar panels are installed and continue on an annual basis for 3 years.

Response: This recommendation has been implemented at multiple levels:

- 1. System performance will be monitored perpetually throughout the term of the agreement (20 years). The "Performance Guarantee" provision stipulates that SunPower guarantee 94% of stated system production throughout contract term (20 years) and any production shortfalls must be paid annually to the District at the then current rate;*
- 2. the District's participation in the California Solar Initiative program requires rigorous annual reporting for the first five (5) years of operating in order to calculate and capture rebates; and*
- 3. summary billings from PG&E will be reviewed monthly and compared to pre-system invoices to establish actual consumption and billing reductions. Consequently, the District's established internal controls will far exceed the Grand Jury's recommendation.*

Recommendation #3: The Board should review the effectiveness of combining the General Counsel's responsibility for legal work and services with transportation, maintenance and food services. They should also analyze the impact of combining these responsibilities on actual costs.

Response: This recommendation has been implemented. The General Counsel is regularly evaluated. The District is (sic) consistently engages in an internal review of its operational effectiveness, budgeting and expenditures.

Recommendation #4: The Board should continue to pursue reducing salaries and benefits to address the District's 2011-2012 budget shortfalls.

Response: This recommendation has been implemented. The District will provide the recently negotiated employee agreements upon request. Unfortunately, further reductions will be necessary if the cycle of state budget shortfalls and declining enrollment continues. (See response to Finding No. 4).

CONTRA COSTA COUNTY GRAND JURY REPORT NO. 1103

County and City Vehicle Maintenance and Usage

FINDINGS AND RECOMMENDATIONS

Finding #1. The City of Richmond fully utilizes their maintenance management system which the Grand Jury identifies as a best practice for the County and all of the cities located within the County.

Recommendation #1. Available maintenance management software should be fully utilized.

No response required for Finding #1 or Recommendation #1

Finding #2. Exiting the leased Martinez maintenance facility and consolidating maintenance operations with the County facility could result in cost savings to Martinez.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Contra Costa County Board of Supervisors	<i>Agree</i>	
City of Martinez	<i>Disagree</i>	<p><i>At the direction of the City Manager, our Maintenance Superintendent looked into the feasibility of consolidating our vehicle maintenance program with the County program approximately a year ago. The County maintains a large fleet of vehicles and equipment from internal groups such as, Sheriff, Fire, Public Works and Inspections. They do preventative maintenance and repair on an estimated 1400 units with nine mechanic. The Facility is approximately 6 miles from downtown and not in the City limits.</i></p> <p><i>The City of Martinez vehicle program is responsible for preventative maintenance and repair of 128 unit (sic) of equipment with two full time mechanics. They also outfit all of our police department vehicles with necessary lights, computers, cages and other required safety equipment. Our Police Department is extremely pleased with (sic) high quality of their vehicles and the timely response to needed repairs. The single facility houses the City's entire maintenance operation which includes Streets, Water System, Parks and Fields, Building, Parking Meter and Vehicle maintenance. Thirty-three employees work from this facility and only two full time employees do vehicle maintenance.</i></p>

Recommendation #2. That the County Board of Supervisors and the Martinez City Council consider identifying representatives to explore the feasibility of consolidating their maintenance facilities and maintenance management systems.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Contra Costa County Board of Supervisors	<i>Will implement</i>	<i>The recommendation has not yet been implemented, but will be implemented by June 30, 2011. The County administrator will identify County staff representatives to initiate initial communication with the Martinez City Manager to evaluate the feasibility (sic) of consolidating fleet maintenance facilities and maintenance management systems.</i>
City of Martinez	→	<i>Moving vehicle maintenance to a more remote location would not save the City of Martinez any money and would likely add equipment down-time and inconvenience to the city's maintenance programs and police staff. The maintenance superintendent and staff currently track our preventative maintenance and repair costs on computers and spread sheets. The process works well but needs improvement. They have looked at several maintenance management programs over the past several years and recently chose one which is used by a neighboring city. It is planned to purchase software and implement it in fiscal year 2011-2012.</i>

Finding #3. Spare parts inventories in Contra Costa County, Richmond, Brentwood, and Martinez are much higher than the \$206 average of all agencies reporting such inventories.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Contra Costa County Board of Supervisors	<i>Partially disagree</i>	<i>The County has a very unique Fleet, which includes specialized equipment such as trailers (See attachment A), forklifts, golf carts and brush chippers (See attachment B). This additional equipment has many parts included in our inventory, which inflates the value of our inventory. If the County includes this type of equipment, the County's total vehicle count is 1,301 and the inventory value per vehicle is reduced to \$234 per vehicle.</i> <i>In the "Grand Jury Request for Fleet Services Information" dated August 11, 2010, the Grand Jury requested that the County "please provide the number of vehicles by type, i.e. automobiles, (break out police vehicles separately) pickup trucks, light utility trucks, and heavy trucks (those requiring a Class A or B</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<i>operating permit).” This resulted in the County providing a total vehicle count of 1,162. Upon further review the total vehicle count should have included the specialized equipment vehicles discussed above increasing the total vehicle count to 1,301, when comparing on-hand inventory on a “per vehicle” basis.</i>
Brentwood City Council	<i>Partially agree</i>	
City of Martinez	<i>Disagree</i>	<i>The report (page 2) states that the City of Martinez reported inventories valued at \$20,000 which equaled \$465 per vehicle. The \$20,000 estimate that we provided was for our “entire” fleet of 128 pieces of equipment owned by the City; (Police units, City vehicles, pick-up trucks, backhoes, dump trucks, riding mowers, street sweeper, and a variety of other equipment). The Grand Jury only used a select few vehicle types in their survey and calculations (autos, vans, SUVs and pickups only), which led to the extremely high spare parts per vehicle inventory figure in the report. When using only those types of vehicles, our spare parts per vehicle amount would be closer to \$200 per vehicle.</i>
Richmond City Council	<i>Partially disagree</i>	<i>The \$470,000 originally reported to the Grand Jury was an error in the way our parts were being received into stock. The correct figure should have been \$250,000. All parts, regardless of actually being in-stock items or non-stock items, were being processed as in-stock items. The dollar amount listed as spare parts inventory was for all 493 vehicles belonging to the City of Richmond. The city did not exclude police and fire spare parts from the total inventory amount.</i>

Recommendation #3. That Contra Costa County, Richmond, Brentwood, and Martinez should review their spare parts purchasing practices and determine what steps can be taken to permanently reduce on-hand inventories.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Contra Costa County Board of Supervisors	<i>Implemented</i>	<i>The County’s purchasing practices are constantly being reviewed for best steps, as distributors frequently change, practices are updated. The County is currently in the process of conducting the annual inventory of on-hand replacement parts and has begun to identify obsolete equipment. As obsolete inventory is reduced, the average value of on-hand inventory is anticipated to fall below \$206 per vehicle.</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Brentwood	<i>Implemented</i>	<p><i>The City of Brentwood is unique in that it provides Solid Waste, Wastewater, and Water services directly to the residents of Brentwood. The City of Brentwood is the only City in Contra Costa County to own and operate its own Solid Waste Enterprise. The City's response to the Grand Jury inquiry reported a vehicle count of 149 automobiles, pick-up trucks, light utility trucks, and heavy duty trucks. This count excluded 101 pieces of vehicles/equipment including power equipment/generators, motor cycles, heavy duty trucks, and trailers. The number of vehicles/equipment the City of Brentwood owns is a total of 250. The City's Fleet/Facilities Maintenance Division provides a majority of the fleet services for their vehicles/equipment.</i></p> <p><i>The reported inventory amount of \$110,000 includes the above listed 250 vehicles/equipment. Of the \$110,000, approximately \$66,000 is dedicated to 18 Solid Waste refuse collection vehicles and equipment. The remaining inventory amount of \$44,000 includes the remaining 232 vehicles/equipment. The City's inventory amount per vehicle is \$190, when excluding Solid Waste refuse collection vehicles/equipment. It is the city's opinion that due to the daily demands placed on these vehicles, coupled with required service to the residents, adequate inventory is required to maintain service levels and reduce fleet downtime due to maintenance and repairs.</i></p> <p><i>The City makes adjustments to its Fleet/Facilities Maintenance Divisions' inventory daily based upon non-use, overstock, and parts availability. It also performs an annual inventory audit.</i></p>
City of Martinez	→	<p><i>Our spare parts per vehicle amount for the vehicles evaluated are approximately \$200 per vehicle which is under the County's average of \$206. (Also see comments under Finding #3 above).</i></p>
City of Richmond	<i>Will implement</i>	<p><i>The recommendation will be implemented by August 31, 2011 by returning all obsolete stock items to vendors for a credit. We will also be moving all parts that are non-stock items from stock inventory over to non-stock inventory.</i></p>

Finding #4. The number of city and county vehicles being taken home after work results in significant taxpayer expense.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Contra Costa County Board of Supervisors	<i>Partially disagree</i>	<i>It should be noted that the total number of autos, vans, SUVs and pickups for the County is 1,022. The chart listed on page 2 of Grand Jury Report No. 1103 shows 803 as the “Number of autos, vans, SUVs and pickups for the County, however, the 219 vans on the list of vehicles provided by the County to the Grand Jury on September 10, 2010 were not included. Adding the 219 vans brings the total number of autos, vans, SUVs and pickups for the County to 1,022, and lowers the percentage of County vehicles taken home from 16% to 13%.</i>
City of Antioch	<i>Partially agree</i>	<i>The City of Antioch has implemented a practice of permitting city vehicles to be taken home for the purpose of standby call-outs and emergency operational needs. Presently, no take-home vehicles are being driven more than fifteen miles from the location where the employee would report to work.</i>
City of Brentwood	<i>Partially agree</i>	
City Concord	<i>Agree</i>	
Town of Danville	<i>Agree</i>	<i>The practice of home garaging vehicles does result in incurring an expense. Danville permits home garaging of vehicles assigned to certain Police and Maintenance personnel for purposes of emergency response and after hours callouts. The operational expense associated with this practice must be balanced with the need to provide a rapid response to preserve public safety and property.</i>
City of El Cerrito	<i>Disagree</i>	<i>The City of El Cerrito disagrees that these take-home vehicles are a “significant taxpayer expense”. The average additional cost to the City is approximately \$325.00 per month per person based on our \$0.37 per mile operating expense. The cost of the vehicle would still be the same or possible (sic) higher as the City would still be required to provide these for each individual during their normal work schedule and past history has shown that the pool vehicles incur higher operating costs and are required to be replaced more than twice as often due to increased maintenance costs.</i>
City of Hercules	<i>Agree</i>	
City of Lafayette	→	<i>No response to Finding. See comments in Recommendation below.</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Martinez	<i>Agree</i>	<i>The City of Martinez has nine vehicles that are taken home after working hours. Five of the vehicles are Police Department vehicles and four are in Public Works Department. The City has allowed take-home vehicles for the purpose of standby call-outs and emergency operational needs. This practice will be reviewed during budget preparations to determine if continued use is justified.</i>
Town of Moraga	<i>Partially agree</i>	<i>Agree with the finding and need to reduce the number of vehicles being taken home; but disagree that it results in “significant taxpayer expense”. The Town of Moraga has amended its current practice and has reduced the number of vehicles being taken home by one, since the responsibilities for “on-call” and emergency response are now being rotated to increase efficiency and equality in the Public Works Department. Three police vehicles still need to be taken home in order to expedite emergency response. Victim trauma and damage to public and private property and crime scenes can be minimized by immediate response by the Town’s limited staff resources.</i>
City of Oakley	→	<i>No response to Finding. See comments in Recommendation below.</i>
City of Orinda	<i>Partially disagree</i>	<i>As the finding relates County-wide it does appear that there is a significant expense to support this practice. However, as it relates to Orinda, there are 4 City Police vehicles that are assigned to Police personnel who are on-call and must respond from home. The 4 Police representatives who are allowed to take home vehicles are:</i> <ol style="list-style-type: none"> <i>1. Orinda Police Chief</i> <i>2. Orinda Police Detective Sergeant</i> <i>3. Orinda Police Detective Officer</i> <i>4. Orinda K-9 Officer</i> <i>No other City vehicles are assigned for take-home after work.</i>
City of Pinole	<i>Partially agree</i>	
City of Pittsburg	<i>Agree</i>	<i>The City notes, however, that the Grand Jury did not indicate whether this was a reasonable or unreasonable expense. Respectfully, the City firsts seeks to correct inaccuracies in the survey results contained in the initial report. The City’s motor pool of autos, vans and trucks currently numbers 154 vehicles, not the 115 listed on the table on Page 2 of the report. Of these, 26 are taken home at times by on-call personnel. Therefore, the percentage of take-home vehicles is 17 percent of the motor pool. The table in the initial report showed 27 percent. The City would appreciate the modification of the table to reflect these corrections.</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Pleasant Hill	<i>Partially agree</i>	<i>The City of Pleasant Hill has implemented a practice of only permitting City vehicles to be taken home for the purpose of police standby call-outs and emergency operational needs. These vehicles are used rental cars obtained through auction and at a considerably lower cost than unmarked police cars. The vehicles have not been replaced in almost four years and their use does not result in "significant taxpayer expense."</i>
City of Richmond	<i>Partially disagree</i>	<i>The number of take-home vehicles listed for the City of Richmond is 24 take-home vehicles out of 355 autos, vans, SUV's and pickups also includes 11 police and fire emergency response vehicles. The number of take-home vehicles that are autos, SUV's and pickups, not including police and fire, is 13, for a total of 4% take-home vehicles.</i>
City of San Ramon	<i>Partially agree</i>	<i>The City of San Ramon has implemented a practice of permitting city vehicles to be taken home for the purpose of standby call-outs and emergency operational needs.</i>

Recommendation #4. That Contra Costa County and cities which allow take-home vehicles (Antioch, Brentwood, Concord, Danville, El Cerrito, Hercules, Lafayette, Martinez, Moraga, Oakley, Orinda, Pinole, Pittsburg, Pleasant Hill, Richmond, and San Ramon) should review this practice and determine what steps can be taken to reduce the number of take-home vehicles and specify the circumstances when take-home vehicles may be used.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Contra Costa County Board of Supervisors	<i>Requires further analysis</i>	<i>On October 5, 1993 the Finance Committee recommended to the Board of Supervisors a policy for the garaging of County vehicles at an employee's home. The County Administrator is recommending that this item be referred to the Internal Operations Committee for review of current practice and potential update and return to the Board by October 15, 2011.</i>
City of Antioch	<i>Implemented</i>	<i>The very few cases where vehicles are taken home is revisited annually by the department heads during the budget preparation process to assure that the permission in each case is justified and a good business practice.</i>
City of Brentwood	<i>Implemented</i>	<i>City of Brentwood Council/Administrative Policy 10-9, Policy and Procedures for the Use of Vehicles and Related Equipment provides the procedure, guidelines and conditions that must be followed for staff to take home vehicles. The Policy is reviewed annually. Vehicles are taken home to respond in the assigned vehicles to official after-hours emergencies/assignments at</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<i>different locations. The City currently has nine vehicles equipped for after-hours emergency/assignment response that are utilized by the Police Department and Public Works. The City is of the opinion that the benefit realized by allowing the authorized staff to respond directly to emergencies/assignments justifies the additional minimal costs associated with the take-home vehicles.</i>
City of Concord	→	<i>The City has an established administrative directive in place which defines the City's vehicle take home policy. The City reviews this policy periodically.</i>
Town of Danville	<i>Will implement</i>	<i>By September 30, 2011, Danville's current practice will be formalized into a policy that specifies the purpose for this practice and specifies criteria to be considered in determining which Police and Maintenance personnel should be permitted to home garaged Town vehicles.</i>
City of El Cerrito	→	<p><i>Of the 13 vehicles that are taken home, 12 of these are in the public safety department, split evenly between fire and police. On both sides, the vehicles are assigned to the Chief's of the Department and their management staff. These staff personnel are the key positions in the City's Emergency Operations Plan and must have the ability to return to the City promptly in the event of a major emergency or disaster. Secondly, due to reduced staffing, each of these management people are also on call to return in the event of a large fires (sic), shootings or other higher profile incidents that require additional overhead to insure control and safety of the incident operations.</i></p> <p><i>The other vehicle is used by the Public Works Maintenance Supervisor who is the sole person responsible to deal with any problems with the City's infrastructure as there are no public works personnel after hours or on weekends.</i></p> <p><i>All take-home vehicles are used strictly for City business per City policy and thus are not providing any additional benefit to assigned individuals other than transportation to and from the City. It is the City's opinion that the additional cost is fiscally more responsible to insure that key management personnel are able to respond back to the City when needed, providing additional overhead and insuring a safer community.</i></p>
City of Hercules	<i>Implemented</i>	<p><i>At the time of this report's creation the City of Hercules allowed seven employees to use take-home vehicles.</i></p> <p><i>Of the seven (7) take-home vehicles identified in this report, the City of Hercules has eliminated two (2). The remaining five (5) are assigned to the following Hercules Police Department positions and will continue to be evaluated and adjusted as</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<p><i>appropriate.</i></p> <ol style="list-style-type: none"> <i>1. Police Chief</i> <i>2. Investigations Commander</i> <i>3. Patrol Commander</i> <i>4. Detectives (2)</i> <p><i>Police Department Policy regarding take home vehicles is as follows:</i></p> <p><i>Section 706.3 ASSIGNED VEHICLE AGREEMENT:</i> <i>City owned vehicles assigned to personnel for their use within their job assignment may be used to transport the employee to and from their residence for work related purposes. Vehicles assigned to personnel for take home use may be used off duty if the employee is on-call and thereby required to respond directly to the police department or other location determined by the nature of the incident.</i></p> <p><i>Take-home vehicles for employees not on call shall only be used for work related purposes and shall not be used for personal errands, or transports, unless special circumstances exist and the shift sergeant gives authorization. Assigned employees are responsible for the vehicle's care and maintenance. The Department will provide necessary care/maintenance supplies.</i></p> <p><i>The Assignment of vehicles is at the discretion of the Chief of Police. Assigned vehicles may be changed at any time and/or permission to take home a vehicle may be withdrawn at any time.</i></p>
City of Lafayette	<i>Implemented</i>	<p><i>This recommendation has already been implemented as the City only allows two City-owned vehicles to be taken home – one by the City Manager and one for the Chief of Police – and has policies that significantly limit the use of City vehicles to prevent unnecessary taxpayer expense. The City's Policy on the Use of City Vehicles (Administrative Regulation No. 510, attached) which has been in effect since 1998, limits the use of City vehicles to those operations that support the City's citizens. Similarly, its policy on the use of Police Department motorcycles by the Police Department's Motorcycle Unit (Administrative Regulation No. 524, attached), which was adopted in June 2011 at the time the City added the motorcycles to its fleet, prohibits off-duty use of motorcycles except for authorized training exercises, and the taking home of motorcycles unless directed to do so by the Chief of Police or supervisor.</i></p>
City of Martinez	→	<p><i>The number of take-home vehicles will be reduced for the fiscal year 2011-2012 budget.</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Town of Moraga	<i>Implemented</i>	<i>One less vehicle is now authorized to be taken home – the Public Works Superintendent will no longer be taking his Town-assigned vehicle home since the Town now relies on rotating staff for on-call public works response. The following three vehicles will continue to be allowed to be taken home, the Police Chief, Police Lieutenant, and, when the position is filled, Police Detective. Each of these is called upon to report directly to the scene of an accident, crime, local hospital or emergency situation. Each vehicle is equipped with the items needed to provide an emergency response while other personnel may be gathering additional equipment, if needed. The Police vehicles being taken home, must stay within 25 miles of the Town limits, unless on official Town business, and are prohibited to be used for personal trips.</i>
City of Oakley	<i>Implemented</i>	<i>We have implemented the recommendation relating to Finding #4 and have determined that the three take-home vehicles are compliant with City policies and with wise practice. The three vehicles are for on-call public safety personnel.</i>
City of Orinda	<i>Will not implement</i>	<i>Because the Police personnel noted above are on call, they respond from home to emergencies and to conduct investigative work. With that said, if the K-9 program is eliminated in the future, the Officer assigned to this function will no longer have a take home vehicle as it will no longer be warranted without the canine. Additionally, an Orinda family is making a financial donation to support the Orinda K-9 program and has agreed to pay the difference in the cost to provide the vehicle and fuel for the K-9 vehicle. This generous donation will provide the City with \$22,000 to pay for the take-home use of the Police vehicle along with other expenditures associated with the program.</i>
City of Pinole	→	<i>The City of Pinole does allow the use of take-home vehicles for a very limited number of classifications in the City. These vehicles are assigned to the Police Department and Fire Department who are 24 hour emergency responders.</i> <ul style="list-style-type: none"> • <i>Police</i> <i>Included are the Police Chief, two Police Commanders and the on duty Sergeant-Detective. One Commander position is vacant right now so the vehicle is not used for overnight purposes. All of these positions are emergency responders on a 24 hour basis and must be immediately available to respond at all hours and from any location.</i> • <i>Fire</i> <i>Included is the Fire Battalion Chief on duty. This is a critical position where a take-home vehicle is required as this person responds to Battalion 7 which includes serving with Contra Costa</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<i>County Fire, Rodeo-Hercules Fire Protection District and the city of Pinole. This position is the command position for all incidents resulting from calls for service received throughout the jurisdictions of all three agencies.</i>
City of Pittsburg	<i>Implemented</i>	<i>The City allows certain city vehicles to be taken home by staff members who are on call for standby call-outs and emergency operational needs. This expense is balanced with the need for immediate response to emergency conditions. The City, through its department heads, reviews on an annual basis which employees are allowed to take home City vehicles and for what purpose so as to verify there is adequate justification for such practice.</i>
City of Pleasant Hill	<i>Implemented</i>	<i>Over six years ago, the subject of City vehicles being taken home after work was reviewed to assure that in each case the permission was justified and represented a good business practice. The number of take-home vehicles was reduced at that time. The City implemented a practice of only permitting vehicles to be taken home for the purpose of police standby call-outs and emergency operational needs.</i>
City of Richmond	<i>Will not implement</i>	<i>A limited number of vehicles (currently 13) are used as take-home vehicles within the City of Richmond. These vehicles are limited to police and fire personnel, an on-call Public Works Duty Electrician, an on-call Public Works Facility Maintenance employee, and Department/Division Heads only. These employees need to have frequent and easy access to city-owned properties and/or safeguard city-owned property on a 24-hour basis.</i>
City of San Ramon	<i>Implemented</i>	<i>The majority of vehicles taken home are assigned to the police department and each year the practice is reviewed. As a result of this year's review, the number of take-home vehicles was reduced from 13 to 11. In each case the vehicle usage is restricted to only work related functions.</i>

The following table reflects voluntary responses to Findings/Recommendations that were NOT required in Report #1103:

Findings/Recommendations #1 – regarding the use of maintenance management software.

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Contra Costa County Board of Supervisors	<i>Agree - Implemented</i>	<i>The County has been fully utilizing the fleet management system CCG Faster. The County purchased and installed a new fleet management system, AssetWorks, which is now operating and will be fully utilized by June 30, 2011. This system replaces the County’s old CCG Faster fleet management system.</i>
City of Antioch	<i>Agree - Implemented</i>	<i>No response is requested, but please note that the City of Antioch utilizes a fleet maintenance management software system.</i>
City of Clayton	<i>Disagree - Will not implement.</i>	<p><i>The recommendation will not be implemented because it is not warranted and is not reasonable for the City of Clayton. As noted in Grand Jury Report No. 1103 (page2), our City only has a total of eleven (11) vehicles, vans or trucks (that are not police patrol vehicles serviced by the City of Concord). This fleet is managed by the City’s Public Works Department and the maintenance supervisors have binders on each vehicle with a respective log of maintenance and repairs maintained for each. Most of these eleven (11) vehicles are equipped with electronics that display “maintenance required” or other engine alert icons on the vehicle’s dashboard to assist the Department in its preventive and reactive fleet maintenance needs. Further, our Public Works trucks and vehicles are serviced by a nearby Ford dealership, which private business also retains pertinent records on these City vehicles and routinely sends the City reminders when periodic preventative services are due.</i></p> <p><i>After receipt of Grand Jury Report No. 1103 noting software as a “best practice” for all cities, our City staff contacted the City of Richmond and learned at that time in April 2011 that the City of Richmond had three (3) full time employees to oversee its Fleet Management Division (in addition to 10 mechanics). These Richmond employees’ primary duties include maintaining and updating its fleet maintenance software program, which was purchased at an initial expense of \$44,000 in year 2006. That software is proprietary software carrying annual license fees for 9 user stations which further costs Richmond approximately \$10,000 per year (plus a 3% CPI annual adjustment).</i></p> <p><i>Our City fleet of eleven (11) vehicles is too small in size to warrant additional taxpayer expense for expensive proprietary software for fleet maintenance purposes plus the re-allocation of additional Public Works’ staff time (5 full-time employees and no</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<i>clerical support position) to continuously update the software data. Grand Jury Report No. 1103 does not reveal any analysis applicable to Clayton's situation to indicate our City's current practices for fleet maintenance have been inadequate or inefficient in managing its limited resources, cut short the useful life of our fleet, or resulted in avoidable repairs or expenses.</i>
City of Concord	<i>Agree - Implemented</i>	<i>The City of Concord agrees with the finding and uses a maintenance management software system. The City has reviewed its practices and ensured the program is being utilized as fully as currently practical.</i>
City of Pleasant Hill	<i>Agree - Implemented</i>	<i>No response is requested, but please notes that the City of Pleasant Hill has utilized a fleet maintenance management software system since 1998.</i>
City of San Ramon	<i>Agree - Implemented</i>	<i>No response is requested; however, please note that the City of San Ramon utilizes a fleet maintenance management software system.</i>

CONTRA COSTA COUNTY GRAND JURY REPORT NO. 1104

Elected Board Membership

FINDINGS AND RECOMMENDATIONS

Finding # 1: Sixteen cities and eighteen special districts provide benefits to their elected leaders in some fashion. These benefits may include salary, meeting fees, health care insurance costs, pension or deferred compensation, life insurance premiums, cell phone usage, and internet connections.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Antioch	<i>Agree</i>	<i>Although Antioch cannot speak to the policies in other jurisdictions, we do not have a reason to disagree that these benefits are provided in various jurisdictions including the City of Antioch.</i>
City of Brentwood	<i>Agree</i>	
City of Clayton	<i>Agree</i>	<i>Although Clayton did not conduct an independent verification of the Grand Jury's data contained in Report No. 1104, it does not have any reason to disbelieve or disagree that identified elected official benefits and compensation are provided in varying degrees in various public entities, including that of the City of Clayton.</i>
City of Concord	→	<i>The City of Concord has no independent information to verify this finding. However, with respect to the City of Concord, some of these benefits are provided to elected officials. With respect to the City of Concord, the City agrees with this finding. However, Concord Council members do not receive deferred compensation, cell phone usage or stipends, nor free or reimbursed internet connections.</i>
Town of Danville	<i>Agree</i>	<i>Danville cannot address the practices of other jurisdictions, and has not independently verified information presented in the Grand Jury report. Based upon the report these benefits are being provided in various jurisdictions including Danville.</i>
City of El Cerrito	<i>Agree</i>	
City of Hercules	<i>Agree</i>	
City of Martinez	<i>Agree</i>	<i>Although Martinez cannot speak to the policies in other jurisdictions, we do not have a reason to disagree that these benefits are provided in various jurisdictions including the City of Martinez.</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Oakley	→	<i>The Oakley City Council does receive a pension benefit (PERS) and that amount totaled \$4,071 for last fiscal year.</i>
City of Pinole	<i>Agree</i>	<i>The City of Pinole appreciates the work that the Grand Jury undertook, and we agree with the statements in the Report that our community should be aware of the compensation and benefits provided to elected officials.</i>
City of Pittsburg	<i>Agree</i>	
City of Pleasant Hill	<i>Agree</i>	<i>The City of Pleasant Hill provides some benefits to their elected officials</i>
City of Richmond	<i>Agree</i>	<i>The City of Richmond agrees with this finding.</i>
City of San Pablo	<i>Agree</i>	<i>San Pablo cannot speak to the policies in other jurisdictions. Although San Pablo council members receive salary, health insurance, and life insurance coverage, as authorized by the Government Code, we do <u>not</u> subsidize council members' cell phones or internet connections, nor do we make city contributions to any individual's deferred compensation account (other than for payments "in lieu of" health coverage, discussed below). San Pablo has paid for fax lines for two council members, a practice which we believe leads to more efficient public service; each fax line is \$40 per month. However, we have eliminated this benefit as of June 30, 2011. San Pablo council members receive \$30 per meeting for meetings of the Redevelopment Agency, as authorized by ordinance and the California Health and Safety Code, but receive no stipend or other payment for memberships on any other boards or commissions.</i>
City of San Ramon	<i>Partially disagree</i>	<i>In the report three different types of payments have been commingled into a general categorization called "benefits". Reimbursements for example, are not benefits, in law or in fact. Similarly, retirement, health and welfare payments are identified as separate items as described in the California Government Code which creates the legal authority for municipalities to make payments to elected officials. The Government code defines and authorizes salary in Section 36516, it defines reimbursements in Section 36514.5 and defines payments for retirement, health and welfare in Section 36516(4)(D). The authorization for, definition of, and limitations to these types of payments has been in place for many years. The finding made in the report implies a new definition for all payments to elected officials as "benefits" which is not supported by existing law. It can also be misleading to characterize the reimbursement for expenses, such as for</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<i>traveling on City business, as a “benefit” as was done in the report. Reimbursable expenses such as travel and cell phone usage are not compensation and should the Grand Jury desire to study these expenditures we recommend a separate investigation be performed.</i>
City of Walnut Creek	<i>Agree</i>	<p><i>To assist the Grand Jury in determining reasonableness we would like to start off by offering some legal and historical perspective. We realize that it would have been impractical to include such information in the Grand Jury report that reported on 19 cities and 27 special districts, but we believe that this information provides a necessary context to both the report and our responses to the findings and recommendations.</i></p> <p><i>In the past 25 years, the Walnut Creek City Council has had a single, \$150 increase in its monthly salary. State law governs the compensation that a general law city such as Walnut Creek can pay its councilmembers. Government Code section 36516 sets up a schedule for city council salaries based on the population of the city. In addition, salaries could be increased by an amount not to exceed 5 per cent per year for each calendar year since the last adjustment. Prior to 1985, state law provided that in cities with populations over 50,000 and up to and including 75,000, the council could receive a salary of \$250 per month. In 1984, the state legislature increased the dollar amount for the 50,000 – 75,000 population category to \$500. In 1985 the City Council increased its salary to this amount. Sixteen years later, in 2001, the Council raised its salary to \$650. That amount has remained unchanged for the last 10 years (the voluntary 10% reductions in salary taken by the Council are discussed separately at the end of this letter.)</i></p>
Ambrose Recreation and Park District	<i>Agree</i>	
Byron-Bethany Irrigation District	<i>Agree</i>	<i>Although the table summarizing the compensation data collected for the 27 special districts does not accurately reflect the Byron Bethany Irrigation District (BBID or District), BBID agrees with the “spirit” of the report and concurs with the Grand Jury’s findings and recommendations in the subject report.</i>
Byron Sanitary District	→	<i>The Byron Sanitary District concurs with the Grand Jury’s findings and recommendations in the subject report.</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Central Contra Costa Sanitary District	<i>Agree</i>	
Contra Costa Water District	<i>Agree</i>	
Diablo Water District	<i>Agree</i>	
Discovery Bay Community Services District	<i>Agree</i>	<p><i>The TODBCSD fully complies with and adheres to California Government Code Section 61047(a) which states “The board of directors may provide by ordinance or resolution, that each of its members may receive compensation in an amount not to exceed one hundred dollars (\$100) for each day of service. A member of the board of directors shall not receive compensation for more than six days of service in a month.”</i></p> <p><i>In addition, the TODBCSD provides an amount not to exceed \$527/month for various health care premiums. Pursuant to GC§6107(c), the TODBCSD also reimburses travel, mileage and incidental expenses while representing the district on official business.</i></p>
East Contra Costa Irrigation District	→	<i>No response to Finding. See comments in Recommendation below.</i>
Ironhouse Sanitary District	→	<p><i>Ironhouse has not independently verified Finding #1, and, if accurate, has no reason not to agree with it. With respect to Ironhouse, its Directors do not receive a salary and are compensated in the amount of \$170.00 for each meeting attended by the Director, up to a maximum of six meetings in any calendar month. (Health & Safety Code §6489). Please see the attached Local Government Compensation Report for Calendar Year 2009, State Controller’s Office – Division of Accounting and Reporting, which is the most recent year available and lists Director Wages Subject to Medicare.</i></p> <p><i>Directors have the option to receive Health, Dental & Vision benefits, as listed in the above referenced report. Finally, Directors have the option to participate in a Deferred Compensation Program, as is also shown in the above referenced report.</i></p> <p><i>Directors do not receive life insurance premiums payments, cell phone usage, and internet connections benefits.</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Los Medanos Community Healthcare District	<i>Partially disagree</i>	<p><i>The District agrees that, per Section 32103 of The Local Health Care District Law, LMCHD provides compensation to its elected Board members – under the LMCHD Bylaws, Board members receive a stipend of \$100.00 per meeting, not to exceed \$400.00 a month (\$100.00 lower than the \$500.00 maximum set forth in The Local Health Care District Law).</i></p> <p><i>However, not all special districts are alike. Both in terms of the populations served and the scope of their activities, special districts require very different levels of involvement and expertise from their elected leaders.</i></p> <p><i>Healthcare districts, because of the complex and needs-sensitive nature of their activities, demand more from their board members than most other special districts. As the Association of California Healthcare Districts recently pointed out, “[t]he public work of a prepared and informed director is simply too demanding to be consistently and effectively performed without some compensation.”</i></p> <p><i>Http;://www.achd.org/resources/achdconnection2010issue1cmp.pdf.</i></p> <p><i>Even among healthcare districts, LMCHD plays an integral role in the policy, delivery, and funding of healthcare in the community, and therefore demands a higher level of commitment, expertise and involvement from its board members than most other healthcare districts. For a graphical representation of LMCHD’s role in Los Medanos, please see page 4 of the District’s 2011-2016 Strategic Plan, at http://lmchd.org/down/LMCHD.StrategicPlan.AdoptedOct10.pdf.</i></p> <p><i>LMCHD’s Board members perform a critical role in the operation of the District. Board members not only meet monthly to handle Board business, implement the District’s Strategic Plan, and actualize the LMCHD’s strategic vision, but they also serve on the District’s four subcommittees – District Program and Activities, Finance, Grants and Policy, and Real Estate, Administration and Legal – to provide oversight, guidance, and recommendations on the District’s core operational and administrative functions.</i></p> <p><i>In addition, LMCHD performs time-intensive functions that require Board member guidance and oversight, such as dispensing health and wellness grants to local community-based organizations, operating District-direct programs including an</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<p><i>eyeglasses distribution program, an annual Fitfest event, and a community garden on LMCHD property, and providing direct health services (in cooperation with local providers) at schools within the District. Each of these activities requires a significant commitment of time and resources by the Board members.</i></p> <p><i><u>In summary</u>, the District agrees with the statement that eighteen special districts in Contra Costa County provide benefits to their elected leaders in some fashion, and that LMCHD is one of those eighteen special districts. However, because of the varied nature and scope of activities among special districts (and among healthcare districts), the District finds that a blanket comparison of compensation levels across all special districts in Contra Costa County is inappropriate.</i></p>
Mt. Diablo Healthcare District	<i>Agree</i>	<i>The District provides a meeting stipend if the Board member elects to collect. The District also pays the OPEB required payment in accordance (sic) California Code Section 53201. No other benefits are provided any Board member.</i>
Mt. View Sanitary District	<i>Agree</i>	
Pleasant Hill Recreation and Park District	<i>Agree</i>	
Rodeo Sanitary District	<i>Agree</i>	
San Ramon Valley Fire Protection District	→	<i>No response to Finding. See comments in Recommendation below.</i>
Stege Sanitary District	<i>Agree</i>	
West Contra Costa County Healthcare District	<i>Agree</i>	<i>In our review of the report provided and a review of the original survey response to the Grand Jury, we have determined that there was an error in data reporting. That error relates to the cost of health benefits, which are outlined in an attached corrected data report. (Correction reflects an increase in health benefits from \$4,188 to \$55,282)</i>
West County Wastewater District	<i>Agree</i>	

Recommendation # 1: All cities and special districts should conduct an annual public review of compensation provided to their respective elected Councils and Boards. This review should include such items as salary, meeting fees, health care insurance costs, pension deferred compensation, life insurance premiums, cell phone usage, and internet connections. The public review should address whether or not changes in compensation are warranted.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Antioch	<i>Will implement</i>	<i>Antioch’s overall budget process is a transparent one, with several study sessions held each year and documents available on the City’s website. There is a specific account established within the City’s general fund to account for City Council expenditures. Also, policies regarding Council compensation and benefits are approved in open meetings. However, to increase governmental transparency, the City will combine those policies into a single document that addresses all Council compensation and benefit issues and include that document in its annual budget review for the following fiscal year.</i>
City of Brentwood	<i>Implemented</i>	<p><i>The City adopts its operating budget biannually. Included in the budget is a division set up for the City Council which details the amounts spent by individual expense item (e.g. salary, health insurance, pension, travel, etc). The budget and these items, are reviewed first at a public workshop and then adopted at a separate public meeting. All budget documents are also available on the City’s website.</i></p> <p><i>The City then conducts regular reviews of the operating budget at public meetings every six months. A mid-year budget update and review occurs each December, and a mid-term budget update and review is conducted prior to the start of the second year of the biannual budget.</i></p> <p><i>City Council compensation also receives a public review whenever it is increased. City Council salary is established and amended after a public hearing and the adoption of an ordinance. In addition, it should be noted that any changes to the compensation ordinance would not take effect until after the next election cycle. It should be further noted that the last time the City Council salary ordinance (2.08.10 of the Brentwood Municipal Code) was amended was September 18, 2001.</i></p> <p><i>Finally, the City includes City Council salary information in its published salary plan which is available on the City’s website.</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Clayton	<i>Will implement</i>	<p><i>Clayton’s overall budget process is a readily transparent one, with data and actual dollar numbers calculated to the nearest dollar. At a minimum, an introductory session of the proposed City Budget and a subsequent public hearing for consideration and adoption of its budget are held each year, plus a mid-year review, each conducted at an open public meeting of the City Council. Further, budget documents and data are available on the City’s public website.</i></p> <p><i>There are specific accounts established within the City’s General Fund (Legislative Dept. 01) that itemize elected official compensation and associated benefits each year in the aggregate for the full council. Policies regarding City Council compensation and benefits, by law, must be and are approved in open public meetings.</i></p> <p><i>However, to enhance governmental transparency, the City will combine its elected official compensation and benefits policies into a single document that clearly illustrates all Council compensation and benefit categories. That prospective document will then be included in Clayton’s annual budget and review process commencing the following fiscal year (FY 2012-13).</i></p>
City of Concord	<i>Implemented</i>	<p><i>This recommendation is already a practice in the City of Concord. The Concord City Council Policy Development and Internal Operations Committee reviews the Council’s portion of the City’s budget every year at a public meeting, prior to the Council acting on the City’s proposed budget. The Council as a whole reviews and acts on the entire city operating budget, including the Council’s operating budget, at public meetings.</i></p>
Town of Danville	<i>Will implement</i>	<p><i>The Town Council does not receive meeting fees, life insurance premiums or cell phone stipends. Town Council costs, including salaries and all related expenses, are included in a separate “Town Council” budget, which is contained within the annual Operating Budget. As referenced in the response to Finding #2, individual Council members receive monthly amounts of \$675 for salary, \$250 for health care reimbursement and a \$25 deferred compensation contribution.</i></p> <p><i>Danville’s budget process is a transparent one that includes four public study sessions and one public hearing annually. The Town Council budget is subject to annual public review, and budget information is available both in hard copy and electronically on line. The public review provides the opportunity to address whether or not changes in compensation are warranted.</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<p><i>Town Council expenditures are accounted for and tracked separately and Town Council compensation is included as part of Town salary and compensation information posted on the Town website and reported to the State Controller. Town Council salary is set by ordinance, and consideration of any changes can only occur at a duly noticed public meeting.</i></p> <p><i>It should be noted that while the Town, as a general law city, can conduct an annual review of Town Council compensation, the Town can only adjust such compensation at the end of each council members (sic) term of office. 80 Ops.Cal.Atty.Gen. 119 (1997); Government Code Section 36516.5.</i></p> <p><i>In order to further address this recommendation, by September 30, 2011, the "Town Council" budget format will be further itemized to coincide with applicable categories included in the recommendation, including: salary, meeting expenses, health expense reimbursement and deferred compensation contribution.</i></p>
City of El Cerrito	<i>Implemented</i>	<p><i>In response to both recommendations (1 & 5), the City Council reviews its compensation annually as part of the budget public hearing process. That process also includes public review by the City's Financial Advisory Board. As the Grand Jury learned during its investigation, the City Council's salary has not changed since 1991 and any change to salaries would require adoption of an ordinance. Although the City believes it is already satisfying Recommendation #10 and #5, it may in the future enhance the information about City Council compensation included in the public budget process.</i></p>
City of Hercules	<i>Implemented</i>	<p><i>Hercules implemented a process that is compliant with the Grand Jury's recommendation several years ago. On July 12, 2012 (sic), the City Council reviewed Council member compensation and benefits and directed staff to bring forward a resolution terminating all health and welfare benefits and CalPERS benefits for Council members. On July 26, 2011, the City Council adopted such a resolution rescinding all CalPERS and health and welfare benefits for Council members.</i></p>
City of Martinez	<i>Will implement</i>	<p><i>The overall budget process in Martinez is a transparent one, with several public meetings and documents available on the City's website. There is a specific page in the budget document that provides the total expenditures for the City Council. Those expenditures, along with all of the others in the budget, are part of the budget review and approval conducted at a public meeting. However, to increase transparency, the City will conduct a</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<i>specific discussion on whether or not changes in Council compensation are warranted during the budget adoption process.</i>
City of Oakley	→	<i>Relative to Finding #1, the City of Oakley does conduct an annual review of the compensation provided to its City Council as each upcoming fiscal budget is prepared, discussed and approved. As your report noted, the compensation is amongst the lowest in the County.</i>
City of Pinole	→	<i>The City of Pinole will on an annual basis publicly review the elected City Council and City Treasurer compensation packages. This will be done concurrently with our annual budget review and adoption process. The current compensation totals \$300 per month and is based on the government code and includes \$250 per month for serving and attending City Council meetings, which more often than not are more than twice a month as well as \$50 per month for serving and attending as the Executive Board for the Pinole Redevelopment Agency. Our elected officials do not receive a City provided cell phone or computer nor do they receive reimbursement for use of their personal cell phones and computers.</i>
City of Pittsburg	<i>Implemented</i>	<i>This recommendation is already implemented at the City of Pittsburg. The City Council reviews the Council's portion of the annual budget every year at a public meeting, prior to the Council's actions on the City's proposed budget.</i>
City of Pleasant Hill	<i>Will implement</i>	<i>Pleasant Hill's overall budget process is a transparent one, with the biennial (sic) budgets being adopted at open and public City Council meetings and documents available on the City's website. A specific departmental budget was established within the City's general fund to account for City Council salaries, benefits and expenditures. However, to increase governmental transparency, the city will specifically address all Council compensation and benefits during its annual budget review for the following fiscal year, as well as address this issue, as required, within six months of the date of the Civil Grand Jury report.</i>
City of Richmond	<i>Will not implement</i>	<i>The City of Richmond's overall budget process is a transparent one, with several study sessions held each year and documents available on the city's website. Council member salaries are publicly displayed on the City of Richmond's website. There is a specific account established within the city's general fund to account for City Council expenditures. Also, policies regarding council compensation and benefits are approved in an open meeting that includes a public discussion and two public meetings. Therefore, the city is already conducting a periodic public review of compensation provided to elected council members, and an annual review is unnecessary.</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of San Pablo	<i>Will implement</i>	<p><i>The City reviews City Council compensation annually as part of its budget process. This includes several study sessions and culminates in a public hearing. The draft and final budgets are public documents and are available electronically. The budget includes specific accounts within the City's general fund to account for City Council expenditures. Any policies regarding Council compensation and benefits are reviewed and approved in open meetings.</i></p> <p><i>However, to increase governmental transparency, the City will combine those policies into a single document that addresses all Council compensation and benefit issues and include that document in its annual budget review for the following fiscal year.</i></p>
City of San Ramon	<i>Will not implement</i>	<p><i>The recommendation will not be implemented because it is not necessary. The City of San Ramon compensates elected officials based on a publicly approved Ordinance. The Ordinance No. 365 was adopted in 2004 after conduction public hearings and a public noticing process. Changes to the existing compensation structure cannot happen without the same public process occurring and a new Ordinance being adopted. Although the City of San Ramon is a Charter City and can exempt itself from the Government Codes limits on elected official compensation levels, the City of San Ramon has chosen to voluntarily set compensation within the limits of the Government Code as it pertains to General Law cities. The process recommended in the report to hold additional public reviews of compensation is redundant to the current process of holding public hearings before an Ordinance is adopted and ignores the limits placed on compensation by those agencies that are following the Government Code. We suggest this recommendation could have been that changes in compensation be consistent with Sate Law, are publicly noticed, and provide for public comment.</i></p>
City of Walnut Creek	<i>Will not implement</i>	<p><i>The City of Walnut Creek has, since 1980, adopted two year budgets and has recently engaged in a mid-year budget review with its Council. As part of the budget process, the costs for the City Council are reviewed in the format shown in Exhibit A. This budget format is similar to the annual figures the Grand Jury used. The Walnut Creek Municipal Code requires a public hearing be held prior to the adoption of the budget. The Grand Jury Report does not contend that a biennial review is inadequate. The Grand Jury recommendation for annual review will not be implemented because it is not consistent with the two-year cycle under which the City of Walnut Creek reviews all</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<i>budgets and that the City believes ensures that Council compensation is reasonable.</i>
Ambrose Recreation and Park District		<i>ARPD set a Board agenda item for its June 9th Board meeting (Attached) and did discuss in open session compensation of the Board. The accompanying staff report listed compensation for area agencies and included ARPD. The Board agrees with the finding and have left its current compensation package in place as ARPD is (sic) has one of the smallest compensation packages in the County.</i>
Byron-Bethany Irrigation District	<i>Will implement</i>	<i>The District will comply with Recommendations No. 1 and No. 4 and will review such items as salary, meeting fees, health care insurance costs, pension/deferred compensation, life insurance premiums, cell phone usage, internet connections; and, determine whether the practice of paying health care insurance for Board members is appropriate, during the annual public review of the District's budget process.</i>
Byron Sanitary District	<i>Will implement</i>	<i>The Byron Sanitary District will comply with Recommendation No. 1 and review such items as salary, meeting fees, health insurance costs, pension/deferred compensation, life insurance premiums, cell phone usage, and internet connections during the annual public review of the District's budget process.</i>
Central Contra Costa Sanitary District	<i>Will implement</i>	<i>The Central Contra Costa Sanitary District will conduct an annual public review of compensation and benefits provided to Board members.</i>
Contra Costa Water District	<i>Implemented</i>	<p><i>The annual public review of CCWD Board members compensation recommended in Report #1104 has already been implemented and has been integral to the review of District finances and the Board's adopted procedures for decades.</i></p> <ul style="list-style-type: none"> <i>• The Board of Director's compensation is budgeted as an individual department clearly delineated within the overall District budget and is reviewed annually as part of a publicly noticed presentation of the budget and mid-cycle review. The Board of Director's budget includes a review of the actual expenditures compared to budget to a level of detail that allows review of compensation and benefits cost per board member; and</i> <i>• In addition, at each Board meeting (two per month) as part of an agendized item titled "Approve Director's Service/Business and Travel Expenses" each Director's compensable meeting and travel expenses are presented in written form and are reviewed as to their business purpose and reasonableness and are approved as part of the publicly noticed meeting; and</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<ul style="list-style-type: none"> • <i>Lastly, each Director verbally forecasts the compensable meetings they plan to attend in the prospective two week (or longer) period as part of the bi-weekly Board meeting to allow fellow Directors and the public an opportunity to confirm the business purpose.</i>
Diablo Water District	<i>Implemented</i>	<i>Respondent has historically conducted a public review of total compensation provided to the Board of Directors each year during review of the District's annual budget at a public meeting. The District will expand its current annual public review of Director Compensation to address whether or not changes in compensation are warranted.</i>
Discovery Bay Community Services District	→	<p><i>The TODBCSD partially agrees with Recommendation #1 in that compensation should be reviewed by its Board of Directors but disagrees that it should be done annually.</i></p> <p><i>All of California's Independent Special Districts are subject to California Government Code Sections 61000 et seq., including the Town of Discovery Bay Community Services District. Board member compensation, and the narrow manner in which it is permitted, is specifically acknowledged in the aforementioned Government Code sections.</i></p> <p><i>The TODBCD has an established meeting structure for its official Board Meetings. The TODBCSD Board of Directors meets on the first and third Wednesdays of each month at 7:00 pm. Regularly scheduled Board meetings provide the opportunity to conduct the business of the district and to carry out the duties of their position. Additionally, it is at times necessary to call for a special meeting, to conduct a community workshop, or to attend a meeting that qualifies for a stipend pursuant to California Government Code Sections 61047(a) and 61047(e). At virtually each regular meeting the items of compensation for each Board member are contained in the warrants which are available to the public and reviewed by the Board of Directors before approving the expenditure. Thus an annual review is unnecessary.</i></p> <p><i>Any interested member of the public can review compensation of any TODBCSD Board member for compliance and conformity with California GC§§61047.</i></p>
East Contra Costa Irrigation District	→	<i>The East Contra Costa Irrigation District provides a monthly stipend to its Directors in the form of meeting fees and mileage reimbursement. The compensation for meeting attendance has not changed in over a decade and is believed to be appropriate. The monthly stipend is reviewed annually during the budget</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<i>process. On June 14, 2011, the Board of Directors considered the Findings and Recommendations made by the Grand Jury and determined that no changes are warranted at this time.</i>
Ironhouse Sanitary District	→	<i>As part of its standard annual budgeting process, the Board of Directors of Ironhouse complies with Recommendation #1. The Ironhouse annual budgeting process is open to the public and is publicized through public hearings noticed in accordance with the Brown Act. At these meetings all compensation provided to the members of the Board of Directors is reviewed and discussed by the Board, staff and members of the public in attendance.</i>
Los Medanos Community Healthcare District	<i>Implemented</i>	<i>While the LMCHD partially disagrees with Grand Jury Finding 1, and finds that a blanket comparison of compensation across all special districts in Contra Costa County is inapplicable and of limited value, the District already conducts an annual review of all of its expenses at the beginning of each fiscal year, including meeting fees paid to its Board Members.</i>
Mt. Diablo Healthcare District	→	<i>The Board reviews all expenditures during the annual budget process. Every item is reviewed, including stipends and the OPEB expenditures, and any item found to require further review is researched for alternatives and implemented appropriately.</i>
Mt. View Sanitary District	<i>Will implement</i>	<i>The recommendation has not yet been implemented, but will be implemented by an amendment to the Board Policies and Procedures on or before August 18, 2011.</i>
Pleasant Hill Recreation and Park District	<i>Implemented</i>	<i>The following policy has been adopted as Pleasant Hill Recreation & Park District Policy #4025.40.2 – The Board of Directors will review the stipends of the elected Board Members on an annual basis. This will take place at the second board meeting in July as a separate agenda item. The Board of Directors will determine whether any proposed changes are warranted. The results will be posted on the District’s website and be included in the official board minutes. <i>The Board of Directors of the Pleasant Hill Recreation & Park District receives \$100 per meeting at a maximum of \$200 per month. There are no other benefits that the Board Members receive such as Health or retirement or any related medical benefits. Occasionally, Board Members do attend conferences on behalf of the District while representing the District and do receive reimbursable expenses for travel and accommodations.</i></i>
Rodeo Sanitary District	<i>Will not implement</i>	<i>Total cost for meeting fees by this agency are some of the smallest in the county. No increase or addition to benefits or meeting fees can be made without a public hearing as required by the Government Code.</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
San Ramon Valley Fire Protection District	<i>Will not implement</i>	<i>The recommendation will not be implemented because it is not warranted or is not reasonable. The San Ramon Valley Fire Protection District agrees that public review of compensation is appropriate. However, unless there are changes recommended to the compensation structure, it is not necessary to conduct an annual review and analysis until such time as a change might be considered. The San Ramon Valley Fire Protection District has in the past, and will in the future, to agendize for public review any and all changes to Director compensation. The District's website has in the past and will continue to contain all information regarding Director compensation/benefits. The information is always available for public review.</i>
Stege Sanitary District	<i>Implemented</i>	<i>The Stege Board annually reviews its compensation at a public meeting and has done so since 2001. The Board plans to continue to conduct this annual review in the future.</i>
West Contra Costa County Healthcare District	→	<i>At its Board meeting of May 25, 2011, the West Contra Costa Healthcare District conducted a public review of all compensation provided to the elected Board members, and also reviewed the policy for provisions of that compensation. Annual reviews will be conducted in the future.</i>
West County Wastewater District	<i>Implemented</i>	<p><i>The District implemented a process that is compliant with the Grand Jury's recommendation more than a decade ago. Effective January 1, 2001, Health and Safety Code §6489 was amended by SB 1559 to allow annual increases in Director compensation. Director compensation had remained fixed January 1, 1987. The District adjusted Director compensation in accordance with SB 1559 effective January 1, 2001. It has reviewed Director compensation and benefits in a public forum at least once each year since then. There have been no increases in Director compensation since January 1, 2006.</i></p> <p><i>On April 5, 2005, the District adopted an ordinance establishing the procedure for annually fixing and determining Director compensation. That ordnance (sic) requires the Board to annually establish the maximum compensation to which a Director is entitled for each day of his/her attendance at meetings, or for each day of service as a Director. Each Director must then select the amount of his/her compensation which can be no greater than the maximum compensation established by the Board of Directors. This requires the entire Board of Directors to review their salary and benefits in a public forum at least once each year to ensure that their compensation is reasonable and within legal limits.</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<i>In addition to the annual process for determining Director compensation and benefits, the Board of Directors and District staff annually review all Director, management and employee compensation and benefits during the annual budget cycle. This involves a detailed examination of every budget line item, including compensation and benefits. This process has been followed for decades.</i>

Finding # 2: Eight cities spend more than the county-wide average (\$39,377) for salary and meeting fees. They are: Antioch, Concord, Danville, Hercules, Martinez, Richmond, San Pablo and San Ramon.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Antioch	<i>Partially agree</i>	<p><i>Although we have not expended limited city resources to verify the information provided by the various jurisdictions or the mathematical calculations, we do question the value of a simple mathematical average as determinative as to what salaries and meeting fees are questionable.</i></p> <p><i>As the report indicates these are cities of differing sizes. In addition, these city councils have differing meeting schedules and responsibilities, some cities have budgets of \$50,000,000 and some budgets of \$10,000,000; some cities provide all services in-house and other cities have contracted significant responsibilities to the County or other entities; and some city councils also serve as boards of redevelopment agencies and other entities. A simple mathematical average takes none of these variables into account in considering what may be appropriate compensation for city council members.</i></p> <p><i>To this end, Government Code section 36516, which establishes salary caps for general law cities, has different caps depending on the population of the city. For example, the California Legislature set a different salary cap for cities with populations of 75,000-150,000 compared to cities with less than 35,000 in population and cities with over \$250,000 in population. Further, increases to compensation are limited to 5% per calendar year and must be specifically approved by the city council pursuant to an ordinance in open session, unless approved by the electorate at a municipal election.</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Concord	→	<i>The City of Concord has no independent information to verify this finding. With respect to Concord, the City agrees with this finding.</i>
Town of Danville	<i>Agree</i>	<p><i>Based upon the information contained in the report, eight cities spend more than the mathematical countywide average of \$39,377 for salary and meeting fees. Danville cannot address the practices of other jurisdictions, and has not independently verified information presented in the Grand Jury report.</i></p> <p><i>Based upon population, Danville is the eight (sic) largest city in the Contra Costa County. According to the information cited in the report, Danville ranks twelfth in Total Compensation and eighth in Total Salary and/or Meeting Fees.</i></p> <p><i>The report identifies mathematical averages for Total Council Compensation, and Salary and/or Meeting Expense. Danville's Total Compensation of \$54,998 is significantly less than the mathematical average of \$77,895 identified in the report. Danville's Salary and/or Meeting Fees of \$40,064 exceed the mathematical annual average by \$687. The amounts cited represent the sum total amount that was paid for all five Town Council members for the year.</i></p> <p><i>The Grand Jury report does not cite or address Government Code Section 36516, which sets forth the methodology by which salaries are to be set for city/town council members in general law cities. Per this code section, salary levels are determined through a two-step process, which ties a base salary amount to the population of the city, and allows for adjustments of up to 5% per year. Individual Council members receive monthly amounts of \$675 for salary, \$250 for health care reimbursement and a \$25 deferred compensation contribution.</i></p> <p><i>Town Council salary is set by ordinance, at a duly noticed public meeting, and salary adjustments may only occur when a new term of office begins. As a practical matter, this means that the salary can only be adjusted very two years after a municipal election. As a General Law city, Danville is in full compliance with Government Code Section 36516.</i></p>
City of Hercules	<i>Agree</i>	
City of Martinez	<i>Partially agree</i>	<i>Before responding, we would like to provide clarification on the findings. The Grand Jury report states "The Martinez City Council compensation is \$131,326." In September of 2010, the</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<p><i>City responded to the Grand Jury's request for public records. The request asked for salary and benefits provided to <u>elected officials</u> for Fiscal Year 2008-2009 and Fiscal Year 2009-2010, not City Council members only. The City provided information on the five Council members and the elected City Clerk and the elected City Treasurer. The information provided to the Grand Jury labeled the names and titles of each Council member, as well as the City Clerk and the City Treasurer. The total compensation of \$131,326 was derived from the seven elected officials. The total compensation for the five Council members was \$97,921.</i></p> <p><i>We are only able to verify the information provided by Martinez and the mathematical calculations used for arriving at the total compensation for Martinez elected officials. All of the cities listed above are of differing sizes and budgets. Using population only as a basis for comparison between cities is somewhat limiting, because of varying budgets, council meeting schedules, and ancillary committee responsibilities. Population should be one of several factors used to compare cities when discussing appropriate levels of compensation.</i></p> <p><i>Government Code Section 36516, which establishes salary caps for general law cities, has different caps depending on the population of the city. Increases to council compensation are limited to 5% per calendar year and must be specifically approved by the city council pursuant to an ordinance in open session, unless approved by the electorate at a municipal election.</i></p>
City of Richmond	<i>Partially disagree</i>	<p><i>The City of Richmond disputes simply taking a county-wide average for salary and meeting fees without considering other variables. Contra Costa County is comprised of cities that vary in size, complexity and composition of its city councils. For instance, the City of Richmond, with a population of over 100,000 people, does not contract significant responsibilities to the county or other entities. Rather, the City of Richmond provides all significant services in-house, including the Richmond Fire Department, the port, library, and employment and training. Providing all significant services in-house places greater time demands on the Richmond City Council members. A simple mathematical average fails to take any of these variables into consideration.</i></p>
City of San Pablo	<i>Partially agree</i>	<p><i>We assume the Grand Jury's figure of \$39,377 is correct. San Pablo city council members receive \$702 per month for service on the Council. This equates to \$8,424 per year, or \$42,120 per</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<p><i>year for the entire Council, only slightly higher than the quoted average, and well within the average range. In fact, as of November, 2011 the salaries of San Pablo councilmembers will be 15% less than allowed by law, and there is no current intent to increase those salaries.</i></p> <p><i>San Pablo cannot comment on the reasons why council salaries are higher in some cities and lower in others. Much depends on each city's size, fiscal condition, meeting schedules and responsibilities, budgets, services provided and service on other entities. A simple mathematical average takes none of those variables into account in considering what may be appropriate compensation for city council members.</i></p>
City of San Ramon	<i>Agree</i>	<i>By definition, in any computation of an average some must be above the average and some must be below the average.</i>

Recommendation # 2: These cities, as part of the annual review in Recommendation 1, should consider whether it would be appropriate to implement reductions of salary and meeting fee expenditures to bring them in line with other cities.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Antioch	<i>Will implement</i>	<p><i>Certainly, an annual review of council compensation and benefits discussed above would consider whether reductions (or possibly increases) are appropriate and follow whatever statutory procedures may apply to such actions. As a point of interest, since 2009, the Antioch City Council has adopted a resolution encouraging elected officials to decrease their compensation given the economic challenges facing the City and the sacrifices made by Antioch employees and residents.</i></p> <p><i>However, as indicated above, bringing salary and meeting fee expenditures “in line with other cities” should not simply be based on a mathematical average that fails to take into account the responsibilities of council members for cities of varying sizes and services. Therefore, as to this part of the recommendation, we would suggest further analysis to determine what should be considered in looking at salary and meeting fee expenditures “in line with other cities” beyond simply an average of salaries provided in a wide variety of cities.</i></p>
City of Concord	→	<i>As part of their annual review of the City's operating budget, including the Council's operating budget, Concord City Council members have individually decided to voluntarily reduce their</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<p><i>pay & benefits, matching the sacrifices that regular employees have made in each of the last two years. Council members are continuing this practice into Fiscal Year 2011-12. The Grand Jury's recommendation that the "appropriate" pay and benefit level for Council members would be the average level of all cities in the county, is not supported by the Concord City Council. Each city within the County has differing levels of budget, population, and service responsibilities; therefore a "one-size-fits-all" solution hardly seems appropriate. As the Grand Jury's information mentions, Concord is the largest City in the County by population but its Council members are not the highest paid/benefited council members. Concord's City Council will continue to consider their individual pay and benefit levels at its annual budget reviews, and will continue to evaluate the appropriateness of those pay and benefit levels in light of prevailing fiscal conditions.</i></p>
Town of Danville	<i>Will implement</i>	<p><i>Based upon population, Danville is the eight (sic) largest city in Contra Costa County. According to the information cited in the report, Danville ranks twelfth in Total Compensation and eighth in Total Salary and/or meeting Fees. The sum Total Compensation amount that was paid for all five Town Council members in 2010 was \$54,998, significantly less than the average of \$77,895 cited in the report. On this basis, Danville's compensation is not "out of line" with other cities.</i></p> <p><i>Danville is in full compliance with Government Code Section 36516 which sets forth the methodology by which salaries are to be set for city/town council members in general law cities, and the compensation level based upon city/town population size.</i></p> <p><i>As noted in the response to Recommendation #1, by September 30, 2011, the Town Council budget format will be further itemized to coincide with applicable categories included in the recommendation, including salary and meeting expenses.</i></p>
City of Hercules	<i>Implemented</i>	<p><i>On July 12, 2011, the City Council examined its salaries and benefits. At its July 26, 2011 regular meeting, the City Council adopted a resolution terminating all health and welfare benefits and CalPERS benefits for Council members while leaving Council salary at its present level.</i></p>
City of Martinez	<i>Will implement</i>	<p><i>Certainly, an annual review of council compensation and benefits discussed above would consider whether changes are appropriate and follow whatever statutory procedures may apply to such actions. The Council has already begun to have such a discussion, as evidenced during a recent public meeting to adopt</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<p><i>the budget for FY 2011-12 and 2012-13. Changes in salary and benefits were not implemented, but the Council started the dialogue on the topic.</i></p> <p><i>However, as stated earlier, bringing salary and meeting fee expenditures “in line with other cities” should not simply be based on a mathematical average that fails to take into account the responsibilities of council members for cities of varying sizes and services. Therefore, as to this part of the recommendation, we would suggest further analysis to determine what should be considered in looking at salary and meeting fee expenditures “in line with other cities” beyond simply an average of salaries provided in a wide variety of cities.</i></p>
City of Richmond	<i>Will not implement</i>	<p><i>A review of council compensation and benefits, as explained above, would consider whether reductions are appropriate and follow whatever statutory procedures may apply to such actions.</i></p> <p><i>As indicated above, bringing salary and meeting fee expenditures “in line with other cities” should not simply be based on a mathematical average that fails to take into account the responsibilities of council members for cities of varying sizes and services.</i></p>
City of San Pablo	<i>Will implement</i>	<p><i>Annual review of council compensation and benefits discussed above can consider whether adjustments are appropriate and follow whatever statutory procedures may apply to such actions. It should be noted that, other than a small stipend for meetings of its Redevelopment Agency, San Pablo city council members receive no additional payment for service on any other boards or commissions, whether local or regional. This is true, most recently, for the City’s newly created Economic Development Commission, where the City Council sits as the Board of Directors.</i></p>
City of San Ramon	<i>Will not implement</i>	<p><i>The recommendation will not be implemented because it is not reasonable and does not seem to recognize the existence of California Government Code Section 36516. Suggesting that agencies reduce salaries to the average of the County not only ignores differences in agency size and operations, but it ignores the statistical reality that unless all agency salaries are identical, there will always be agencies above and below the average. Many years ago, the State legislature acknowledged that population size of an agency should have a bearing on salary levels for elected municipal officials when they established a base salary scale for elected officials that becomes higher depending on population of a City. The need for increasing these salaries</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<i>over time to help account for inflation was also recognized and the law provides for 5% periodic increases in the base amount of the salaries. We suggest that this recommendation could have been to have cities periodically review if compensation levels conform to State Law and are not unreasonably above the levels paid in similar jurisdictions.</i>

Finding # 3: Eight special districts spend more than the county-wide average (\$13,313) for salary and meeting fees. They are: Central Contra Costa Sanitary District, Contra Costa Water District, Discovery Bay Community Services District, Ironhouse Sanitary District, Los Medanos Community Healthcare District, Mt. View Sanitary District, Stege Sanitary District and West County Wastewater District.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Central Contra Costa Sanitary Dist.	<i>Agree</i>	
Contra Costa Water District	<i>Agree</i>	
Discovery Bay Community Services District	<i>Agree</i>	<i>The TODBCSD agrees with the information relative to Finding #3, however, and as explained in the response to Finding and Recommendation #1, it should yet again be acknowledged that the district fully complies with CSD Law and its associated California Government Codes 61000 et seq. relative to elected Board member compensation practices. A mean average, while simplistic, does not accurately reflect the amount of compensation a board receives in connection with the work that it does as compared to other districts with similar duties or the policy of the amount of payment in a particular district may decide to implement. The TODBCSD is a community services district with a broad range of duties including sewer, water, recreation, and lighting/landscaping for the residents of Discovery Bay. In order to fulfill its obligations as a Board, it meets twice a month and requires its members to participate in committees and attending meetings of other public bodies. While the TODBCSD does not know how many meetings and what responsibilities each of the other special districts have that were used for arriving at the mean average, the TODBCSD believes that the compensation it is providing to Board members is in conformance with law and reasonable.</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Ironhouse Sanitary District	→	<i>Ironhouse has not independently verified Finding #3, and again, if accurate, has no reason not to agree with it.</i>
Los Medanos Community Healthcare District	<i>Partially disagree</i>	<p><i>The District agrees that, per Section 32103 of The Local Health Care District Law, LMCHD provides \$20,500 in meeting fees to its elected Board members in FYI 2009-2010. The District disagrees that the District spends more than the County-wide average for salary and meeting fees, however, for three reasons.</i></p> <p><i><u>First</u>, simply comparing the total amount spent on compensation across all special districts is of limited value, as it fails to take into consideration the varied functions and levels of service provided by different special districts. <u>Second</u>, as the Grand Jury pointed out on page 4 of Report #1104, compensation to elected members includes not just salary and meeting fees but also health care insurance premiums, pension contributions, and other costs; based on the chart on page 4, the average compensation expense for Contra Costa special districts is \$34,784, not \$13,313. <u>Third</u>, the county-wide average for salary and meeting fees itself is inaccurate, as it doesn't account for the fact that California state statutes cap the total level of compensation to elected members for certain types of special districts, and prohibit compensation altogether for others.</i></p> <p><i>(1) Special districts have a wide variety of functions and scopes of activity, which determine the level of involvement and expertise required from their elected members. Therefore, simply comparing the total amount spent on salaries and meeting fees across all special districts amounts to comparing apples to oranges.</i></p> <p><i>To provide an accurate measurement of the reasonableness of the compensation paid to Special Districts or City Councils, Grand Jury Report #1104 could have measured compensation to elected members relative to the total level of services provided to its residents and the level of involvement required of its elected members. Barring that level of detail, the Grand Jury could have looked to other indicators that provide an approximation of the reasonableness of the compensation paid to elected members – e.g., the level of compensation per number of residents served.</i></p> <p><i>In fact, Grand Jury Report #1104 already utilized such a metric when it “looked at the use of funds and if the total amounts spent by these agencies for elected officers’ compensation seemed</i></p>

Responding Agency	Response	Comments
		<p><i>reasonable.” Grand Jury Report #1104, p.1. In order to illustrate the compensation disparities among Contra Costa County’s elected Boards and Councils, the Report compared only communities with approximately the same number of residents: “[w]hile Martinez and Oakley both have similar populations of about 35,000 residents, the Martinez City Council total compensation is \$131,326, while Oakley’s is only \$28,544... San Ramon with 60,000 residents pays \$163,190 to its entire Council while Pittsburg, with slightly more residents, pays its Council \$40,035... [and] Richmond and Antioch, both with around 100,000 residents, pay their entire Councils \$267,139 and \$112,591 respectively.” Grand Jury Report #1104 at 1.</i></p> <p><i>If one examines the compensation provided to elected members of Contra Costa County’s special districts per number of residents served, it quickly becomes apparent that LMCHD’s compensation level is far below the average. The average cost of compensation of elected members per resident among special districts is \$1.95, and LMCHD’s cost of compensation per resident is only \$0.25, far below the average cost.</i></p> <p><i>(2) The District also disagrees with the finding because the \$13,313 average cited in Grand Jury Finding #3 is inaccurate. That figure does not account for non-salary compensation such as health care insurance costs, pension contributions, and other costs, which results in inaccurate and sometimes nonsensical findings. For example, Mt. Diablo Healthcare District does not provide its elected members with any salaries or meeting fees, but provides a total of \$42,498 in health care insurance costs; and Byron-Bethany Irrigation District provides only \$5,360 in salaries and meeting costs but \$99,684 in health care insurance costs. Under Grand Jury Finding #3, these two special districts with higher-than-average compensation expenses are considered to fall below the County-wide average (and in the case of Mt. Diablo Healthcare District, to have no compensation expenses).</i></p> <p><i>As noted in page 4 of Grand Jury Report #1104, the average compensation level of Contra Costa County Special Districts when non-salary costs are included is \$34,784, not \$13,313. Based on total compensation expenses, therefore, LMCHD’s compensation level of \$20,500 is far below the average.</i></p> <p><i>(3) Finally, District disagrees with the finding because the average compensation levels listed in the Grand Jury Report</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<p><i>(whether based on total compensation or salary and meeting fees alone) fail to take statutory restrictions into account. Compensation to elected members of special districts is circumscribed by California state law. Some special districts, such as police protection districts, are prohibited from providing any compensation to its elected members. See Cal. Health & Safety Code §20069. Other special districts, such as fire protection districts, are prohibited from providing more than \$400 a year to each elected member. See Cal. Health & Safety Code §13857.</i></p> <p><i>If one excludes police and fire protection districts, as well as special districts serving less than 5,000 residents that do not provide compensation to its members, the average level of compensation is \$54,548, not \$34,784.</i></p> <p><i>In summary, the District agrees with the statement that LMCHD provided \$20,500 in meeting fees to its elected Board members in FY 2009-2010. However, the District disagrees with the finding that \$13,313 is the County's average compensation level and that LMCHD's compensation levels are above the average. Not only does this amount fail to consider the varied nature and scope of activities among special districts, it is also inaccurate because it does not measure non-salary and meeting fees expenses such as health care insurance and pension costs, and does not account for statutory restrictions which cap or even prevent compensation to members of certain types of special districts.</i></p>
Mt. View Sanitary District	<i>Agree</i>	
Stege Sanitary District	<i>Agree</i>	
West County Wastewater District	<i>Agree</i>	

Recommendation # 3: These special districts, as part of the annual review in Recommendation 1, should consider whether it would be appropriate to implement a reduction of salary and meeting fee expenditures to bring them in line with other special districts.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Central Contra Costa Sanitary District	<i>Will implement</i>	<i>The Central Contra Costa Sanitary District will consider whether it would be appropriate to implement a reduction of salary or meeting fee expenditures for Board members, while recognizing the amount of time spent by Board members in service to the District community (an average of 24 scheduled Board meetings and as many as 48 Committee meetings in the course of a year), the size of the District, and in comparison with other agencies.</i>
Contra Costa Water District	→	<i>The review will be completed no later than the Board’s consideration of the proposed 2013-2014 budget in May 2012. Board compensation was established by Water Code Section 30507.1 (a provision of the County Water District Law) in 1987 (revising Water Code Section 30507 which was originally enacted in 1949) and were further amended in 2005 pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. The amount, which includes no inflationary adjustments, was predicated on the scale and complexity of the District having a service area comprised of greater than 75,000 registered voters and assessed valuation of District assets of greater than \$40,000,000. See attached copy of California Water Code Section 30507.</i>
Discovery Bay Community Services District	<i>Will not implement</i>	<i>The TODBCSD will not implement Recommendation #3 by implementing a salary reduction for elected members of the board since it is providing its board member compensation at each regular meeting. Elected board members of Independent Special Districts in California do not receive a salary. Pursuant to GC§61047(a), board members are paid a stipend for a “day of service”. Elected officials are required by their oath of office to uphold and defend the laws of the state of California and the Constitution of the United States of America. In carrying out their offices, it is necessary to meet and conduct the business of the district, either at a regularly scheduled meeting, a special meeting of the board, a community workshop, or any other type of meeting that warrants their participation. Elected members of boards and city councils work tirelessly and attend a number of public events. Some of these meetings are not compensated, yet as a result of their</i>

Responding Agency	Response	Comments
		<p><i>elected position, officials are expected to attend these events in order to be effective leaders. The types of meetings that a special district board member receives compensation for are clearly defined in California Government Code Section 61047(e) and are narrowly construed. Board members of Independent Special Districts are compensated by the number of meetings they attend, however, those meetings must fall into those specific categories that are defined in GC§61047(e).</i></p> <p><i>The Town of Discovery Bay Community Services District Board of Directors is in full compliance and executes their obligations consistent with laws of the state of California.</i></p>
Ironhouse Sanitary District	→	<p><i>Finding #3 and its resulting Recommendation #3 are “comparative” or “relative” in that they are based on a survey of 27 special districts of all kinds located in Contra Costa County. Ironhouse notes that this survey includes districts ranging from community service and fire protection districts which have zero elected official salary & meeting fees costs to water and wastewater treatment districts which have relatively higher elected official salary & meeting fees costs. Of these 27 special districts, seven are sanitary districts and their elected official salary & meeting fees costs range from \$4,425 to \$175,254, for an average of \$32,797. Ironhouse notes that it’s elected official salary & meeting fees are \$28,220, which is below the average for all seven sanitary districts. In other words, Ironhouse’s salary & meeting fees costs appear to be “in line” with the other six sanitary districts in Contra Costa County.</i></p> <p><i>Ironhouse further notes that currently the District is, and has been for some time, substantially upgrading its facilities to accommodate increasingly stringent water quality standards and the growth anticipated within its service area. As such, the Directors have devoted, and must continue to devote significant time, attention and oversight to ensure that these facility upgrades are accomplished in a cost-effective manner (overall costs related to the new facilities are around \$68 million) which complies with state water quality standards that are becoming increasingly more stringent over time. As an example, the District was successful, through the Board of Directors and Management staff, in improving the District’s financial position over the last six years. The District’s strong financial position allowed it to qualify for, and receive, a no-interest (0%) loan from the State of California to construct its new wastewater</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<p><i>treatment facility. This no-interest loan means the Directors were able to save the District rate payers approximately \$900,000 a year (approximately \$18,000,000 over the 20 year life of the loan) in interest payments alone. Savings like these do not come from low level involvement of the Directors; they come from a Board that is very involved in shaping the future of the District, in the best interest of its ratepayers.</i></p> <p><i>Notwithstanding the above response to Finding #3, through its annual budgeting process Ironhouse will continue to annually review the meeting fees it pays to its elected Directors. As long as they remain below the county-wide average for other sanitary districts, they are expected to remain unchanged.</i></p>
Los Medanos Community Healthcare District	<i>Will not implement</i>	<p><i>The recommendation will not be implemented because it is unwarranted.</i></p> <p><i>As indicated above, the District finds of limited value: (1) a comparison of Contra Costa special districts without regard to their function and scope of their activities; and (2) a comparison of the total costs of compensation without regard to the level of commitment/expertise required of its elected members.</i></p> <p><i>In addition, the cited County-wide average of \$13,313 is itself inaccurate. As noted above, this figure fails to take into consideration: (1) non-salary expenses like health care insurance and pension costs, and (2) California state statutes that cap or prohibit compensation to members of certain types of special districts (such as police and fire protection districts). Once these factors are incorporated, it quickly becomes apparent that LMCHD's compensation levels are far below the County-wide average.</i></p>
Mt. View Sanitary District	<i>Will implement</i>	<i>The recommendation has not yet been implemented, but will be implemented by an amendment to the Board Policies and Procedures on or before August 18, 2011.</i>
Stege Sanitary District	<i>Will implement</i>	<p><i>Recommendation #3, that special districts should consider as part of its annual review whether it would be appropriate to implement a reduction of salary and meeting fee expenditures to bring them in line with other special districts, has not yet been implemented but will be in July 2011 as part of the Stege Board's next annual review of Board compensation.</i></p> <p><i>Senate Bill 1559 became effective on January 1, 2001 and this allowed an increase in the meeting fee compensation of sanitary</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<p><i>district directors. The Stege Board reviewed cost-of-living data and increased its meeting fee compensation in February 2001 in accordance with Senate bill 1559 and cost-of-living data. Similarly, increases since that time have been limited to amounts less than cost-of-living figures for the San Francisco Bay area.</i></p>
<p>West County Wastewater District</p>	<p><i>Implemented</i></p>	<p><i>The District has examined its Director salaries and benefits for many years so this recommendation has already been implemented. As part of its annual review of Director compensation and benefits, the District typically compares the salary and benefits of its Directors to that received by directors of other local agencies.</i></p> <p><i>In determining whether to increase or reduce Director compensation and benefits, the Board takes into account the amount of time Board members spend in service to District constituents. This includes at least 24 regularly scheduled Board meetings, special meetings, committee meetings and other activities of benefit to the District during the course of a year. Directors are compensated for a maximum of six days of service to the District each month. Every member of this District's Board of Directors exceeds the number of compensable days of service almost every month. No compensation is pad for those excess days of service. Much of the time spent by this District's Board of Directors is not compensated.</i></p> <p><i>The West County Wastewater District continues to have one of the lowest rates in Northern California. It is completely debt-free and has substantial capital reserves. It has remained in compliance with its environmental permits for almost 10 consecutive years, without a violation. This is a direct result of having a stable, engaged Board of Directors.</i></p>

Finding # 4: Health care benefits are provided to elected Board members by twelve cities and nine special districts.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Antioch	<i>Agree</i>	<i>Although Antioch cannot speak to the policies in other jurisdictions, we do not have a reason to disagree that health care benefits are provided in various jurisdictions including the City of Antioch.</i>
City of Brentwood	<i>Agree</i>	
City of Concord	<i>Agree</i>	<i>The City of Concord has no independent information to verify this finding. With respect to the City of Concord, the City agrees with this finding.</i>
Town of Danville	<i>Agree</i>	<i>Danville cannot address the practices of other jurisdictions, and has not independently verified information presented in the Grand Jury report. Based upon the report these benefits are being provided in various jurisdictions including Danville.</i>
City of Hercules	<i>Agree</i>	
City of Martinez	<i>Agree</i>	<i>Although Martinez cannot speak to the policies in other jurisdictions, we do not have a reason to disagree that health care benefits are provided in various jurisdictions including the City of Martinez.</i>
City of Pinole	<i>Agree</i>	<i>The City of Pinole currently provides for health care insurance for elected City Council members/Redevelopment Agency Board of Directors and our City Treasurer. The City provides the same coverage for elected officials as our regular full time employees. The elected members also receive dental, vision and term life insurance equal to that of all full time employees. However, they do not receive any pension benefits.</i>
City of Pittsburg	<i>Agree</i>	
City of Pleasant Hill	<i>Agree</i>	<i>The City of Pleasant Hill provides health care benefits to their elected officials.</i>
City of Richmond	<i>Agree</i>	<i>Although the City of Richmond does not know the policies of the eleven other cities and nine special districts, the City of Richmond does provide health care benefits to its seven City Council members.</i>
City of San Pablo	<i>Agree</i>	<i>San Pablo also believes that health care benefits are provided in various jurisdictions, including the City of San Pablo.</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of San Ramon	<i>Agree</i>	<i>Health care benefits are provided as described and limited in California Government Code Section 36516(4)(D).</i>
Byron-Bethany Irrigation District	<i>Agree</i>	<i>Although the table summarizing the compensation data collected for the 27 special districts does not accurately reflect the Byron Bethany Irrigation District (BBID or District), BBID agrees with the “spirit” of the report and concurs with the Grand Jury’s findings and recommendations in the subject report.</i>
Central Contra Costa Sanitary District	<i>Agree</i>	
Contra Costa Water District	<i>Agree</i>	
East Contra Costa Irrigation District	→	<i>No response to Finding. See comments under Recommendation below.</i>
Ironhouse Sanitary District	→	<i>Ironhouse has not independently verified Finding #4, and again, if accurate, has no reason not to agree with it.</i>
Mt. Diablo Healthcare District	<i>Agree</i>	<i>The District pays the OPEB health care in accordance with California Government Code Section 53201. This OPBE was instituted during the time when the Mt. Diablo Hospital was being run by the District. This policy was rescinded before the merger in 1992 and health care insurance has not been offered to any Board member since that time. The health care in the statistic section of this report is the OPEB payment, not current health care benefits.</i>
Mt. View Sanitary District	<i>Agree</i>	
West Contra Costa County Healthcare District	<i>Agree</i>	
West County Wastewater District	<i>Agree</i>	

Recommendation # 4: The policy of paying health care insurance costs for Council and Board members should be reviewed to determine whether this practice is appropriate. The agencies following this practice are: Cities: Antioch, Brentwood, Concord, Danville, Hercules, Martinez, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo and San Ramon. Special Districts: Byron-Bethany Irrigation District, Central Contra Costa Sanitary District, Contra Costa Water District, East Contra Costa Irrigation District, Ironhouse Sanitary District, Mt. Diablo Healthcare District, Mt. View Sanitary District, West Contra Costa Healthcare District and West County Wastewater District.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Antioch	<i>Will implement</i>	<i>As noted above, an annual review of the compensation and benefits should include information about health insurance benefits provided to council members.</i>
City of Brentwood	<i>Implemented</i>	<i>Like many cities in California, Brentwood contracts with California Public Employee Retirement System (CalPERS) for employee health care benefits. CalPERS requires the City to offer "optional" membership in the retirement system to elected officers under Government Code Section 20322. As such, for Council members that elect "Optional" membership, the City cannot arbitrarily elect to discontinue the practice of offering health care benefits, while concurrently maintaining its contractual relationship with CalPERS for health care benefits for other City staff. The City regularly reviews the appropriateness of its compensation and benefit packages, and has determined that the package offered in conjunction with our relationship with CalPERS is appropriate.</i>
City of Concord	<i>Implemented</i>	<i>This recommendation has been implemented, in that the Concord City Council reviews its own and the entire City's operating budget annually through the budget adoption process. Concord continues to provide this benefit to its Council members because it is viewed as an appropriate Council benefit.</i>
Town of Danville	<i>Will implement</i>	<i>The Town does not pay "health care insurance costs" for Town Council members. Government Code Sections 53200-53210 allow cities to provide health and welfare benefits to members of the city council. In 1995, the Town Council adopted Resolution No. 167-95, which provided that the Town would set aside a health benefit allotment of up to \$250 per month for Town Council members. This monthly amount is held in the name of each councilmember in the Town's cafeteria plan and may be used towards the cost of purchasing health insurance through the Town or for reimbursement of medical expenses as allowed by the IRS through the Town's flexible spending plan. Any amounts not used at the end of the calendar year or forfeited and returned to the Town. This benefit meets all applicable requirements of</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<p><i>the Government Code.</i></p> <p><i>Parallel to the comment made in response to Recommendation #1, the Town, as a general law city, can conduct an annual review of Town Council health and welfare benefits, but can only adjust such benefits at the end of each Council member's term of office. 80 Ops.Cal.Atty.Gen 119 (1997).</i></p> <p><i>As noted in the response to Recommendation #1, by September 30, 2011, the Town Council budget format will be further itemized to coincide with applicable categories included in the recommendation including health expense reimbursement.</i></p>
City of Hercules	<i>Implemented</i>	<i>At its July 26, 2011 regular meeting, the City Council adopted a resolution terminating all health and welfare benefits and CalPERS benefits for Council members.</i>
City of Martinez	<i>Will implement</i>	<i>As mentioned above, a regular review of the compensation and benefits should include information about health insurance benefits provided to council members.</i>
City of Pinole	→	<p><i>Effective July 1, 2011, the City Council has taken a reduction in their health benefits as all of our employees will be doing as well. The City has rolled back our medical coverage to cap at the 2011 rates based on family status.</i></p> <p><i>In addition to the above, our City Council currently pay for their own attendance at community dinners and events with the exception of the Contra Costa Mayor's Association in which we pay dues that include two dinners at the meeting. This includes the Mayor and the City Manager. We have inquired about eliminating the dinner portion of the meeting in order to reduce costs, however, the Conference has mandated every city and agency participating to pay in order to be a member.</i></p> <p><i>The City Council <u>does not</u> get reimbursed for expenses and/or mileage to attend City business meetings or events. Unlike many of our counterparts in the County, Pinole is a full service City with Police, Fire and Wastewater as well as an active role in the West Contra Costa Unified School District and LAFCO which requires that Council members attend numerous additional meetings to discuss very complex issues.</i></p> <p><i>This is all accomplished at their own expense with no reimbursement for mileage or additional expenses. The City Council does not have an expense allowance for travel or training as well.</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Pittsburg	<i>Implemented</i>	<i>This recommendation is already implemented at the City of Pittsburg as the City Council annually reviews the Council's portion of the annual budget, prior to the Council's actions on the City proposed budget. The City of Pittsburg continues to provide this benefit, with caps on the City's contribution, to its Council members because it is viewed as an appropriate Council benefit.</i>
City of Pleasant Hill	<i>Will implement</i>	<i>As noted above, an annual review of the compensation and benefits should include information about health insurance benefits provided to council members, and the issue also will be addressed, as required, within six months of the date of the Civil Grand Jury report.</i>
City of Richmond	<i>Implemented</i>	<i>An evaluation of health care insurance costs for Richmond City Council members is already taking place. Any change in compensation for the council members (that always takes place over the course of two open, public council meetings) takes into account the health care costs as well.</i>
City of San Pablo	<i>Part has been implemented, and part will be implemented</i>	<i>The City Council recently adopted an ordinance that contains a "cap" on the amount of "in-lieu pay" that the City will contribute to the deferred compensation account of city council members. "In-lieu pay" occurs when the employee is able to verify to the City that he or she has full health coverage from another source, usually a spouse or, in the case of elected officials, a full-time job elsewhere. In such a case, it saves the City money to pay a lower percentage of the monthly premiums the City would otherwise pay directly to the employee, rather than having to pay the full premium for coverage the employee may not need. In-lieu pay will now be capped at \$500 for family or two party coverage, and \$300 for individual coverage. The issue of whether or not council members should receive health insurance coverage can be scheduled during the upcoming fiscal year.</i>
City of San Ramon	<i>Will not implement</i>	<i>The recommendation will not be implemented because it is not warranted. The implication of Recommendation #4 is that the practice of paying for health care is inappropriate. There is no basis in law or historical precedent to conclude that paying for health care insurance is inappropriate. Rather, it is entirely appropriate and provided for in State Law that has been in existence for decades. We suggest that the recommendation could have been that board members should review the policy of paying for health care insurance costs periodically to insure that payments and benefits are consistent with California Government code Section 36516(4)(D).</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Byron-Bethany Irrigation District	<i>Will implement</i>	<i>The District will comply with Recommendations No. 1 and No. 4 and will review such items as salary, meeting fees, health care insurance costs, pension/deferred compensation, life insurance premiums, cell phone usage, internet connections; and, determine whether the practice of paying health care insurance for Board members is appropriate, during the annual public review of the District's budget process.</i>
Central Contra Costa Sanitary District	<i>Implemented</i>	<i>After recent review, an alternative to medical coverage and premiums has been developed and offered to District Board members. A Board member can elect to participate in a medical expense reimbursement program, limited to \$5,000 per year, rather than the District paying the \$20,000 to \$35,000 in annual healthcare premiums. This alternative is expected to yield significant cost savings to the District.</i>
Contra Costa Water District	→	<i>The review will be completed no later than the Board's consideration of the proposed 2013-2014 budget in May 2012. The review will include a market-based comparison to other regional utility special districts with elected Boards having comparable service area populations, number of registered voters and total assessed valuation of assets.</i>
East Contra Costa Irrigation District	→	<i>While the District provides health care insurance for the members of the Board, the resolution accompanying this letter was adopted in 2004 capping the level of compensation contributed by the District at \$1,001.53 per month. The table on Compensation Expenses reflects Health Care Insurance Costs of \$72,192; the actual amount paid by the District for Director's health care for FY 2011 will be \$55,247. The balance of the insurance premium is paid by the individual Director.</i> <i>On June 14, 2011, the Board of Directors considered the Findings and Recommendations made by the Grand Jury and determined that no changes are warranted at this time.</i>
Ironhouse Sanitary District	→	<i>As noted above in the response to Recommendation #1, as part of its standard annual budgeting process the Board of Directors of Ironhouse complies with Recommendation #1. The Ironhouse annual budgeting process is open to the public and is publicized through noticed public hearings in accordance with the Brown Act. On an annual basis, Ironhouse will continue to review the appropriateness of its policy of offering to pay health care insurance premium costs for its Directors and allowing each Director to make the decision of whether or not to accept based on her/his family and other circumstances.</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
Mt. Diablo Healthcare District	<i>Implemented</i>	<i>The District does not pay health care insurance costs for its Board members. The District does pay the current OPEB health insurance coverage in accordance with California Government Code Section 53201. The District can only act to reduce or mitigate the costs where possible. The application of California Government Code Section 53201 was discontinued prior to the merger in 1992.</i>
Mt. View Sanitary District	<i>Requires further analysis</i>	<i>The recommendation requires further analysis to determine its appropriateness and necessity. The analysis will include an analysis of its relationship to the time Directors devote to District business, the recruitment and retention of qualified directors, whether the benefit is comparable to other Special districts in the San Francisco Bay Area and any other significant factors that are identified during the analysis. This analysis will be completed on or before October 21, 2011.</i>
West Contra Costa County Healthcare District	→	<i>At its Board meeting of May 25, 2011, the West Contra Costa healthcare District conducted a public review of all compensation provided to the elected Board members, and also reviewed the policy for provision of that compensation. Annual reviews will be conducted in the future.</i>
West County Wastewater District	<i>Will implement</i>	<i>This policy is being implemented. Presently, three of the five Directors are participating in the health care program. The Board of Directors is discussing whether to reduce the benefits of the participating directors to correspond with reductions upon similar benefits available to District management and staff.</i>

Finding # 5: Pension benefits, with potential long-term financial implications for the agency, are provided to Council and Board members by twelve cities and three special districts.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Antioch	<i>Agree</i>	<i>Although Antioch cannot speak to the policies in other jurisdictions, we do not have a reason to disagree that pension benefits are provided in various jurisdictions including the City of Antioch. Antioch also agrees that pension benefits have long-term financial implications, which is the reason why those benefits are included as part of the City's overall pension liability reported annually in the City's financial statements.</i>
City of Brentwood	<i>Agree</i>	

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Clayton	<i>Agree</i>	<p><i>Although Clayton cannot address policies set by other public agency jurisdictions listed in Report No. 1104, it does not have reason to disagree that pension benefits are provided in various jurisdictions within Contra Costa County, including the City of Clayton.</i></p> <p><i>Clayton further agrees that public pension benefits have long-term financial implications, which is one of the reasons why those benefits are included as part of the City's overall pension liability reported annually in the City's audited financial statement.</i></p>
City of Concord	<i>Agree</i>	<i>The City of Concord has no independent information to verify this finding. With respect to the City of Concord, the City agrees with this finding.</i>
Town of Danville	<i>Partially disagree</i>	<p><i>Danville cannot address the practices of other jurisdictions, and has not independently verified information presented in the Grand Jury report. Based upon the report these benefits were being provided in various jurisdictions.</i></p> <p><i>Changes enacted to federal law in 1990, required that all government employees not in the agency's pension system (typically part-time, temporary or seasonal workers) be included in Social Security or some alternative system. Because the Town does not participate in Social Security and excludes council members from the Town's 401(a) pension plan, council members were placed in the alternate plan along with the Town's part-time and temporary employees. This plan requires the Town to pay an amount equal to 3.75% of salary into a 457 deferred compensation plan. For council members this amount is \$25 per month. Given that this is a defined contribution amount, it cannot create an unfunded liability and does not present the Town with "long term financial implications."</i></p>
City of El Cerrito	<i>Agree</i>	
City of Hercules	<i>Agree</i>	
City of Martinez	<i>Agree</i>	<i>Although Martinez cannot speak to the policies in other jurisdictions, we do not have a reason to disagree that pension benefits are provided in various jurisdictions including the City of Martinez. Martinez also agrees that pension benefits have long-term financial implications, which is the reason why those benefits are included as part of the City's overall pension liability reported annually in the City's financial statements.</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Oakley	→	<i>Finding #5 relates to pension benefits. This benefit is also reviewed on an annual basis and the cost is minimal and does not include any retiree health or any other unfunded obligation.</i>
City of Pleasant Hill	<i>Agree</i>	<i>The City of Pleasant Hill elected officials receive pension benefits; however, those individuals pay the employee portion of the contribution (97%) for those benefits. Pleasant Hill agrees that pension benefits have long-term financial implications, which is the reason why those benefits are included as part of the City's overall pension liability reported annually in the City's financial statements.</i>
City of San Pablo	<i>Agree</i>	<p><i>San Pablo has no reason to disagree that pension benefits are provided in various other jurisdictions. Pension benefits do have long-term financial implications. Because of this, San Pablo does report this liability annually in its financial statements. Substantially all City employees, including council members, are eligible to participate in pension plans offered by California Public Employees Retirement System (CalPERS), an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS; the City must contribute these amounts.</i></p> <p><i>CalPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the City must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarially accrued liability. The city uses the actuarially determined percentages of payroll to calculate and pay contributions to CalPERS. <u>This results in no net pension obligations or unpaid contributions.</u></i></p> <p><i>As required by State law, effective July 1, 2005, the City's Miscellaneous and Safety Plans were terminated, and the employees in those plans were required by CalPERS to join new</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<i>State-wide pools. One of the conditions of entry to these pools was that the <u>City true-up any unfunded liabilities in the former Plans</u>, either by paying cash or by increasing its future contribution rates through a Slide Find offered by CalPERS. The City satisfied its Miscellaneous Plan's unfunded liability at July 1, 2005 by making a lump sum contribution of \$3,694,076 on June 28, 2005. It satisfied its Safety Plan's liability at July 2, 2005 by making a lump sum contribution of \$5,097,831 on February 28, 2006.</i>
City of San Ramon	<i>Agree</i>	<i>Pension benefits are provided as described and limited in California Government Code Section 36516(4)(D).</i>
City of Walnut Creek	<i>Disagree</i>	<i>As discussed below, deferred compensation plans have no long-term financial implications for the City and the amounts involved in providing a pension benefit to Council members are too small to have significant long-term implications.</i>
Central Contra Costa Sanitary District	<i>Disagree</i>	<i>Central Contra Costa Sanitary District was included in this Finding in error and does not provide pension benefits to current or former Board members.</i>
Ironhouse Sanitary District	→	<i>Ironhouse has not independently verified Finding #5, and again, if accurate, has no reason not to agree with it. Ironhouse does not provide its Directors with pension benefits. Ironhouse does have a policy of making employer contributions for Directors under a deferred compensation plan and allowing Directors to defer additional compensation under this plan.</i>
West County Wastewater District	<i>Agree</i>	

Recommendation # 5: The policy of paying pension or deferred compensation for Council and Board members should be reviewed to determine whether this practice is appropriate. The agencies following this practice are: Cities: Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Hercules, Martinez, Pleasant Hill, San Pablo, San Ramon and Walnut Creek. Special Districts: Central Contra Costa Sanitary District, Ironhouse Sanitary District and West County Wastewater District.

Response:

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Antioch	<i>Will implement</i>	<i>As noted above, an annual review of the compensation and benefits should include information about pension or deferred compensation benefits provided to council members.</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
City of Brentwood	<i>Implemented</i>	<p><i>This City contracts with CalPERS for retirement benefits. CalPERS requires the City to offer “optional” membership to elected officers under Government Code Section 20322. As such, the City cannot arbitrarily elect to discontinue the practice of offering pension benefits to its elected officials while concurrently maintaining its contractual relationship with CalPERS for pension benefits for other City staff. The City cannot look solely at the benefit afforded elected Council members but must rather analyze the entire relationship with CalPERS and review it in the context of the benefits offered to all employees of the City. The City regularly reviews the appropriateness of its compensation and benefit packages, and has determined that the package offered in conjunction with our relationship with CalPERS is appropriate.</i></p> <p><i>The City agrees that providing additional deferred compensation benefits for Council members, such as offering participation in a 457(b) deferred compensation plan, would not be appropriate. Unlike retirement benefits, deferred compensation benefits are not required by CalPERS to be offered as optional benefits to elected officials. These benefits are therefore not offered to its elected officials, despite being offered to the City’s bargaining units.</i></p>
City of Clayton	<i>Will implement</i>	<i>As noted above in Recommendation #1, the forthcoming annual review of Council compensation and benefits will include information about the specifics of pension or deferred compensation benefits provided to each of Clayton’s elected officials.</i>
City of Concord	<i>Implemented</i>	<i>This recommendation has been implemented, in that the Concord City Council reviews its own and the entire City’s operating budget annually through the budget adoption process. Concord continues to provide this benefit to its Council members because it is viewed as an appropriate Council benefit.</i>
Town of Danville	<i>Will implement</i>	<i>As referenced in the response to Finding #5, changes enacted to federal law in 1990 required that all government employees not in the agency’s pension system (typically part-time, temporary or seasonal workers) be included in Social Security or some alternative system. Because the Town does not participate in Social Security and excludes council members from the Town’s 401(a) pension plan, council members were placed in the alternate plan along with the Town’s part-time and temporary employees. This plan requires the Town to pay an amount equal to 3.75% of salary into a 457 deferred</i>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<p><i>compensation plan. For council members this amount is \$25 per month. Given that this is a defined contribution amount, it cannot create an unfunded liability and does not present the Town with “long term financial implications.”</i></p> <p><i>As noted in the response to Recommendation #1, by September 30, 2011, the Town Council budget format will be further itemized to coincide with applicable categories included in the recommendation including deferred compensation payments.</i></p>
City of El Cerrito	<i>Implemented</i>	<i>In response to both recommendations (1 & 5), the City Council reviews its compensation annually as part of the budget public hearing process. That process also includes public review by the City’s Financial Advisory Board. As the Grand Jury learned during its investigation, the City Council’s salary has not changed since 1991 and any change to salaries would require adoption of an ordinance. Although the City believes it is already satisfying Recommendation #1 and #5, it may in the future enhance the information about City Council compensation included in the public budget process.</i>
City of Hercules	<i>Implemented</i>	<i>At its July 26, 2011 regular meeting, the City Council adopted a resolution terminating all health and welfare benefits and CalPERS benefits for Council members.</i>
City of Martinez	<i>Will implement</i>	<i>As noted above, a regular review of the compensation and benefits should include information about pension or deferred compensation benefits provided to council members.</i>
City of Oakley		<i>Finding #5 relates to pension benefits. This benefit is also reviewed on an annual basis and the cost is minimal and does not include any retiree health or any other unfunded obligation.</i>
City of Pleasant Hill	<i>Will implement</i>	<i>As noted above, an annual review of the compensation and benefits should include information about pension or deferred compensation benefits provided to council members, and the issue also will be addressed, as required, within six months of the date of the Civil Grand Jury report.</i>
City of San Pablo	<i>Part implemented, and part will be implemented</i>	<p><i>Other than the contribution into <u>deferred compensation</u> accounts of payments “in lieu” of medical coverage, a practice which saves the City money, the city does <u>not</u> contribute any matching amounts into the deferred compensation accounts of any employee or elected official.</i></p> <p><i>The City has successfully negotiated reductions in its CalPERS <u>pension contributions</u> for its employee groups, effective July 1, 2011. All city employees, including elected officials, will pay for the entire employee share of CalPERS pension contributions over a three year period from July 1, 2011 to</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<i>June 30, 2014. MOU's reflecting these new terms were approved by the City Council on July 5, 2011.</i>
City of San Ramon	<i>Will not implement</i>	<p><i>The recommendation will not be implemented because it is not warranted. The implication of Recommendation #5 is that the practice of paying for pension benefits is inappropriate. There is no basis in law or historical precedent to conclude that paying for pension benefits is inappropriate. Rather, it is entirely appropriate and provided for in State Law that has been in existence for decades. Payment for pension benefits is also consistent with the State pension system (CalPERS) which clearly provides for pension benefits based on elected official's salary levels. We suggest that the recommendation could have been that board members should review the policy of paying for pension benefits periodically to insure that payments and benefits are consistent with California Government Code Section 36516(4)(D).</i></p> <p><i>The City appreciates the work performed by the Grand Jury and acknowledges the importance of the role served in oversight of local government activities. In the case of this report we feel the scope of the study was too narrow in that data was collected and an average was computed from which conclusions were drawn. The entire subject could have been reviewed in the context of state law, the history of elected local official compensation, and the recognition of the significant operational differences of the local agencies. Examples of operational differences between other agencies studied and San Ramon are:</i></p> <ul style="list-style-type: none"> <i>• 73,109 population as of January 1, 2011 (State Department of Finance)</i> <i>• An outstanding major business park housing Fortune 500 corporate offices</i> <i>• One of only a few cities in California with an "AAA" General Credit rating.</i> <i>• Fifty-seven high quality parks and numerous recreation facilities including: two modern libraries, two community centers, a recently expanded and renovated senior center, two swim complexes with Olympic sized competition pools, community gardens, historical farm, performing arts theaters, and multiple community/school gymnasiums</i> <p><i>These operational differences mean that there are significant differences in the complexity of serving as an elected official.</i></p>

Responding Agency	Response	Comments
		<p><i>Implying that all elected officials should be compensated in the same fashion ignores these differences.</i></p> <p><i>One of the basic conclusions of the report could have been that local agencies are in compliance with State Law which already provides for significant restrictions regarding levels of elected official's compensation. The City of San Ramon, although a Charter City, which is exempt from the State restrictions on elected official compensation, has made sure that it voluntarily has compensation levels consistent with the amounts prescribed for General Law cities. We believe there was a missed opportunity in this report to acknowledge a very positive condition in the County, that being there are no City of Bell levels of compensation for elected officials in any local agencies.</i></p>
City of Walnut Creek	Implemented	<p><i>All city employees have the option of redirecting unused health premiums into an Internal Revenue Code section 457 deferred compensation plan. As was discussed above, Walnut Creek Council members have the option of electing to have the City pay a health insurance premium equivalent to the single-party Kaiser premium (currently \$457 per month). No Council member has elected this health coverage. This same redirecting option is extended to Council members. (As noted below, the Council has voluntarily limited this amount to \$200 per month.) There is no long-term financial implication to the City from its employees or Council members participating in a deferred compensation plan. A deferred compensation plan is a defined contribution plan. A deferred compensation plan invests members' contributions. Upon retirement, a member's contributions plus investment gains or losses on the contribution are returned to the participant. There is no other liability to the employer.</i></p> <p><i>Pension benefits from the Public Employees Retirement System are based on a formula that utilizes the member's compensation, years of service, and retirement age. At the salary of a Council member, the benefit level is nominal. For example, a Council member who serves 8 years on the City Council and retires at age 60 would receive a monthly benefit of \$118.</i></p> <p><i>The demands on government revenues that contributions to defined benefit public pension plans make are a serious matter confronting California state and local government. For</i></p>

<i>Responding Agency</i>	<i>Response</i>	<i>Comments</i>
		<p><i>example, attached as Exhibit B is the recent Proposal for Regional Pension Reform of the Contra Costa County Public Managers Association and the Alameda County City Managers Association. The public debate on these issues involves retirement benefits for long-serving, full-time employees. No one has suggested that nominal benefit levels paid to elected officials whose limited salary is constrained by state law is part of the contribution crises that many public agencies face.</i></p> <p><i>Finally, it should be noted that the Walnut Creek City Council has recognized what the Grand Jury Report characterized as “the difficult economic challenges facing local government...” In 2009, all City Council members voluntarily reduced their salaries by 10% from the amounts discussed in this report. In addition the Council members voluntarily agreed to contribute seven percent of their salary as the member contribution to the Public Employees Retirement System. The Council members also limited the monthly amount that could be deferred from the unused medical benefit into their deferred compensation account to \$200.</i></p>
Central Contra Costa Sanitary District	<i>Will not implement</i>	<i>The District was included in Finding #5 in error and does not provide pension benefits to current or former Board members.</i>
Ironhouse Sanitary District	→	<i>As noted above in the response to Recommendation #1, Ironhouse complies with this recommendation. The Ironhouse annual budgeting process is open to the public and is publicized through public hearings noticed in accordance with the Brown Act. Ironhouse’s policy of making employer contributions for Directors under a deferred compensation plan and allowing Directors to defer additional compensation under this plan are reviewed annually at these budget meetings for the purpose of determining whether this practice continues to be appropriate.</i>
West County Wastewater District	<i>Implemented</i>	<i>This recommendation has been implemented and continues to be discussed. Two of the five Directors are not and will not become eligible to participate in the District’s pension program. The other three are very long term members of the Board of Directors and are vested in the plan. Future Directors will not be eligible for District pension benefits.</i>

CONTRA COSTA COUNTY GRAND JURY REPORT NO. 1105

Ethics and Transparency Issues in Contra Costa County

LAFCO: SOME MEMBERS OVERSTEPPING THEIR BOUNDARIES

Response from Local Agency Formation Commission

FINDINGS

Finding #1: Some LAFCO members committed ethical breaches by indicating that they spoke on behalf of LAFCO and the Mayors' Conference on matters not before LAFCO.

Response: The respondent disagrees with the finding. Commissioners Allen and Schroder indicated they did not intend to imply that their letter reflected the views of the Commission, and that impression could have been avoided if the letter specifically stated that the views expressed were the personal opinions of the authors and did not represent the views of LAFCO. In July 2010, the Commission approved revisions to strengthen its policies dealing with Commissioner Representation. With regard to the Mayors' Conference, we cannot comment.

Finding #2: Certain other LAFCO members weighed in inappropriately on the statements.

Response: The respondent disagrees with the finding. Members of federal, state and local agencies retain their right to free speech when they take office. However, when someone holds a public office, it benefits the officer and the public to make it clear when personal views, as opposed to the views of the organization, are being expressed.

RECOMMENDATIONS

Recommendation #1: All LAFCO members, including the public member, should receive regular training per AB 1234*, on the LAFCO Commissioners Handbook with particular focus on LAFCO's mission statement and ethics, as well as the Updated Commissioner Representation policy (1.4 Rules and Procedures – Section F.5).

Response: With regard to AB 1234 training (Gov. Code Section 53234 et seq.), the recommendation requires further analysis. Contra Costa LAFCO is composed of County, City, Special District and Public members. Currently, the County, City and Special District LAFCO members receive training per AB 1234 through their respective elected offices. LAFCOs are not specifically included in the provisions of AB 1234, and the decision to require the LAFCO public members to receive training is at the discretion of each individual LAFCO. Currently, Contra Costa LAFCO has no policy requiring its public members to receive training per AB 1234. We agree that this training is valuable. The issue will be considered by the Commission at a future LAFCO meeting.

With regard to training on the Contra Costa LAFCO Commissioner Handbook with particular focus on LAFCO's mission statement, ethics and Commissioner representation, this recommendation has been implemented. Contra Costa LAFCO regularly reviews and updates the Commissioner Handbook. Updates are presented to the Commission at least annually, and sometimes more frequently. The Commissioner

Handbook was last updated in July 2010, at which time the policy relating to Commissioner Representation was enhanced. As part of these regular updates, the Commissioners must review the Handbook. Also, this summer LAFCO will conduct a strategic workshop focusing on LAFCO's unique role/mission and timely issues.

Recommendation #2: LAFCO should promptly consider appropriate action when a violation of its policies occurs.

Response: The recommendation has been implemented. LAFCO deals promptly with issues relating to violation of its policies.

NEPOTISM ALIVE IN CEMETERY DISTRICT

Response from Contra Costa County Board of Supervisors

FINDINGS

Finding #1: There was a failure to advertise/post the open position, in compliance with the Maddy Act.

Response: Partially agree. In compliance with the Maddy Act of 1975 and Board Resolution No. 2002-377 "Board Advisory Body Procedures", the Board of Supervisors declared the Cemetery District seat vacant on August 10, 2010 (Attachment A) and directed the Clerk of the Board to post the vacancy. The Clerk is required to post unscheduled vacancies such as this one "... within 20 days after the vacancy occurs" (Attachment B). The Clerk of the Board did not post the vacancy as originally ordered by the BOS; however the posting was submitted on September 9, 2010, which was beyond the time requirements specified in State law and Board policy.

Finding #2: The initial recommendation to appoint the spouse of the Supervisor for the open special district position was not consistent with the appointment procedure.

Response: Disagree. The Board policy governing appointment procedures provides that nominating authority for certain District appointments is the responsibility of individual District Supervisors (Attachment B). In the case of the Cemetery District appointment, the District III Supervisor has the responsibility to nominate an applicant for appointment to the Board of Supervisors. In the case of this appointment, the District III Supervisor recused herself from both the interview and nomination process after her spouse had indicated his interest in applying for the vacant seat. The Board then acted to appoint a separate Supervisor to act on behalf of the full Board and carry out the interview and nomination process, returning with a recommendation to fill the vacant seat.

Finding #3: At a minimum, these improprieties created the appearance of nepotism.

Response: Disagree. The Board of Supervisors' decision to appoint a separate Supervisor to oversee the interview and nomination process and the District III Supervisor's recusal were undertaken specifically to ensure that the appearance of nepotism did not occur.

Finding #4: The formation of an outside, impartial panel to interview and select an applicant was appropriate.

Response: Agree

Finding #5: The adoption of a County anti-nepotism policy was proper.

Response: Agree

RECOMMENDATIONS

Recommendation #1: The County should adopt a policy requiring the formation of impartial selection committees in situations where there are conflicts of interest, real or perceived, that cannot be adequately addressed by a normal recusal process.

Response: The recommendation has been implemented and is being publicized. Section I(I) of Resolution No. 2002/377 “Board Advisory Body Procedures” (Attachment B), provides that: “A screening committee may be selected to assist the Board, or a member of the Board, in the interview and selection of applicants for appointment”. This section has been reviewed by the Internal Operations Committee, which has determined that this policy is sufficient and should remain in force. In February 2011, the Board of Supervisors adopted an anti-nepotism and anti-favoritism policy (Attachment C) for purposes of evaluating Board appointment requests. This is the only policy of its kind known to exist within the nine Bay Area counties and is more stringent than specifications outlined in the Maddy Act. The policy is attached to all applications for Board appointments and can be found by the public on the county website in the Board of Supervisors section.

THE DECOMPOSING OF THE KELLER CANYON MITIGATION FUND

Response from Contra Costa County Board of Supervisors

FINDINGS

Finding #1: Proper oversight of the KCMF by the BOS is lacking, which provides opportunity for impropriety.

Response: Disagree. The Board of Supervisors makes an annual appropriation on KCMF funds during the annual budget process. In addition, prior to policy enhancements to the KCMF allocation process approved by the Board of Supervisors on May 24, 2011 (Attachment D), the District V Supervisor would submit an allocation plan to the Board of Supervisors each fiscal year for consideration and approval. The 2010/11 KCMF allocation plan, as approved by the Board of Supervisors, is included for reference (Attachment E).

Finding #2: The KCMF has distributed grants without the required applications, work plans, and follow-up reports.

Response: Agree

Finding #3: The KCMF, as currently administered, is not transparent, and lends itself to a perception of being a “political slush fund,” (defined as “A sum of money used for illicit or corrupt purposes, as for buying influence.” (Webster’s New Universal Unabridged Dictionary).

Response: Disagree. Prior to policy enhancements to the KCMF Allocation Process approved by the Board of Supervisors on May 24, 2011 (Attachment D), the District V Supervisor would submit an allocation plan to the Board of Supervisors each fiscal year for approval. A copy of the 2010/11 allocation plan, as approved by the Board of Supervisors, is included for reference (Attachment E).

Finding #4: Ethical concerns are raised when grants are awarded to organizations whose boards include members of the granting committee.

Response: Agree. To address real or perceived conflicts of interest, the Board of Supervisors approved Resolution No. 2002/376 “Policy for Board Appointees Governing Conflict of Interest & Open Meetings” (Attachment F), which revised the Conflict of Interest policy for certain Board appointees to local appointive bodies. In addition, Contra Costa County complies with Assembly Bill 1234 (Chapter 700, Statutes of 2005) which requires certain public officials to complete Ethics Training on a bi-annual basis.

Finding #5: Despite the fact that \$14 million has been distributed over the past ten years, no annual report has been issued. At the time of the writing of this report, no County-linked website to the KCMF could be found.

Response: Partially Disagree. The new Annual Report requirement was approved by the Board of Supervisors on May 24, 2011 (Attachment D). As of May 26, 2011, the date that the Grand Jury submitted Report No. 1105 to the Board of Supervisors, a county-linked website for the KCMF was active on the District V Supervisor’s website.

Finding #6: Due to a lack of publicly available information about the KCMF, not all non-profit organizations, nor the public, are aware of the fund, its mission, and its processes, and thus are unable to benefit from it.

Response: Partially Disagree. The Board of Supervisors makes an appropriation of KCMF funds during the annual budget process. In addition, prior to policy enhancements to the KCMF allocation process approved by the Board of Supervisors on May 24, 2011 (Attachment D), the District V Supervisor would submit an allocation plan to the Board of Supervisors each fiscal year for approval. A copy of the 2010/11 allocation plan, as approved by the Board of Supervisors, is included for reference (Attachment E).

RECOMMENDATIONS

Recommendation #1: The BOS should direct the County Administrator’s Office to more closely monitor the KCMF activity and ensure compliance with BOS approval requirements, as well as application, work plan and performance reporting requirements.

Response: The recommendation will not be implemented. The Finance Committee

reviewed the KCMF grant process and made policy enhancement recommendations to the Board of Supervisors. The recommendations were approved by the Board of Supervisors on May 24, 2011 (Attachment D) and have been implemented.

Recommendation #2: The BOS should require training on and compliance with a County ethics policy for all KCMF Committee members.

Response: The recommendation has been implemented. On April 14, 2011, the Board of Supervisors approved a recommendation from the Finance Committee to establish the “Keller Canyon Mitigation Fund Review Committee” (Attachment G). The Committee members, once appointed, are required to complete a conflict of interest training program pursuant to Section 3 of Resolution No. 2002/376 “Policy for Board Appointees Governing Conflict of Interest & Open Meetings” (Attachment F).

Recommendation #3: An annual report for the KCMF should be issued, and a County-linked website should be established to clarify mission, application and selection process and requirements.

Response: The recommendation has been implemented. On May 24, 2011, the Board of Supervisors adopted several policies, as recommended by the Finance Committee, governing the use of Keller Canyon Mitigation funds (Attachment D). Section II(E) of the policy requires that an Annual Report be filed with the Board of Supervisors no later than September 30th of each year for the prior fiscal year. Section II(A) of the policy requires that information regarding the KCMF grant process be posted on the District V and County websites.

Recommendation #4: The BOS should consider re-establishing the Finance Committee oversight of grant awards.

Response: The recommendation will not be implemented. The Finance Committee reviewed the KCMF grant process and made policy enhancement recommendations to the Board of Supervisors. The recommendations were approved by the Board of Supervisors on May 24, 2011 (Attachment D) and have been implemented.

Recommendation #5: The BOS should ensure that all County mitigation funds, or similar funds under the control of a single Supervisor, receive proper supervision.

Response: The recommendation has been implemented. In December 2008, the Board of Supervisors referred the issue of County Special Revenue Funds to the Internal Operations Committee for review and potential establishment of a protocol for allocating funding from such funds. After several months of study, the IOC referred a draft Special Revenue Policy to the Finance Committee for review in August 2009. In December 2009, the Board of Supervisors approved a policy statement affirming that responsibility for administration of Special Revenue funds was to remain with the Supervisor of the District in which the revenue was generated (Attachment H).

OVERALL FINDING

Finding #1: Avoiding the appearance of unethical behavior especially with regard to conflicts-of interest and nepotism, is crucial to public confidence in governance.

Response from Contra Costa County Board of Supervisors

Response: Agree

Recommendation #1: Each of the 19 cities, 28 independent special districts and the County should review and report to the Grand Jury on the adequacy of its:

- a) Nepotism policy;**
- b) Conflict-of-interest policy; and**
- c) Ethics training policy.**

***Response:** The recommendation has been implemented. The Board of Supervisors makes the following determinations regarding the adequacy of each policy outlined above:*

a) Nepotism Policy: On October 26, 2010, a report from the Public Protection Committee to the Board of Supervisors noted that Committee staff did not find a policy prohibiting family members of Supervisors from being appointed to local committees, commissions, or bodies in the neighboring nine Bay Area counties (Attachment I). The Board of Supervisors approved Resolution No. 2011/55 (Attachment C) prohibiting family members of Supervisors from receiving such appointments and is thus the only county in the Bay Area known to have such a policy.

b) & c) Conflict of Interest and Ethics Policies: In 2002, the Board of Supervisors approved Resolution No. 2002/376 “Policy for Board Appointees Governing Conflict of Interest & Open Meetings” (Attachment F), which revised the Conflict of Interest policy for certain Board appointees. In addition, Contra Costa County complies with Assembly Bill 1234 (Chapter 700, Statutes of 2005) which requires certain appointees to local legislative bodies (committees, commissions, and advisory bodies) to complete Ethics Training on a bi-annual basis.

The 19 cities of Contra Costa County and various independent districts were requested to respond to the “Overall Findings and Recommendations” but were not required to respond. The table on the following pages represents the responses that were received.

<i>Responding Agency</i>	<i>Comments</i>
City of Antioch	<i>The recommendation has been implemented with the policies reviewed and reported on to the Grand Jury with this letter.</i> <i>a) <u>Nepotism policy.</u> As to a formal nepotism policy, a policy has been drafted, which the city continues to discuss with the representatives of its employee groups. Informally, a City staff member would not be allowed to participate in a process to hire a family member. Some larger departments do have family members, but steps are taken to ensure that family members do not</i>

Responding Agency	Comments
	<p><i>supervise each other or participate in any evaluation or promotional process involving a family member.</i></p> <p><i>As to the situation in the Grand Jury’s report regarding the initial appointment of a County Supervisor’s spouse to the board of the cemetery district, appointments for City Commissions and Boards are publicly advertised in accordance with the Maddy Act. The issue of a Council Member’s spouse seeking an appointment has not come up in recent memory, and if it did, then steps would be taken to ensure a fair process.</i></p> <p><i>b) <u>Conflict-of-Interest policy.</u> The City of Antioch has adopted a Conflict of Interest Code as mandated by state law and further reviews it every two years to ensure that it is up-to-date. This has been particularly important in recent years with significant staffing cutbacks affecting the list of designated employees. The Antioch Development Agency likewise has a Conflict of Interest Code.</i></p> <p><i>c) <u>Ethics Training Policy.</u> To ensure regular training on ethical issues, the City Council has required all Council Members, Commissioners, Board Members and designated employees under its Conflict of Interest Code to participate in Assembly Bill 1234 Ethics training. Initially that training was provided in a live format. However, due to budget cutbacks, most participate in the online training provided by the Institute for Local Government/League of California Cities and endorsed by the Fair Political Practices Commission and Attorney General’s Office. All new appointees and designated employees are required to complete the training and subsequent reminders are sent to all to keep their training current every two years.</i></p>
City of Brentwood	<p><i>Nepotism Policy: The recommendation has been implemented. The City of Brentwood wholeheartedly agrees that avoiding the appearance of unethical behavior especially with regard to conflicts-of-interest and nepotism, is crucial to public confidence in governance. To that end, the Brentwood City Council adopted the attached Council/ Administrative Policy 20-27, Nepotism and Fraternization on August 12, 2008 (the “Nepotism Policy”)</i></p> <p><i>The purpose of the Nepotism Policy is to establish guidelines and rules on relationships between employees that may give rise to actual, potential, or perceived conflicts of interest between professional responsibilities and personal relationships and/or create an adverse impact on the City’s supervision, productivity, safety, security or morale. It is important that the City remain vigilant of perceptions and that we eliminate the appearance of impropriety. Among other things the Nepotism Policy also prohibits two relatives from being appointed or placed in any position that would compromise or have the possibility of compromising the security of any property or money entrusted to the City.</i></p>

Responding Agency	Comments
	<p><i>The nepotism and fraternization policy defines various relationships, provides guidelines, discusses the duty to notify the chain of command, outlines enforcement procedures and assigns responsibilities.</i></p> <p><i>Conflict-of-Interest Policy:</i> <i>This recommendation has been implemented. The City agrees that the City’s Conflict of Interest Code (the “Code”) must be reviewed bi-annually to determine its accuracy, or alternatively that the Code must be amended. Staff reviewed the Code in 2010 and determined that no changes were required at that time. The attached Code was adopted in November of 2008, and will be updated in 2012. In addition, the Fair Political Practices Commission (FPPC) requires every local government agency to update its conflict of interests code as positions are added or modified.</i></p> <p><i>During the last update to the Code the disclosure categories were revised to allow full disclosure for positions with broad decision-making authority and for positions that only make purchases or decisions for a specific department. Positions that make or participate in making governmental decisions that could affect an employee’s personal financial interests were designated in the Code.</i></p> <p><i>Ethics Training Policy:</i> <i>This recommendation has been implemented. The City agrees with the importance of providing continual training related to ethics and City policy. After AB1234 was codified, in part, at Government Code section 53234, et seq., the City Council of the City of Brentwood adopted the attached Resolution which designated local agency officials for the purposes of section 53234 including key management staff, board and commission members, department directors and the City’s elected officials. Since 2006 the City has held two bi-annual training sessions for select City employees and officials. In addition City staff has notified neighboring cities of the trainings should they wish to attend. The trainings are two hours and have covered the topics required in AB 1234.</i></p>
City of Clayton	<p><i><u>The recommendation has been implemented with applicable policies and practices of the City reviewed and reported to the Grand Jury with this letter.</u></i></p> <p>a) <i><u>Nepotism Policy.</u> As to a formal nepotism policy, the City does not have a written policy enacted. The City did in February 2010 enact an Anti-Fraternization Policy within the City’s employment organization (City Resolution No. 04-2010) that addressed the possible employer exposure to liability of certain employee fraternizations and therein set standards and policies for prohibited relations between supervisors and subordinate employees. Informally, it is existing practice that no City official or staff member would be allowed to participate in a process to hire a family member.</i></p> <p>b) <i><u>Conflict of Interest Policy.</u> The City adheres to a previously adopted Conflict of Interest Code as mandated by state law. Said law further requires this Code to be reviewed every two years to ensure it is current</i></p>

<i>Responding Agency</i>	<i>Comments</i>
	<p><i>regarding any public organizational changes or reorganization and its application to designated officials and employees subject to the Code.</i></p> <p><i>c) <u>Ethics Training Policy.</u> To ensure regular training on ethical situations and issues, the City Council has required Council Members, Planning Commissioners, and designated employees under its Conflict of Interest Code to comply with Assembly Bill 1234 (statute 2005) – Ethics Training. Initially that training was provided in a live-presenter format. However, due to budget cutbacks and unfunded state mandate implications, most public agencies now comply through online training provided by the Institute for Local Government/League of CA Cities and endorsed by the Fair Political Practices Commission and the State Attorney General.</i></p> <p><i>All new appointees and designated employees are required to complete the AB 1234 Training and our City Clerk sends biennial reminders to each designated official and employee to maintain current compliance. Certificates documenting the completion of said ethics training are collected and maintained by the City Clerk in a notebook available for public review at City Hall.</i></p>
City of Concord	<p><i>The City of Concord agrees with the finding and has adopted the following governing documents which address the recommendation (below). Each has been reviewed recently and is believed to be appropriate and effective.</i></p> <p><i>1) Policy and Procedures No. 37.4 – Employment of Relatives</i></p> <p><i>2) Resolution No. 10-54 – Amending Appendix “A” of Resolution 81-6601, the City of Concord’s Conflict of Interest Code, following the FPPC’s required 2010 Biennial Review of classifications.</i></p> <p><i>Administrative Directive No. 43 – Ethic Training for Elected Officials; appointees to certain Boards, Commissions, and Committees; and Designated Employees</i></p>
Town of Danville	<p><i>a) <u>Nepotism Policy:</u> The recommendation has not yet been implemented, but will be implemented in the future, with a timeline for implementation. The Town has had a nepotism policy since incorporation. The policy is contained in the Town’s Personnel Policies and Procedures and has been effectively used over the years. Though the policy has been applied to all aspects of the Town Government, it does not specifically include elected Town Council members. The Town will adopt a Town Council nepotism policy by September 30, 2011.</i></p> <p><i>b) <u>Conflict of Interest Policy:</u> The recommendation has been implemented. The Town Council reviews and adopts a local conflict of interest code every two years, consistent with the provisions of the Political Reform Act and implementing regulations of the Fair Political Practices Commission. The City Clerk and City Attorney meet with all newly elected and appointed officials to review conflict of interest codes and filing requirements as soon as the officials assume office.</i></p> <p><i>c) <u>Ethics Training Policy:</u> The recommendation has been implemented. The City Clerk and City Attorney annually work with all of the Town’s elected</i></p>

Responding Agency	Comments
	<p><i>and appointed officials to ensure that they complete the required AB 1234 ethics training within one year of assuming office and every two years thereafter. The City Clerk maintains a roster of all officials showing the dates upon which they completed the required training. The Clerk and the Attorney provide information to all officials on available training options and follow up with officials to ensure completion. The City Attorney provides at least one training session per year for the Town's officials in order to make the training more accessible.</i></p> <p><i>Danville agrees that all elected and appointed officials must hold themselves to the highest possible standards, including avoiding the appearance of unethical behavior especially with regard to conflicts of interest and nepotism, is crucial to public confidence in governance.</i></p>
City of El Cerrito	<p><i>The City of El Cerrito agrees completely with the Grand Jury's finding that all business of the City must be conducted in a way to avoid any appearance of unethical behavior particularly with regard to conflicts of interest and nepotism as this is crucial to public confidence in governance.</i></p> <p><i>The City of El Cerrito fosters a culture of ethics and transparency, strives to maintain the highest standards of ethical behavior and adheres to and is in compliance with State ethics and conflicts of interest laws. Additionally, the City established a uniform Code of Ethics for City employees as Administrative Policy and Procedures No. II(A)(1) in 2005 which addresses public service responsibilities, equitable treatment, forbiddance of gratuities, use of public property, outside employment and political activity and has also established separate codes of conduct for elected and appointed officials. Additional city policies which address ethics and conflict of interest include Administrative Policy and Procedure No. I(B)(3) Conflict of Interest Statements and No. II(A)(12) Outside Employment Activities. A copy of each policy is attached for your reference.</i></p> <p>A. <i><u>Nepotism Policy.</u> The City agrees with the Grand Jury's recommendation to review the adequacy of its nepotism policy. The City follows Government Code Section 1090, the Political Reform Act and other state laws that seek to prevent nepotism. The City's opposition to nepotism is also expressed in a Memorandum of Understanding with SEIU.</i></p> <p>B. <i><u>Conflict of Interest Policy.</u> The City agrees with the Grand Jury's recommendation to review the adequacy of its Conflict of Interest policy. The City, in accordance with state law, conducts a biennial review of its Conflict of Interest Policy in each even numbered year. The biennial update of the City's Conflict of Interest Code was adopted by resolution in October 2010 and updated again in July 2011. All filers are noticed promptly of filing obligations and filers comply with the statutory deadlines. The City Clerk maintains a detailed log of</i></p>

Responding Agency	Comments
	<p><i>Form 700 filers that are reviewed each year by the City's auditors. The City has also established internal administrative policies and procedures regarding Conflict of Interest and Outside Employment and Activities. Additionally, the City provides elected and appointed officials with handbooks containing information on the rules and regulations governing conflict of interest and ethics. The City believes its current Conflict of Interest Code and internal policy meet the requirements of state law and are adequate but will undertake the additional task of reviewing its elected and appointed official handbooks for any updates within the next year.</i></p> <p>C. <i><u>Ethics Training Policy.</u> The City agrees with the Grand Jury's recommendation to review the adequacy of its ethics training policy. The City Council receives formal AB 1234 Training every two years in accordance with state law. The City Clerk maintains the original training certificates and reminds the Council when additional training certification is required. City commissioners receive handbooks of comprehensive information relating to the role of a commissioner, conduct of meetings, the Brown Act and Conflict of Interest. Employees are instructed to review the City's comprehensive ethics policy upon hire and the policy made commonly available on the city's computer network for periodic review. Additionally, the City recently offered two separate lunch time trainings to city employees relating to ethics. The City Manager and Assistant City Manager each abide by the International City/County Management Association Code of Ethics. The City Clerk also abides by the International Institute of Municipal Clerk Code of Ethics and has received approximately 15 hours of ethics specific training this year. The City believes it is in compliance with state ethics requirements and intends to develop a reference page on its new website which will contain information and resources on ethics this year.</i></p>
City of Hercules	<p><i>Hercules reviewed its policies and provides the following report as requested:</i></p> <p>a) <i>Nepotism: Hercules adopted an administrative policy many years ago that addresses the supervision of related staff persons, however, the policy does not include elected officials. The policy provides that a relative or close personal friend of an employee shall not be employed in a position where there is a direct supervisor/subordinate relationship between the two positions, or where one person regularly or routinely has decision making authority over the other. The Director of Human Resources is required to approve the hiring of a relative, spouse or domestic partner of a current employee.</i></p> <p>b) <i>Conflict of Interest: The City adopted the Model Conflict of Interest Code as allowed by 2 CCR 18730. The Model Code is subject to biennial review. The designation of employees subject to the Model Code and the</i></p>

Responding Agency	Comments
	<p><i>formulation of disclosure categories are updated not less than every two years and more frequently as circumstances require. The most recent review and update of the Hercules' conflict of interest code was completed in late 2010. Elected officials, the City Manager, Finance Director, Treasurer, City Attorney and Planning Commissioners are required by State Law to file a Statement of Economic Interest Form on an annual basis.</i></p> <p><i>c) Ethics Training Policy: The City requires compliance with AB1234 for its elected officials, Planning Commissioners and designated employees. An ethics training compliance schedule is maintained to make sure that City Council members, Planning Commissioners and designated employees remain in compliance. City travel and expense policies have been adopted in compliance with AB1234.</i></p> <p><i>Implementation: Given the events that have occurred in Hercules in the past several years, the current City Council is of the opinion that its nepotism policy is inadequate. In February, 2011, the Hercules City Council began to discuss potential changes to its Rules of Procedure and determined to include extensive changes to its nepotism, conflict of interest and other policies including, where necessary, the expansion of policies to include elected officials. Preliminary drafts have been prepared but need comprehensive review and revision. The City Council has asked the Citizen Ad Hoc Committee – Legal Issues to assist its preparation of final policies. Thus, the City began implementation of its policy updates several months ago. This is an important issue that the City Council will complete within the next 90-120 days.</i></p>
City of Martinez	<p><i>Government agencies are granted the authority to work for the interest of the public as a whole and maintain the public trust as stewards of taxpayer dollars. Even the appearance of unethical behavior can have serious ramifications on preserving that trust.</i></p> <p><u><i>The recommendation has been implemented, with a summary describing the implemented action.</i></u></p> <p><i>a) The City of Martinez adopted its current nepotism policy in 1991. A copy of the policy is attached. The second page of the attachment is the staff report that went to the City Council in 1991 for adoption of the policy. The report states that, "For many years, the City has observed a nepotism policy which forbade relatives from working in the same City department, even if they worked in different divisions or locations. Recent court cases have caused us to re-evaluate this policy."</i></p> <p><i>The current policy includes identification of instances where employing relatives is prohibited because it could impact the effectiveness of the organization. The policy also addresses avoiding hiring practices that would create a work environment prone to actual favoritism or the appearance of favoritism. The City of Martinez believes that the nepotism policy is adequate in achieving its purpose.</i></p> <p><i>b) The Civil Service Rules and Regulations of the City of Martinez contain two</i></p>

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	<p><i>provisions that address potential conflicts of interest of officers and employees of the City. A copy of those rules is attached hereto. The first provision explicitly prohibits the solicitation or acceptance of “any gift, reward, service or gratuity of any kind by reason of his or her employment with the City.” The second provision states that political activity of employees shall conform to State law. Both provisions are aimed at prohibiting any type of activity that could create a conflict of interest. There are no exceptions that would allow employees or officers of the City to accept any gifts or gratuities based upon the employee’s relationship with the City. The prohibition on political activities mirrors the restrictions found in State law.</i></p> <p><i>Pursuant to state law the City has adopted its Conflict of Interest Code as it relates to the specific enumeration of employees and committees required to comply with said code and their appropriate categories (copy attached). The City of Martinez, its Council, employees, commissions, boards and applicable contractors strictly adhere to the state law provisions on conflict of interest, including the regulations of the State Fair Political Practices Commission. The City regularly conducts training sessions for staff, Council members, commission and board members on these regulations as well as common law conflict of interest principles and identifies opportunities for attendance at training sessions held by others. The City produces maps to identify radii of Council or commission member property interests in order to assist them with complying with state regulations and provides access to the City Attorney for assistance to all staff, Council, commission and board members on questions of conflict of interest. In reviewing the above, the City believes that these policies and actions of the City are adequate.</i></p> <p><i>c) Since AB 1234 became effective in 2006, the City of Martinez has ensured that local officials who receive compensation, salary, stipends, or expense reimbursements, received training on public service ethics laws and principles. In 2006, city staff provided information to the officials required to take the training, on educational opportunities offered by the League of California Cities and neighboring cities. Every official completed the necessary training within the time period prescribed by statute. In 2008, the City Attorney’s office provided the requisite ethics training to officials to ensure compliance. For officials that have taken office during the periods between the above mentioned training years, the Deputy City Clerk has advised the officials of the AB 1234 training requirements and supplied them with a list of training opportunities to make sure they receive the ethics training soon after taking office and within the statutorily required period. Since 2008, City staff has annually identified the AB 1234 requirements and appropriate training opportunities, whether on-line or in-person training, to all officials to make certain that they remain in compliance.</i></p>

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	<p><i>An up-to-date training log is maintained by the Deputy City Clerk. Every two years since 2006, each City of Martinez official who receives compensation, salary, stipends, or expense reimbursements, has received training in public service ethics laws and principles. Therefore, we find the City of Martinez policy of ensuring training for appropriate local officials on public service ethics laws and principles is adequate.</i></p>
<p>Town of Moraga</p>	<p><i>The Town of Moraga enjoys an excellent reputation for conducting its activities with integrity, fairness, and in accordance with the highest ethical standards and agrees that it is crucial that the Town avoid the appearance of unethical behavior, any potential perception of conflict of interest, and nepotism.</i></p> <ol style="list-style-type: none"> <li data-bbox="444 674 1409 1035"> <p><i>1. Nepotism Policy: The Town of Moraga adopted in March 1999 a requirement in its Employee Handbook that the employment of close relatives is discouraged by the Town. In 2008 the following language was added: "In any case, employees shall not be hired or supervised, directly or indirectly, by a relative." Based on the Town's reputation for high ethical standards, this policy has served the Town and the community well. A new Employee Handbook is currently drafted and under review by the Town Attorney. This nepotism policy will be further refined and strengthened in the new Employee Handbook for Council consideration in the fall of 2011.</i></p> <li data-bbox="444 1077 1409 1549"> <p><i>2. Conflict-of-Interest Policy: The Political Reform Act, Government Code section 81000 et seq., requires state and local government agencies to adopt conflict-of-interest codes. The Fair Political Practices Commission consequently adopted a regulation (Title 2, Division 6, California Code of Regulations section 187302) which contains the terms of a standard conflict-of-interest code that meets the requirements of the Political Reform Act. The terms of Title 2, Division 6, California Code of Regulations section 18730 and any amendments adopted by the Fair Political Practices Commission are referenced in the Employee Handbook. The Employee Handbook further states that it is every employee's responsibility to disclose and report all potential conflicts of interest or unethical situations to their supervisor, Department Head or Town Manager.</i></p> <p><i>The Moraga Employee Handbook describes a conflict of interest as engaging in or having an interest in any business or transaction, or incurring any obligation that conflicts or impairs, or appears to conflict or impair, an employee's independent judgment in the discharge of their duties.</i></p> <p><i>Examples of unethical behavior as described to all employees include:</i></p> <ul style="list-style-type: none"> <li data-bbox="483 1808 1377 1873"> <p><i>• Accepting money, tips, favors, or other considerations for work they</i></p>

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	<p>are expected to perform in the regular course of their duties.</p> <ul style="list-style-type: none"> • <i>Accepting individual gifts, gratuities, or favors of any kind from persons or vendors doing business with the Town or applicants seeking services.</i> • <i>Disclosing confidential information the employee acquired in the course of their employment with the Town, or using such information for speculation or personal gain.</i> <p><i>The Town of Moraga’s conflict-of-interest policy includes, in addition to Title 2, Division 6, California Code of regulations section 18730, appendices of those positions that are required to disclose financial information (“designated positions”) and disclosure categories. All designated employees are required to provide their Form 700s to the City Clerk or they will be subject to a fine.</i></p> <p>3. <i>Ethics Training Policy: The Town of Moraga requires ethics training every two years to all Town of Moraga elected and appointed officials, and Town management. Not only are members of boards and commissions required to attend the training, but all department heads and upper management are also required to attend.</i></p> <p><i>The ethics training required by AB 1234 is valuable and provides a good base of understanding and awareness of the ethic issues that elected and appointed officials and management staff may be subjected (sic).</i></p>
City of Oakley	<p><i>Enclosed are the Nepotism Policy and Conflict of Interest Policy that are found in the City of Oakley’s Personnel Manual. In addition to the State and federal guidelines for elected officials, the City of Oakley’s elected officials have signed the Code of Ethics document found on the City’s website http://www.ci.oakley.ca.us/subpage.cfm?id=402831 and have also complied with the training requirements of AB 1234.</i></p>
City of Orinda	<p><i>First, with regard to the City’s policy regarding Nepotism. The City outlines the following in its Personnel Policy and Procedures Manual.</i></p> <p><i>4.10 Employment of Relatives: To avoid conflicts of interests (sic), members of the immediate family of elected or appointed officials shall not be appointed to City employment. Immediate family members of employees shall not be appointed, transferred, promoted or demoted into the same department or be placed in such a position as to evaluate a relative or be in the same line of supervision without prior City Manager approval. The decision of the City Manager is final in all cases. For the purposes of this policy, immediate family member is defined as spouse, spousal equivalent, parents, children, siblings, grandparents or other dependents living in the home as well as the immediate family of the spouse or spousal equivalent.</i></p> <p><i>24.4 Family Members: Written approval from the City Manager is required before an employee may conduct business on behalf of the City with a member</i></p>

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	<p><i>of the employee's family or a business or organization in which the employee or a family member has a significant association or interest.</i></p> <p><i>Second, with regard to the City's Conflict of Interest policy, the City of Orinda adopts biennially, via resolution of the City Council, an update to its conflict-of-interest policies as required by law by the Fair Political Practices Commission (FPPC). The most current update was adopted on September 6, 2011 and is attached as Exhibit A.</i></p> <p><i>Lastly, the City of Orinda provides mandatory ethics training as part of compliance with AB1234 for all City Council, Management staff and appointed City Commissioners.</i></p>
City of Pinole	<p><i>Nepotism Policy.</i> <i>The City of Pinole does maintain a Nepotism Policy (see Exhibit A). This policy is a part of our City of Pinole Personnel Rules. This document is reviewed on a regular basis. The Nepotism Policy was updated in May 2009. All candidates for elected office as well as appointed board members are provided with a copy of the policy at the candidate orientation or time of their appointment.</i></p> <p><i>Conflict of Interest Code.</i> <i>The City of Pinole has adopted by Resolution a Conflict of Interest Code, designating certain appointed officials and staff members to comply with required reporting, pursuant to GC 81000 et seq (see Exhibit B).</i></p> <p><i>The Conflict of Interest Code requires filing Form 700-Statement of Economic Interests which are maintained in the Office of the City Clerk pursuant to Government Code 81008 and 91009. This policy is required to be reviewed biennially and was updated on November 4, 2010 and pertains to specific positions that are outlined in Exhibit B.</i></p> <p><i>In addition, the Pinole City Council adopted a Code of Ethics (see Exhibit C – Resolution 2007-10) for members of the Council, Boards and Commissions, and staff members. The document speaks to serving the community without prejudice or favoritism, respecting legality and transparency and with recognition of the obligation to participate fully and responsibly in matters of the organization and the betterment of the citizens we serve.</i></p> <p><i>Ethics Training Policy.</i> <i>The City of Pinole tracks compliance with Ethics Training (AB 1234) for all required elected and appointed officials. This includes the City Council/Executive Board of Directors for the Pinole Redevelopment Agency, City Treasurer, Planning Commission, Economic Development and Housing Advisory Committee (EDHAC), Traffic and Pedestrian Safety Committee and Community Services Commission, totaling thirty-one persons.</i></p> <p><i>The City Clerk maintains a log, retains the training certificates and sends reminders to members when they have a training obligation. The City Council adopted a resolution establishing Board and Commission Appointment Procedures (see Exhibit D), and the resolution states that the Council may</i></p>

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	<p><i>remove a person from their board appointment for non-compliance with AB1234 Ethics training requirements. Compliance has been generally been (sic) good, with only one person who has not complied but with whom staff is working with (sic to seek compliance.</i></p> <p><i>In addition to online training opportunities, the City of Pinole offers a comprehensive AB 1234 training course, free of charge to our elected and appointed members every other year. Announcements are extended to neighboring jurisdictions, as many have come to rely on this certified training for their members also. The course is taught by our City Attorney's office.</i></p> <p><i>Additional Information.</i> <i>The City of Pinole makes a concentrated effort at maintaining transparency in local government. All of our City Council meetings are broadcast live and replayed numerous times on our public access channels. In addition they are available live through web streaming on the internet. The City Clerk always publicly inquires of the City Council at each meeting, whether or not there are any declarations of conflict of interest with the items on the agenda. Staff reports with attachments and copies of all power point slides are also provided to the public.</i></p> <p><i>The City Manager produces a weekly report to the City Council and the public that is published on the City's website each Friday that includes notification of upcoming meetings and highlights of issues and problems that the City is facing.</i></p>
City of Pittsburg	<p><i>Attached, please find the following documents regarding the above:</i></p> <ul style="list-style-type: none"> <i>a) Pages 15 through 17 of the City of Pittsburg Personnel Rules, Section 6 Anti-Nepotism Policy.</i> <i>b) Resolution No. 10-11541 dated September 20, 2010 adopting the latest City of Pittsburg Conflict of Interest Code. (The Political Reform Act requires biennial determination of necessary updates to this Code. This is performed at the City of Pittsburg during even numbered years).</i> <i>c) The City of Pittsburg Policy and Procedure for City Council, adopted by Resolution. Please reference Section II General Rules, Ethics Training Requirements, page 2.</i> <p><i>The City of Pittsburg believes that the policies referenced above adequately address the topics stated.</i></p>
City of Richmond	<p><i>1. Nepotism policy.</i> <i>The City of Richmond has adopted a nepotism policy that is included within each of the Memorandums of Understanding (MOU) that relate to all represented city employees. The city's nepotism policy adequately addresses all necessary aspects of a robust nepotism policy.</i></p> <p><i>2. Conflict-of-Interest Policy.</i> <i>The City of Richmond has a comprehensive conflict-of-interest policy that is updated and approved by the Richmond City Council every two years. The City of Richmond has adopted the State's conflict-of-interest policy, which the city believes is a strong and comprehensive conflict-of-interest policy.</i></p>

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	<p><i>The Political Reform Act, Government Code section 81000 et seq., requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation (Title 2, Division 6, California Code of Regulations section 187302) which contains the terms of a standard conflict-of-interest code that meets the requirements of the Political Reform Act; the terms of Title 2, Division 6, California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are incorporated into the City of Richmond’s Conflict-of-Interest Policy.</i></p> <p><i>The City of Richmond’s conflict-of-interest policy includes, in addition to Title 2, Division 6, California Code of regulations section 18730, appendices of those positions that are required to disclose financial information (“designated positions”) and disclosure categories. All designated employees are required to provide their Form 700s to the City Clerk or they will be subject to a fine.</i></p> <p>3. Ethics Training Policy. <i>The City of Richmond’s City Attorney provides ethics training every two years to all City of Richmond board members, commissioners, and city management. Not only are members of boards and commissions required to attend the training, but all department heads and upper management are also required to attend.</i></p> <p><i>The City of Richmond believes that the ethics training policy that is currently in place provides our leaders with a strong foundation to ethically lead the city. The ethics training covers all topics required by AB 1234 and consists of three sessions per training cycle.</i></p> <p><i>The City Attorney also provides periodic ethics updates to City Council members and department heads regarding various issues covered in AB 1234.</i></p>
City of San Ramon	<p>a) <u><i>Nepotism policy</i></u> – <i>the City does not have a specific nepotism policy. All elected officials and designated staff are required to file a California Fair Political Practices Commission Form 700 and are required to attend AB1234 training every two years. The City Council also bi-annually adopts a conflict of interest code by resolution, most recently Resolution 2010-079. We believe that the required training and conflict of interest resolution address the issue of preventing nepotism in the City. Accordingly, a separate nepotism policy is probably not needed at this time. However, the City will evaluate the issue of a specific nepotism policy at a future City Council Policy Subcommittee meeting.</i></p> <p>b) <u><i>Conflict of Interest Policy</i></u> – <i>the City Council bi-annually adopts a “Conflict of Interest Code” by resolution, most recently Resolution 2010-079, which describes the City policy. The City Council also has approved Personnel Rules and Regulations and, in Chapter 17, the rules preventing conflicts of interest are defined. We believe the Resolution along with comprehensive rules and regulations is adequate to address conflicts of interest at the City of San Ramon.</i></p>

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	<p>c) <u>Ethics Training Policy</u> – It is the policy of the City to require ethics training as defined in AB1234 of every person required to complete a Form 700 as required by the California Fair Political Practices Commission. We believe existing requirements as well as compliance efforts by the City Clerk are adequate to insure appropriate ethics training of elected officials and designated staff.</p>
City of Walnut Creek	<p>First, with regard to the City’s policy with regard to nepotism, Section 513 of the Personnel system Rules and Regulations, adopted June 7, 1978 by City Council Resolution No. 3714 and last revised May 20, 2002 addresses specifically the hiring of immediate family members. Section 513 is included below and it is noted that the City has no history of issues with enforcing or managing this policy:</p> <p>“Section 513 <u>Employment of Relatives</u> The following policies shall apply to the employment of members of the immediate family of any official or employee of the City of Walnut Creek.</p> <ol style="list-style-type: none"> a. Members of the immediate family of elected officials, appointed officials, the City Manager, the City Attorney, the Assistant City Attorney, or Department Directors shall not be appointed to employment with the City. b. No member of the immediate family of any regular employee shall be appointed to, or placed in any position where he or she will be subject to evaluation, immediate supervision, discipline or dismissal by his or her relative. c. The provisions of this section shall not apply to appointments in the Special Employment Programs, Work Training or similar programs.” <p>Second, with regard to the City’s Conflict-of-Interest policy, the City of Walnut Creek adopts biennially, via resolution of the City Council, an update to its conflict-of-interest policies as required by law and as overseen by the State’s Fair Political Practices Commission (FPPC). This update is not routine, but each department is responsible for reviewing each filing responsibility for adequacy line-by-line and proposing changes when warranted.</p> <p>Administratively, the City is current and timely in all its filings to the FPPC. The City is rigorous in staying current with new laws and ensures this by subscribing to FPPC updates and monitoring its interested persons newsletters in addition to funding adequately to send the City Clerk staff annually to New Law training in December sponsored by the League of California Cities which deals specifically with updates on the law and is largely focused on administering the conflict-of-interest regulations. In practice, the in-house City Attorney staff is committed to being very accessible for inquiries regarding conflict-of-interest issues. They maintain an open-door policy that encourages all public officials and employees to avail themselves of advice whenever an issue arises.</p> <p>Additionally, the City Attorney staff performs ethics training that is current and</p>

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	<p><i>on-going with regard to ethical issues. This training may take the form of memo updates on new laws or clarifying interpretation of laws which are disseminated broadly, meeting with affected groups and providing updates on practices, such as commissions, committees and department heads and providing more formal training as prescribed by AB1234. Ethics have been a topic at city management meetings, and the City's training team has offered a full day course on ethics for employees.</i></p> <p><i>In summary, the City of Walnut Creek is committed to ensuring that our rules, regulations and practices encourage an open and transparent governmental decision making process that honors a strong ethical character as an institution and among all of our officials and employees.</i></p>
Crockett Community Services District	<p>Background: <i>The CCSD, originally formed in 1953 as the Crockett-Valona Sanitary District, was formed on July 13, 2006 to provide a limited range of public functions to the unincorporated towns of Crockett and Port Costa including sanitary wastewater service and recreation.</i></p> <p><i>An elected five-member Board of Directors governs the CCSD. The Crockett Sanitary Commission, Port Costa Sanitary Commission, and Recreation Commission have a total of 15 Commissioners and 2 Alternate Commissioners. Directors and Commissioners receive no compensation for their service. The District has a paid staff which includes:</i></p> <ul style="list-style-type: none"> - <i>A General Manager</i> - <i>Two Department Managers</i> - <i>A part-time Secretary</i> - <i>A part-time Facilities Manger (sic)</i> - <i>A part-time Event Coordinator</i> - <i>A part-time Park and Pool Maintenance Assistant</i> - <i>Approximately 25 temporary seasonal summer pool staff</i> <p>Nepotism Policy: <i>The recommendation of the Grand Jury has not yet been implemented, but will be implemented in the future.</i></p> <p><i>The CCSD District Code, adopted by Ordinance No. 05-1 on January 19, 2005, includes a conflict-of-interest code, however, nepotism is not defined in the District Code.</i></p> <p><i>In order to comply with the Grand Jury's Report findings, the Crockett Community Services District Board will need to adopt a nepotism policy. The CCSD Board will hear a draft Nepotism Policy on August 24, 2011 with adoption of the policy expected to follow by Resolution. A copy of the draft nepotism policy is enclosed. The policy will be codified as part of the District Code at a future date.</i></p> <p>Conflict-of-Interest Policy: <i>The recommendation has been implemented, with a summary describing the implemented action below.</i></p> <p><i>The CCSD is governed by a conflict-of-interest code, Section 2.20 of the District Code, adopted by Ordinance No. 05-1 on January 5, 2005. Resolution No. 07/08-07 designated officials and employees and establishes disclosure categories, constituting the conflict of interest code of the CCSD. A copy of the</i></p>

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	<p><i>relevant District Code and resolution in enclosed.</i></p> <p><i>Ethics Training Policy:</i> <i>The recommendation has been implemented, with a summary describing the implemented action below.</i></p> <p><i>AB 1234 requires that if a local agency provides any type of compensation, salary, or stipend to, or reimburses the expenses of a member of its “legislative body” (as that term is defined in California Government Code Section 54952), that local agency’s officials must receive training in ethics.</i></p> <p><i>The CCSD Board of Directors and Commissioners do not receive any compensation and are therefore excluded from the State requirement of AB 1234. However, the District subjects its Directors and Commissioners to the ethics training requirements contained in AB 1234 regardless of whether they receive compensation for their service.</i></p> <p><i>Ethical behavior for the Board of Directors is governed by Section 2.04.005 of the District Code. Resolution No. 08/09-05 expanded the ethics requirements to the Commissioners of the District. Resolution No. 09/10-29 relaxed the adopted requirement for repeated training by Commissioners of the District. A copy of the relevant District Code and resolutions are enclosed.</i></p> <p><i>California Form 700, Statement of Economic Interests, are current and have been filed for all Board Members, Commissioners, Department Managers, and District Counsel of the District.</i></p>
<p>Discovery Bay Community Services District</p>	<p><i>The TODBCSD concurs with the Contra Costa County Civil Grand Jury Overall Finding that it is important to “Avoid(ing) the appearance of unethical behavior with regard to conflicts-of interest and nepotism” and that it “is crucial to public confidence in governance.”</i></p> <p><i>The TODBCSD takes every opportunity to avoid situations that could be perceived as a potential conflict of interest.</i></p> <p><i>With regard to the above mentioned inquiries, the TODBCSD responses are as follow:</i></p> <ul style="list-style-type: none"> <i>a) The TODBCSD does not feel a need to implement a nepotism policy at this time.</i> <i>b) The TODBCSD has adopted a Conflict of Interest Policy and a copy is attached for your perusal.</i> <i>c) The TODBCSD is in compliance with AB 1234 and all Board members and key executive and administrative staff have completed their Ethics Training requirements consistent and pursuant to AB 1234. Copies of the certificates of completion are attached for the Grand Jury’s confirmation.</i>

<i>Responding Agency</i>	<i>Comments</i>
Kensington Police Protection and Community Services District	<ol style="list-style-type: none"> 1. <i>Nepotism Policy – The Kensington Police Department has a nepotism policy, KPD Policy #1050, attached, however, the KPPCSD Board of Directors does not have a nepotism policy in its Policy Manual. A draft of KPPCSD Board Policy 1020.30 was presented to the KPPCSD Board of Directors at the August 11, 2011 KPPCSD Regular Board Meeting for review, discussion, and a first reading, (attached). The draft will be sent to our attorneys for review and presented at the September 8, 2011 KPPCSD Regular Board Meeting for a second reading and possible adoption. (Update provided stated that Policy 1020.30 was approved on October 13, 2011.)</i> 2. <i>Conflict of Interest Policy – The KPPCSD Board of Directors does have a Conflict of Interest Policy in its Policy Manual, Policy #1020, attached. The KPPCSD Board of Directors also passed Resolution #2011-02 on February 10, 2011, adopting the amended Conflict of Interest Code as required by California Government Code Section 87306.5, attached.</i> 3. <i>Ethics Training Policy – The KPPCSD Board of Directors does have a Code of Ethics Policy, Policy #4010, and an Ethics Training Policy, Policy #4080.2 in its Policy Manual, (both attached).</i>
Knightsen Town Community Services District	<ol style="list-style-type: none"> a) <i>Nepotism policy: The recommendation has not yet been implemented. The District will adopt a nepotism policy by year 2011 end.</i> b) <i>Conflict-of-interest policy: The District will implement a Conflict-of-Interest code consistent with requirements of the Fair Political Practices Commission by year end 2011.</i> c) <i>Ethics training policy: The Recommendation was implemented. The District’s elected officials last received ethics training AB 1234 spring of 2011.</i>
Kensington Fire Protection District	<i>The Board of Directors of the Kensington Fire Protection District has reviewed its Policy Manual, Operations Manual and Employee Handbook within the last 10 months and finds them adequate regarding the identified matters. In addition, all Board members are in compliance with mandated AB 1234 ethics training. The District has been recognized by the Special District Leadership Foundation as a District of Distinction.</i>
Moraga-Orinda Fire District	<ol style="list-style-type: none"> a. <i>Nepotism Policy: The recommendation has not yet been implemented, but the policy has been written. It is in the process of being vetted with Moraga-Orinda Fire District’s two labor unions, Local 1230 and Local 2700, through the “meet and confer process and then will need to be approved by the Moraga-Orinda Fire District Board of Directors. The planned implementation date if October 19, 2011.</i> b. <i>Conflict-of-Interest Policy: The recommendation has been implemented. On August 18, 2010, the Moraga-Orinda Fire District</i>

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	<p><i>Board of Directors approved Resolution 10-12 – A Resolution of the Moraga-Orinda Fire District of Contra Costa County Adopting a Conflict of Interest Code. A copy of the Resolution is attached.</i></p> <p><i>c. Ethics Training Policy: Although the District does not have a formal Ethics Training Policy, all Board members are required to obtain at least two hours of training, either at home, in-person, or online, in general ethics principles and ethics laws relevant to his or her public service every two years. All new Board members, when taking office, are required to complete applicable ethics training.</i></p> <p><i>The Moraga-Orinda Fire District Board Clerk maintains records of the dates that the Board members completed the required ethics training course and record of the entity that provided the training. These records along with copies of the Certificates of Completion are kept on file for at least five years after the Board members received the training. The Moraga-Orinda Fire District is in the process of writing a policy that records the above process. When it is completed and approved by the Board of Directors of the Moraga-Orinda Fire District a copy will be sent to the grand jury. The planned implementation date is October 19, 2011.</i></p>
Rodeo-Hercules Fire Protection District	<p><i>Item (a): The RHFPD adopted a nepotism policy on July 13, 2011 (see attached).</i></p> <p><i>Items (b) and (c): The RHFPD reviewed the adequacy of its conflict-of-interest policy and found it was codified in several different documents, including a Board of Directors Rules and Procedures Manual. The District did not have an adopted ethics training policy, although all Board members are current with their AB 1234 ethics training requirements. On August 24, 2011, staff will present for Board approval a new and improved conflict-of-interest and ethics training policy that consolidates into one policy the disparate documents in which the conflict-of-interest policy currently resides.</i></p> <p><i>In accordance with California Penal Code section 933.05(b)(1), the RHFPD reports that it implemented a nepotism policy on July 13, 2011. In accordance with California Penal Code section 933.05(b)(2), the RHFPD also reports that it has a conflict-of-interest policy, but staff proposes that it should be updated, and the RHFPD should adopt a new ethics training policy. Therefore, on August 24, 2011, staff will present for RHFPD Board approval an updated conflict-of-interest policy and a new ethics training policy. Should the Board approve those policies implementation would begin on August 25, 2011. I would be happy to provide you those policies to share with the Grand Jury if and when they are approved.</i></p>
San Ramon Valley Fire Protection District	<ol style="list-style-type: none"> <i>1. Nepotism Policy: The District is drafting a nepotism policy for consideration by the District's Board of Directors. The Board will consider adoption of the policy at a future regular meeting.</i> <i>2. Conflict of Interest Policy: The San Ramon Valley Fire Protection</i>

<i>Responding Agency</i>	<i>Comments</i>
	<p><i>District has an adopted conflict of interest policy that was last amended in 2006.</i></p> <p><i>Ethics Training: Each member of the Board of Directors, as well as the management staff, completes annual ethics training as proscribed [sic] in AB1234.</i></p>
<p><i>West Contra Costa County Healthcare District</i></p>	<p><i>The recommendation has not yet been implemented, but will be implemented in the future.</i></p> <p><i>The West Contra Costa Healthcare District will review all policies related to ethics and transparency at their upcoming September and /or October meetings.</i></p>
<p><i>Byron-Bethany Irrigation District</i></p>	<p><i>The District has prepared and formally adopted a Board member handbook which addresses Board member conduct and includes the subject matter identified in the subject report.</i></p>
<p><i>East Contra Costa Irrigation District</i></p>	<p><i>Nepotism – District Practice/Policy: The East Contra Costa Irrigation District does not have a formal (adopted) policy for filling vacancies or an adopted nepotism (or anti-nepotism) policy. However, the District does follow basic hiring guidelines when filling positions within the District. Those guidelines include posting a notice describing the available position, accepting applications for a specific period of time, reviewing the applications and resumes submitted (including those on file with the District for the past two years), interviewing potential candidates by an impartial selection committee.</i></p> <p><i>Conflict of Interest – District Practice/Policy: The District has an adopted Conflict of Interest Code which specifically “prohibits designated employees from participating in making, or in any way attempting to use his or her official position to influence the making of, any governmental decision which will have a reasonably foreseeable material financial effect... on the official or a member of his or her immediate family.”</i></p> <p><i>Ethics – District Practice/Policy: The Members of the Board of Directors are in compliance AB 1234, requiring at least two hours of training in public service ethics laws and principles every two years. The training covers ethics issues, including government transparency laws and financial interest disclosure requirements, laws relating to fair processes, competitive bidding requirements and disqualification from participating in decisions affecting family members.</i></p> <p><i>On July 12, 2011, Board of Directors considered the Findings and Recommendations made by the Grand Jury and determined that current District practices and policies adequately addressed the concerns reported by the Grand Jury and that no changes were warranted at this time.</i></p>

<i>Responding Agency</i>	<i>Comments</i>
Bethel Island Municipal Improvement District	<p><i>The recommendation has been implemented.</i></p> <p><i>a) The District's nepotism policy is contained in the Employee handbook and is identified as Policy #2060, Employment of Relatives.</i></p> <p><i>b) Both the Employee handbook and the Board Policy handbook contain conflict-of-interest policies; Employee Policy #3060, Conflicts of Interest and Board Policy #1020, Conflict of Interest.</i></p> <p><i>c) The District's ethics training policy is contained in the board Policy handbook and is identified as Policy #2010, Code of Ethics.</i></p> <p><i>Additional note: The above-reference policies are included for your review. These policies are reviewed and updated (as needed) by the Board of Directors biennially following the board elections every even numbered year. These policies were last reviewed and updated April 2011.</i></p>
Ambrose Recreation and Park District	<p><i>A. Nepotism policy; The District has recently (March 19, 2009) updated and adopted a new Personnel Manual for employees and a new Policy Manual and By Laws for the Board. Within the new manual in SEC. 309 is contained the Districts (sic) Nepotism Policy (Attachment #1) which I believe conforms to your concerns.</i></p> <p><i>B. Conflict of Interest Policy; this policy was also updated in 2009 (Attachment #2). This policy is found in SEC. 1307 of the Personnel Manual and Rule IV-15 of the Board Policy Manual and By-Laws (Attachment #3). Also in September 2002 the Board adopted Resolution #08/09-02 (Attachment #4) adopting a Conflict of Interest Code at its September Board meeting.</i></p> <p><i>C. District follow (sic) State Law, AB 1234 and makes sure that the Board of Directors and Admin staff take Ethics training every two years.</i></p> <p><i>The Ambrose Recreation and Park District agrees that [sic] with the Grand Jury's efforts in this latest action and hope that the information above is adequate response to your inquiry.</i></p>
Pleasant Hill Recreation and Park District	<p><i>Pleasant Hill Recreation & Park District is in agreement with the findings that the Grand Jury recommended that each of the 19 cities, 28 including special districts should report to the County regarding: a) Nepotism Policy, b) Conflicts of Interest, and c) Ethics Training Policy. Attached to this correspondence is the Pleasant Hill Recreation & Park District's nepotism policy (see Code of Ethic, 4010.25), conflicts of interest policy and ethics training policy. The District already has these policies in place and they are attached for the Grand Jury's review. These actions have already been implemented prior to the Grand Jury Report.</i></p>
Byron Sanitary District	<p><i>In addition to complying with Government Code Section 53232, et seq., the Byron Sanitary District will also formally adopt policies regarding nepotism, conflicts of interest and ethics training by the end of Fiscal Year 2011-2012.</i></p>
Central Contra Costa Sanitary District	<p><i>a) Nepotism Policy: The District's nepotism policy is set forth in the District's Memoranda of Understanding with its employee groups and is strictly adhered to. Members of the immediate family (mother, father, brother, sister, son, daughter, in-laws, grandparents) of elected officials</i></p>

Responding Agency	Comments
	<p><i>and/or employees are not eligible for employment at the District. This also applies to temporary employees.</i></p> <p><i>b) Conflict of Interest Policy: As required by the Fair Political Practices Commission (FPPC) and Contra Costa County, the District reviews its Conflict of Interest Code biennially and files updates with the County for approval. Designated filers file Form 700s annually in compliance with FPPC and County regulations. The District is in 100% compliance.</i></p> <p><i>c) Ethics Training Policy: The District conducts biennial Ethics Training for elected officials and staff, and is fully compliance with AB 1234.</i></p>
Ironhouse Sanitary District	<p><i>a) Nepotism policy</i> <i>The ISD Board operates pursuant to a set of Bylaws first adopted by the Board on May 6, 2003 which the Board reviews on a regular basis. The Bylaws contain a code of conduct at Article 5, Section 5.7 which at paragraph 15 states: "Nepotism is prohibited." The Board last reviewed the nepotism policy on March 16, 2011 and determined it to be adequate.</i></p> <p><i>b) Conflict-of-interest policy</i> <i>As previously noted, the ISD Board operates pursuant to a set of Bylaws first adopted by the Board on May 6, 2003. In addition, the ISD Board adopted a Conflict of Interest Code, Resolution No. 06-23, on October 3, 2006 which the Board reviews on a regular basis. The Bylaws contain a code of conduct at Article 5, Section 5.7. The ISD conflict of interest policy is set forth in the ISD Bylaws, Article 5, Section 5.7, paragraph 11 and Article 10, Section 10.4 Conflict of Interest.</i> <i>Section 5.7, paragraph 11 states: "Declare conflicts of interest into the public record."</i> <i>Section 10.4 states: "All Board Members are subject to all provisions of California law relative to conflicts of interest and to conflict of interest codes adopted by the Board. Any Board Member prevented from voting because of a conflict of interest shall refrain from debate and voting. Such Board member may chose [sic] to leave the Board chambers during debated[d] and voting on issued [sic]."</i></p> <p><i>c) Ethics training policy</i> <i>The five members of the ISD Board of Directors and the General Manager participate in ethics training in accordance with AB 1234, which requires at least two hours of training every two years. It is each Director's and the General Manger's responsibility to complete the required training and to ensure that the proper reports are being maintained by ISD.</i></p>

<i>Responding Agency</i>	<i>Comments</i>
Mt. Diablo HealthCare District	<p><i>The District agrees that avoiding the appearance of unethical behavior, especially with regard to conflicts of interest and nepotism, is crucial to public confidence in governance.</i></p> <p><i>The Board agrees with the recommendation</i></p> <ul style="list-style-type: none"> <i>a) The Board will establish a separate policy concerning nepotism. The use of the conflict-of-interest policy and the Bylaws refer negatively to nepotism but a more concise policy should be in place.</i> <i>b) The Board has a comprehensive conflict-of-interest policy that is reviewed and signed in February of each year and kept on file for each Board member.</i> <i>c) Every Board member must have a current ethics training certificate of (sic) file at the District office. The training is required every two years and Board members are reminded in February or March of the requirement.</i>
Mt. View Sanitary District	<ul style="list-style-type: none"> <i>a) Nepotism policy – The District’s past practice has always been to avoid nepotism. The Board has adopted a Board Policy stating that its members shall refrain from any action that is or could have the appearance of advancing the interests of a Board Member or a Board Member’s Family. The District is in the process of reviewing and updating it (sic) District Policy and Procedures Manual which will include a detailed policy addressing nepotism in the employment environment.</i> <i>b) Conflict-of-Interest Policy – The District has and continues to conduct the required bi-annual review and updating of its Conflict-of-Interest Code as required by law. All required reporters have timely submitted required reports.</i> <i>c) Ethics training policy – The Board has timely conducted ethics training since it was required by the adoption of Assembly Bill 1234. The Board has also adopted as part of its Board Policies and Procedures, a Policy stating that “All Board members shall complete ethics training as required by California Government Code 53235.”</i>
Rodeo Sanitary District	<ol style="list-style-type: none"> <i>1. The Rodeo Sanitary District (RSD) developed and implemented an anti-nepotism policy prohibiting appointment by RDS Board of Directors of unqualified relatives, domestic partners, and individuals with shared business interests to members of the Board.</i> <i>2. The recommendation concerning a conflict-of-interest policy has not yet been implements, but such policy is presently being researched and developed. The nature of the further analysis and study concerns the appropriate scope of the policy. Upon completion not to exceed six months from May 26, 2011, the policy will be implemented.</i> <i>3. The recommendation concerning an ethics training policy has not yet been implemented, but such policy is presently being researched and developed. The scope of the further analysis and study primarily</i>

Responding Agency	Comments
	<p><i>concerns the appropriate subject matter to be covered by such policy in light of Government Code Sections 53232, et. seq. as well as the type, availability and anticipated costs of training in such matters. Upon completion not to exceed six months from May 26, 2011, the policy will be implemented.</i></p>
<p>Stege Sanitary District</p>	<p><i>Stege agrees with the overall finding that avoiding unethical behavior, especially with regard to conflict of interest and nepotism, is crucial to public confidence in governance.</i></p> <p><i>The overall recommendation has been implemented by Stege.</i></p> <ul style="list-style-type: none"> <i>(a) Stege has an existing nepotism policy included in the District Personnel Policy. The existing policy is adequate.</i> <i>(b) Stege has a conflict-of-interest policy, or Conflict of Interest Code, which incorporates the FPPC standard conflict of interest code by reference. The existing policy is adequate.</i> <i>(c) Stege has an existing ethics training policy that is consistent with AB 1234 and is adequate.</i> <p><i>Also, the Stege Board has developed a Board of Governance Policy Manual that includes policy sections regarding ethics and integrity, a Conflict of Interest Code, and Code of Ethics. These policies are periodically reviewed by the Board in their public meetings.</i></p>
<p>West County Wastewater District</p>	<ul style="list-style-type: none"> <i>a) Nepotism: The District adopted a formal policy many years ago that addresses the employment of related persons. Members of the immediate family of elected or appointed officials are prohibited from employment by the District. Employment of members of the immediate family of regular employees is allowed only if the department manager makes a determination that the efficiency or mission of the Dist will not be adversely affected by such employment. A District policy related to the procurement of materials, supplies, equipment and services contains similar restrictions.</i> <i>b) Conflict of Interest: The District adopted the Model Conflict of Interest Code as allowed by 2 CCR 18730. The Model Code is subject to biennial review. The designation of employees subject to the Model Code and the formulation of disclosure categories are updated not less than every two years and more frequently as circumstances require. The most recent review and update of the District's conflict of interest code was completed in 2010.</i> <p><i>The District has a very strict policy that regulates the procurement of equipment, materials, supplies and services. That policy requires all procurement activities to be conducted with absolute integrity and in compliance with all applicable laws, rules and regulations and imposes the highest of ethical standards on all involved in the process. Among other things, the policy precludes individuals involved in procurement from having any material financial interest or from accepting</i></p>

<i>Responding Agency</i>	<i>Comments</i>
	<p><i>compensation or gratuities of any kind from vendors.</i></p> <p><i>c) Ethics Training Policy: The District requires compliance with AB 1234 for its elected officials and designated employees. An ethics training compliance schedule is maintained to make sure that District Directors and designated employees remain in compliance. District personnel keep abreast of training conferences and seminars. All District travel and expense policies have been adopted in compliance with AB 1234.</i></p> <p><i>d) Implementation: The Grand Jury's overall recommendation has been implemented as detailed above. The District's nepotism, conflict of interest and ethics training policies are adequate. However, policies of this nature need periodic review and updating. The District is committed to undertaking periodic review and updating of its policies and intends to require the highest of ethical standards from its elected officials, consultants and employees.</i></p>
<p><i>Contra Costa Water District</i></p>	<p><i>Nepotism Policy – CCWD's Nepotism Policy (Attachment 1) is contained within the District's Administrative Procedures and was established in 1990 and has been updated periodically since that time, most recently in 1999. Consequently, the recommendation made in Report #1105 has been fully implemented.</i></p> <p><i>Conflict of Interest Policy - CCWD's Conflict of Interest Policy (Attachment 2) is contained within the District's Code of Regulations and was established in 1992 and has been updated periodically since that time, most recently in 2003. This policy is pursuant to the amendments to the Government Code enacted in 2002 and the regulations adopted by the Fair Political Practices Commission in May, 2003. Consequently, the recommendation made in Report No. 1105 has been fully implemented.</i></p> <p><i>Ethics Training Policy – CCWD's Ethics Policy (Attachment 3) is contained within the District's Code of Regulations and was established in 1992. In addition, since Government Code Section 53232, et seq (AB1234) became effective January 1, 2006 the CCWD Board of Directors have fully complied with the training requirements and renewed their training every two years thereafter. Consequently, the recommendation made in Report No. 1105 has been fully implemented.</i></p>
<p><i>Diablo Water District</i></p>	<p><i>Response to Recommendation 1a: Respondent agrees with finding. The recommendation has not yet been implemented, but the District will adopt a nepotism policy by the end of 2011.</i></p> <p><i>Response to Recommendation 1b: Respondent agrees with finding. The recommendation has been implemented. The District already has a Conflict of Interest Code consistent with the requirements of the Fair Political Practices Commission.</i></p> <p><i>Response to Recommendation 1c: Respondent agrees with finding. The recommendation has been implemented. The District's elected officials last received the ethics training required by Assembly Bill 1234 in the Fall of 2010 and are scheduled to receive training again in the Fall of 2012.</i></p>

<i>Responding Agency</i>	<i>Comments</i>
Byron-Brentwood-Knightsen Union Cemetery District	<p data-bbox="391 275 1398 380"><i>We do not have a written policy regarding nepotism, nor have we ever needed on. We have always used good, sound judgment regarding the showing of favoritism based on kinship. We simply do not do it.</i></p> <p data-bbox="391 422 1409 600"><i>In addition to our annual submission of Statement of Economic Interests From 700, our conflict-of-interest policy is very detailed and is given to each new employee and trustee upon hire. It makes clear the need to bring any uncovered question to the District Manager for clarification. We are including a copy for your review.</i></p> <p data-bbox="391 632 1312 705"><i>This District maintains a strict ethics and compliance training policy as required by the California Government Code 53234.</i></p>

CONTRA COSTA COUNTY GRAND JURY REPORT NO. 1106

Collaborating Proves Successful

Response from Contra Costa County Board of Supervisors

FINDINGS

Finding #1: Grants are not always essential in creating successful collaborations.

Response: Respondent agrees with finding.

Finding #2: Collaborations might be an effective means to utilize limited resources and enhance outcomes, and can be used in a variety of situations.

Response: Respondent agrees with finding.

RECOMMENDATIONS

Recommendation #1: The Board of Supervisors should consider directing the County Administrator and department heads to identify, and when appropriate create additional collaborative opportunities between County departments and between the County and other public agencies that will maximize resources, eliminate duplication and overlap, and improve outcomes.

Response: The recommendation will not be implemented. This recommendation is already in place, since the County Administrator and all department heads, including fiscal and budget staff look for opportunities to collaborate with other County departments, community organizations, non-profits, and the public on a daily basis as a routine part of our business practices.

Recommendation #2: The Board of Supervisors should consider including in each department head's annual performance plan an element that requires each of them to identify and report on possible collaborative efforts.

Response: The recommendation has not yet been implemented, but will be immediately. This recommendation will be implemented as part of the formal performance review process by the County Administrator, since the Board of Supervisors has delegated to the County Administrator responsibility for the annual performance review of most department heads. Resolution #2009/486 outlines the process. The County Administrator evaluates all aspects of performance, including those related to collaboration.

CONTRA COSTA COUNTY GRAND JURY REPORT NO. 1107

County Pension Reform

Response from Contra Costa County Board of Supervisors

FINDINGS

Finding #1: Pension benefits, as currently structured, are ultimately unsustainable.

Response: Agree.

Finding #2: Continued increases in pension cost may result in further reduction of public services.

Response: Agree.

Finding #3: The Board has taken some actions to reduce pension costs but more must be done to achieve sustainability.

Response: Agree.

Finding #4: Under the California Employer Retirement Law, the Board, without union agreement, could unilaterally adopt lower pension tiers and/or three-year averaging for final compensation for new employees.

Response: Disagree. The Board can design a new pension tier for new hires, but must obtain the unions' agreement to the terms of the new tier. Legislation would be required to authorize the new tier for newly hired general members. As to safety members, the need for legislation depends on whether the elements of the new tier are already in the County Employees Retirement Law (CERL). Any aspects not currently in the CERL would require legislation. The Board must obtain the unions' agreement on the use of three year averaging to calculate final compensation for new hires. Legislation would be required to authorize this change for newly hired general members.

Finding #5: The Board could achieve lower pension benefits and costs, if successfully negotiated with the union, by reducing salaries and other pay items that currently increase final average compensation. Some pay items, such as uniform pay, could be eliminated and excluded from final average compensation.

Response: Agree.

Finding #6: While the financial impact of many pension changes will not be recognized in the short-term, the County-with Union agreement--could immediately reduce costs by approximately \$18 million a year by eliminating its 'pick-up' portion of the employee's contribution to the retirement plan.

Response: Agree.

Finding #7: It is possible for retirees to receive more in pension benefits than the combined base salary those retirees earned while employed at the County.

Response: Agree.

Finding #8: Taxpayers are ultimately responsible for covering the shortfall between the cost of pensions and the amount accumulated from employee/employer contributions and pension fund investment income.

Response: Agree.

Finding #9: Some of the possible changes require State legislation, as noted in the table on page 7.

Response: Agree that some of the possible changes require State legislation. Disagree with some of the elements of the first three categories of data presented in the table on page 7:

- 1. **Design new pension tiers with lower benefits.** For new hires the Board can design a new pension tier for new hires, but must obtain the unions' agreement to the terms of the new tier. Legislation would be required to authorize the new tier for newly hired general members. As to safety members, the need for legislation depends on whether the elements of the new tier are already in the County Employees Retirement Law (CERL). Any aspects not currently in the CERL would require legislation. For current employees the Board can design a new pension tier for current employees, but lack legal authority to require current employees to enter such a tier. Legislation would be required to authorize the Board to negotiate movement of current employees to a lower tier and to authorize any components of the tier not currently found in the CERL. The County and the unions would have to reach a negotiated agreement on the new tier. The new tier may be subject to legal challenge by any affected current employee.*
- 2. **Utilize three year final average salary rather than the highest year.** For new hires the Board must obtain the unions' agreement on the use of three year averaging to calculate final compensation for new hires. Legislation would be required to authorize this change for newly hired general members. For current employees the Board lacks legal authority to require that three year averaging be used to calculate final compensation for current employees. Legislation would be required to authorize the Board to negotiate this pension benefit reduction for current employees. The County and the unions would have to reach a negotiated agreement on the change. The pension benefit reduction may be subject to legal challenge by any affected current employee.*
- 3. **Eliminate terminal pay add-ons.** The Contra Costa County Employees' Retirement Association (CCCERA) determines which employment benefits are countable for purposes of determining Final Average Compensation. This is not a Board of Supervisors or Union decision. The Board and unions may negotiate elimination of employment benefits.*

Finding #10: Pension reform is complex due to the differing legal opinions on what can be done, who can make it happen and when it can be done. This has led to public interest.

Response: Agree that pension reform is complex and agree that there are differing legal opinions on what can be done, who can make it happen and when it can be done.

RECOMMENDATIONS

Recommendation #1: In order to bring about change, the Board should work with its union partners during the current contract negotiations for concessions to offset rising pension costs.

Response: The recommendation has been implemented; the Board is working with its union partners through the County's labor negotiators to negotiate concessions to bring the County budget into structural balance.

Recommendation #2: The Board should prioritize its focus on benefit changes that have an immediate financial impact, while pursuing legislative relief where necessary, to accomplish further reductions. (See table on page 7)

Response: The recommendation has been implemented; the Board has prioritized its focus on benefit changes that have an immediate financial impact. The Board is currently engaged in labor negotiations with most of the recognized employee organizations and has sponsored SB 373 which would remove the sunset clause in Government Code section 31484.9.

Recommendation #3: Those changes that can be made unilaterally by the Board for new employees should be adopted. (See table on page 7)

Response: The recommendation has been implemented; although the Board has little unilateral authority, the Board recently eliminated the sale of vacation benefit for unrepresented management employees beginning July 1, 2012.

Recommendation #4: The Board should require employees to contribute more to their retirement costs.

Response: The recommendation would require the Board to take unilateral action outside the labor negotiations process. The Board is currently engaged in labor negotiations with most of the recognized employee organizations.

Recommendation #5: County leadership should work expeditiously to eliminate the 'pick-up' portion of the employees' contributions to the retirement plan, saving up to \$18 million a year.

Response: The recommendation has been implemented; the Board is currently engaged in labor negotiations with most of the recognized employee organizations.

Recommendation #6: The Board should seek special legislation to enable the County to cap retirement income so that no employee receives a pension greater than the base salary earned.

Response: The recommendation has not yet been implemented; the Board is currently engaged in labor negotiations with most of the recognized employee organizations. Legislation would be required to authorize the parties to negotiate a cap on retirement income for future hires. The County and the unions would have to reach a negotiated agreement on the cap.

Recommendation #7: Given the complexity of pension reform issues, the number of legislative changes being proposed and ongoing labor negotiations, the Board should keep the public informed of what is being proposed and the Board's positions on these issues.

Response: The recommendation has been implemented; the Board of Supervisors held a Pension 101 workshop specifically to educate the Board, employees, and the public regarding basic pension information and issues. All materials from the workshop were posted on the County's website and are available at <http://ca-contracostacounty.civicplus.com/index.aspx?NID=2617>.

CONTRA COSTA COUNTY GRAND JURY REPORT NO. 1108
Bridging the Gap at the Orin Allen Youth Rehabilitation Facility

FINDINGS

Finding #1: Orin Allen is a cost-effective alternative to the Juvenile Hall facility.

Response from Contra Costa County Board of Supervisors & Probation Department

Response: Agree

Finding #2: There is no formal training in construction, food preparation or horticulture.

Response from Contra Costa County Board of Supervisors & Contra Costa County Probation Department

Response: Agree. There is no dispute there is no formalized and highly structured offering in construction, food preparation and horticulture. However, there is a wood shop class offered to the youth and several large areas of the raised planting beds have been planted with tomatoes and several other vegetables. The plan is to incorporate food preparation with the items harvested.

Response from Contra Costa County Office of Education

Response: Agree. There is no formalized and highly structured offering in construction, food preparation or horticulture. However, there is a Board approved course of study for woodshop which is in effect and is regularly followed. Food preparation and horticulture courses are not offered at Delta Vista High School.

Finding #3: Residents do not routinely perform minor facility maintenance and repairs.

Response from Contra Costa County Probation Department

Response: Agree. Conversations have already begun to set up a protocol with the wood shop instructor to replace and/or repair benches or other wood related objects at the facility.

Response from Contra Costa County Office of Education

Response: Agree. The CCCOE is not authorized to have Delta Vista High School students make repairs to a County Probation Facility while the students are under the supervision of the school staff (during school day). However, skill development for small repair work will be incorporated into the new construction courses and the Probation Department will be able to deploy students with these skills to make repairs to the County Probation buildings as they see appropriate.

Finding #4: There are no regularly scheduled collaborative planning sessions between the County Probation Department and Office of Education leadership concerning the Orin Allen Youth Rehabilitation Facility.

Response from Contra Costa County Board of Supervisors & Contra Costa County Probation Department

Response: Agree. Although there are meetings with school administration, they are not regularly scheduled.

Response from Contra Costa County Office of Education

Response: Agree. Although there were regular informal meetings between the Delta Vista High School principal and the facility superintendent to discuss mutual concerns, these meetings were not regularly scheduled and there was no formal agenda.

Finding #5: Management personnel at the Office of Education have varying levels of knowledge about the execution of their educational programs currently offered at Orin Allen.

Response from Contra Costa County Office of Education

Response: Partially disagree. Based on their individual roles, management personnel at the Office of Education have appropriate levels of knowledge about the execution of the education program currently offered at Orin Allen. A site principal is assigned to Delta Vista High School and there is a CCCOE Court and Community expert. The CCCOE expert was not interviewed for this report.

Finding #6: The Rossmoor Senior Tutors provide a valuable service to the residents of the Orin Allen Youth Rehabilitation Facility.

Response from Contra Costa County Board of Supervisors

Response: Agree

Finding #7: Community volunteers provide additional enrichment opportunities for Orin Allen residents.

Response from Contra Costa County Board of Supervisors

Response: Agree

RECOMMENDATIONS

Recommendation #1: Orin Allen should remain open to provide programs for non-violent youth offenders.

Response from Contra Costa County Board of Supervisors & Contra Costa County Probation Department

Response: Implemented. The recently adopted State and County budgets make provision to fund the OAYRF for FY 2011/2012.

Recommendation #2: Probation and Office of Education should explore adding vocational classes to supplement classroom education with the assistance of General Services.

Response from Contra Costa County Board of Supervisors & Contra Costa County Probation Department

Response: Implemented. Discussions have been going on for some time between Probation and the Office of education to develop and implement vocational classes to supplement classroom education. Several Paxton/Patterson vocational-type classes have been purchased by the Office of Education and will be implemented during the fall semester.

Response from Contra Costa County Office of Education

Response: Implemented. Prior to the Grand Jury visit, the CCCOE and the Probation Department collaborated on the decision to purchase several Paxton/Patterson Vocational/Career Technical Education modules. Course outlines are currently being designed and the course will be implemented in the 2011-2012 school year.

Recommendation #3: Office of Education should consider incorporating minor repair and maintenance projects into the current woodshop curriculum to supplement classroom instruction.

Response from Contra Costa County Probation Department

Response: Implemented. Probation and the Office of education have discussed and plan to implement minor repair and maintenance projects at the facility (with the appropriate approval and support of the County General Services Department).

Response from Contra Costa County Office of Education

Response: Implemented. CCCOE and probation have met and considered incorporating minor repair work in our curriculum. The CCCOE will be revising their Woodshop course of study to include instruction in minor repair work. Additionally, the new Vocational/Career Technical Education course will include instruction in minor repair work. The Probation Department will be able to deploy students with these skills to make repairs to the County buildings as they see appropriate.

Recommendation #4: Probation and Office of Education leaders should establish collaborative planning sessions concerning rehabilitation programs at Orin Allen.

Response from Contra Costa County Board of Supervisors & Contra Costa County Probation Department

Response: Implemented. Although there are set monthly meetings between Probation and the Office of Education, there is no formal agenda. These meetings have now been formalized and include all the collaborative partners on a quarterly basis.

Response from Contra Costa County Office of Education

Response: Implemented. There are now quarterly formal meetings that include all of the collaborative partners.

Recommendation #5: Office of Education should identify a management person to be the Orin Allen site expert.

Response from Contra Costa County Office of Education

Response: Implemented. A site Principal is assigned to the Delta Vista High School and is the site expert. A CCCOE Director of Student Programs is designated as the Court and Community school expert.

Recommendation #6: The Board of Supervisors should publicly recognize the Rossmoor Senior Tutors for their long and dedicated service to Orin Allen.

Response from Contra Costa County Board of Supervisors

Response: Will be implemented within 90 days. The County values the contributions of all of the volunteers who generously devote their time, wisdom, and talents to mentor, coach, and educate the wards at OAYRF.

Recommendation #7: The Board of Supervisors should assign a liaison to solicit community volunteers to provide enrichment programs for the Orin Allen residents.

Response from Contra Costa County Board of Supervisors

Response: Will not implement. The recommendation will not be implemented because it is not reasonable. While the County agrees with the recommendation and would implement it if there were sufficient staff resources to do so, the FY 2011/12 budget is not sufficient to support any functions beyond the basic operation of the OAYRF. State public safety realignment and associated funding is directly related to the adult prison population and cannot be redirected to juvenile detention programs. While adult probation supervision programs were bolstered through state realignment, County juvenile supervision programs were actually reduced in the FY 2011/12 budget.

CONTRA COSTA COUNTY GRAND JURY REPORT NO. 1109

Mt. Diablo Health Care District – Dissolve Now!

Response from Mt. Diablo Health Care District

FINDINGS

Finding #1: The District has made a few small grants totaling \$243,823, amounting to less than 10 percent of the total revenues collected from property taxes and contributions, while accumulating a fund balance in excess of \$800,000 which is available for health related programs.

Response: The District partially disagrees with the finding. The District would update the numbers to include 2010 by adding \$241,804 in property tax revenue and \$127,827 in Community Outreach. Since the corrective action began in 2008, the District's Outreach vs. Revenue percentage is 48.1%. The findings of "small" and the "less than 10%" are a function of going backwards in accounting, not an analysis of the corrective action time period. The District has a fund balance in excess of \$800,000 available for health related programs.

Finding #2: Over 10 percent of the District's annual income is expended for health care insurance for one current Board member and one former Board member and their spouses. This payment may be a lifetime District obligation to these individuals.

Response: The District agrees with the finding. The OPEB health care is in accordance with California Government Code Section 53201 and was instituted during the time when the Mt. Diablo Hospital was being run by the District. This policy was rescinded before the merger in 1992 and health care insurance has not been offered to any Board member since that time, but it is a tax payer lifetime obligation and cannot be extinguished.

Finding #3: The District has outlived its useful purpose and is no longer needed.

Response: The District disagrees with the finding. The Board believes that the district has not outlived its useful purpose and is needed now more than ever in the past.

- a. *The Board is currently giving grants and sponsoring programs that directly benefit the community as per its mission statement. The amounts in the last three years have showed a marked increase in those efforts.*
- b. *The Board's newly reconstructed project protocols and outreach have had significant positive reactions from the community and gives promise for future benefits to continue at an accelerated rate.*
- c. *Current projects under consideration:*
 1. *Kops for Kids*
 2. *Wellness City Challenge*
 3. *Nor Cal pilot program*
- d. *Current Projects being extended*

1. CPR Anytime Program in High Schools
 2. Automatic Electronic Defibrillator (sic)(AED) placement in schools, senior centers and other recreation and public gathering facilities.
- e. The District has an exclusive agreement with John Muir Health known as the John Muir/Mt Diablo Community Benefit Agreement. The Board currently provides 50% of that Board and is the only link between the elected community representatives and that fund which gives \$1,000,000 annually to the community.
 - f. In accordance with the Merger Agreement with John Muir and the facilities located in Concord, this District Board is the only heir to the assets of that hospital in the event of termination by John Muir of services to the community. We are mindful that two other Hospital Districts in the area have taken back their hospital facilities.
 - g. Any alteration in the relationship by termination of this district would most likely result in a one-sided negotiation with John Muir, wherein there is no contractual obligation to obtain redress or benefit to the community.

RECOMMENDATIONS

Recommendation #1: The Board should promptly develop a plan to allocate funds to health programs for District residents.

Response: The Board agrees with recommendation. The Board has established a more proactive approach to the grant program and notes the following implementation: The Board has established protocols for project submission. The project submission committee has been established Chaired by Jeffrey Kasper. Project request forms have been made available on the web site. Community direct outreach has been made to request solicitations for grant funding.

Recommendation #2: The Board should promptly review the current health insurance coverage for qualified current or former Board members to assure compliance with District policy. Health insurance premiums should be approved by the Board.

- a. **If the recipients are eligible for Medicare, the Board should require enrollment in Medicare making it the primary provider. If District policy provides for supplemental coverage, the Board should undertake a competitive bid process for such coverage.**
- b. **If recipients are not Medicare eligible, the Board should initiate competitive bidding for the primary insurance.**

Response: The recommendation has been partially implemented and requires further analysis. The Board is reviewing the OPEB health insurance coverage to see if there is any way to mitigate the costs. One group has been contacted and the District is awaiting their documentation and costs. All other avenues will be researched over the next six months and will include competitive bidding if applicable. It should be noticed that the cost of coverage in a medium sized employee group is generally substantially lower than small groups or individual policies.

Recommendation #3: Mt. Diablo Health Care District should initiate dissolution proceedings promptly.

Response: The recommendation will not be implemented because it is not warranted. The Board placed the issue of dissolution on its August 4th 2011 Agenda as recommended and the motion to dissolve did not get a Second and was therefore rejected. This complies with the request for proceedings as directly stated.

As it appears that the intention of the recommendation was that the dissolution proceedings be completed with an agreement to dissolve, the Board disagreed with that extension of the recommendation.

The Board's position remain that it can fulfill its mission statement and it is useful as per Findings #3 above response.

CONTRA COSTA COUNTY GRAND JURY REPORT NO. 1110

Hercules in Transition

Response from the City of Hercules

FINDINGS

Finding #1: A challenge facing the City after the June election is that there will be at least three council members with less than six months' experience.

Response: The City Council agrees with this finding.

Finding #2: As evidenced in the report a lack of transparency and openness such as not having public comment at the beginning of Council meetings, impeded residents' input, contributed to the political turmoil and stifled the development of policies, priorities and goals.

Response: The City Council agrees somewhat with this finding. As to public comment before closed session, the Mayor has consistently announced the Council's intent to convene into closed session and has requested comment on any Closed Session items before convening into Closed Session. The City Council agenda has consistently provided for Public Communication on items scheduled for open session, however, the agenda did not provide the public an opportunity to comment on items scheduled for Closed Session. In January 2011, the agenda format was revised to include Public Communication for Closed Session items and also provided for more detailed description of items scheduled for Closed Session discussion. In addition, the current Council was aware of past practices regarding items scheduled for the Consent Calendar portion of the agenda and is committed to scheduling and conducting workshops in order to involve the public in discussion of projects and programs.

Finding #3: The lack of clearly defined goals and responsibilities for the City Manager and City Attorney hindered the Council's ability to hold them accountable for their performances.

Response: The Council agrees with this finding. However, the executed legal services agreement for the City Attorney defines the role and responsibilities. In November, 2010, an independent review of the performance of the City Manager and City Attorney was conducted. Part of the City Attorney's evaluation included a process for ongoing annual review.

Finding #4: The flow of information provided to the Council about city operations was managed by the City Manager, limiting the Council's decision-making abilities.

Response: The Council agrees with this finding.

Finding #5: Existing conflict of interest, contract bidding and nepotism policies were not comprehensive enough, which resulted in abuses.

Response: The City Council agrees with this finding.

Finding #6: The lack of rotating subcommittee assignments limited the opportunity for checks and balances. Additionally, subcommittee meeting minutes were not taken and thus not available for review.

Response: The City Council agrees with this finding.

Finding #7: Not changing the City's financial audit firm periodically may have contributed to the financial crisis facing the City.

Response: The City Council agrees with this finding.

Finding #8: Failure to fill key City management vacancies promptly may negatively impact the City's ability to operate effectively.

Response: The City Council agrees with this finding.

Finding #9: Total compensation provided to Council members is above the average for Contra Costa County cities.

Response: The City Council agrees with this finding.

RECOMMENDATIONS

Recommendation #1: The Council should obtain training regarding the role of a city council and how members successfully interact with one another, the City staff and residents.

Response: This recommendation has been implemented. Council Members elected in November 2010 have participated in new Council Member training offered through the League of California Cities. Council Members elected in June 2011 will be participating in programs offered through the League and/or through the Contra Costa County Mayor's Conference.

Recommendation #2: Steps should be taken to solicit residents' participation on major issues, policies and procedures.

Response: This recommendation has been implemented. The City Council has established three committees, Finance Ad Hoc Committee, Citizens Advisory Committee - Legal Issues and the Bayfront/ITC Task Force, comprised of Hercules Residents, to participate and provide input relative to projects, programs, policies and procedures. The City Council also implemented procedures to video tape and prepare meeting minutes for all Ad Hoc Committee and subcommittee meetings, making those videos available to the public with meeting minutes posted to the City Web site. In addition, the Council is committed to conducting town hall meetings to provide information and solicit input from the community on major projects. The ad hoc committees do reserve the right to handle certain matters related to personnel selection in closed session, when appropriate, to protect privacy of applicants and the integrity of the selection process

Recommendation #3: Upon selection of a new City Manager and City Attorney, the Council should provide a clear definition of responsibilities, performance goals and the reporting relationship between these positions and the Council.

Response: The recommendation has not been implemented. As the City is currently recruiting for a City Manager and City Attorney, it is anticipated that these items will be discussed and implemented upon retention of these individuals. This will occur no later than November 2011.

Recommendation #4: The Council should require the City Manager to develop a reporting structure that ensures the Council has information and insight regarding City operations.

Response: This recommendation requires further analysis. Upon retention of a City Manager, the City Council, in concert with the City Manager, will establish and implement a consistent process for providing information to Council Members and for receiving Council direction. This will occur no later than November 2011.

Recommendation #5: The Council should review existing conflict of interest, contract bidding and nepotism policies and adopt provisions to address any weaknesses.

Response: This recommendation requires further analysis. The City Council has referred these items to the Citizens Ad Hoc Committee-Legal Issues for review and recommendation. It is anticipated that the review and policy approval shall be completed no later than December 2011.

Recommendation #6: The Council, in conjunction with the new City Manager, should obtain residents' input when developing policies, goals, and priorities for the City.

Response: This recommendation has not yet been implemented. Although citizen advisory committees have been established for this purpose, a more aggressive approach will be implemented. It is anticipated that this should occur no later than November 2011.

Recommendation #7: The Council should establish a policy to assure the financial audit firm is changed at least every five years.

Response: This recommendation has not yet been implemented. The preparation of a policy relative to all annual contract renewals and the retention of the financial auditing firm has been assigned to the Citizen's Finance Ad Hoc Committee. Subsequent policy will be presented to the City Council for approval no later than December 2011.

Recommendation #8: The Council should fill vacant key City management positions expeditiously.

Response: This recommendation has not yet been implemented. The City is fully aware of the importance of filling these positions and is moving expeditiously to fill both positions of City Manager and City Attorney. It is anticipated that these positions will be filled no later than October 2011. Upon the City Manager's retention, it will be his/her

responsibility to recruit for and make appointments to the various management positions that remain vacant.

Recommendation #9: The Council should review compensation for Council members and take appropriate actions.

Response: This recommendation has been implemented. On July 12, 2011, the City Council reviewed Council Member compensation and benefits. On July 26, 2011, the City Council adopted a Resolution rescinding all health and welfare benefits for all Council Members.

CONTRA COSTA COUNTY GRAND JURY REPORT NO. 1111

Brentwood – A City Addressing Reality

Response from the City of Brentwood

FINDINGS AND RECOMMENDATIONS

Finding #1: Brentwood developed an interactive fiscal model to forecast 10 years into the future in order to reveal potential problems and allow time to address them.

Response: Agree

Finding #2: Establishing sufficient General Fund reserves and specific fund reserves gives Brentwood greater flexibility in fiscal management and the ability to react to changing circumstances.

Response: Agree

Finding #3: Before reducing staff and expenses, Brentwood measured the impact of each reduction on public service delivery.

Response: Agree

Finding #4: Outcome-based contracts allow for cost savings and greater control of results.

Response: Agree

Finding #5: Benchmarking has been a useful tool for Brentwood, but could be more useful if it included other City activities to measure performance and solicited comparison data from peer agencies.

Response: Agree

Finding #6: Because employee benefits given in good times may not be sustainable, a new tier for new non-safety hires was implemented, but not for public safety employees.

Response: Agree

RECOMMENDATIONS

Recommendation #1: Brentwood should continue to use its interactive fiscal model and make it available to other cities.

Response: Implemented. The City adopted its most recent version of the Fiscal Model on April 12, 2011. The City publishes its Fiscal Model on its website and would welcome the opportunity to share its Fiscal Model with other interested agencies.

Recommendation #2: To more effectively measure performance, Brentwood should expand benchmarking to other city services and collaborate with other peer agencies to establish similar benchmarking standards.

Response: Has not yet been implemented. The City agrees that benchmarking and performance measurements provide invaluable information and a meaningful basis by which spending priorities can be established. The City has begun the process of identifying appropriate benchmarks and performance measures for other areas of City operations, but is still in the early phases of identifying the specific factors which will best capture the needs of our community. The City would like to begin incorporating benchmarks and performance measures into our budgeting process over the next few years. The City also agrees that working with other agencies to establish benchmarks can provide for meaningful comparisons, but we are also cautious that what may be a top priority in one City may not be so in another.

Recommendation #3: Brentwood should reduce the financial impact of public safety employee pension and other benefit costs for the City's future financial stability.

Response: Has not yet been implemented. The City is aware that the rising costs of employee benefits are presenting significant long-term fiscal challenges. The City is in the process of analyzing its options and will begin negotiations with our bargaining units in the near future. The City recognizes the need for cost containment with our employee benefits in order to provide for future financial stability.