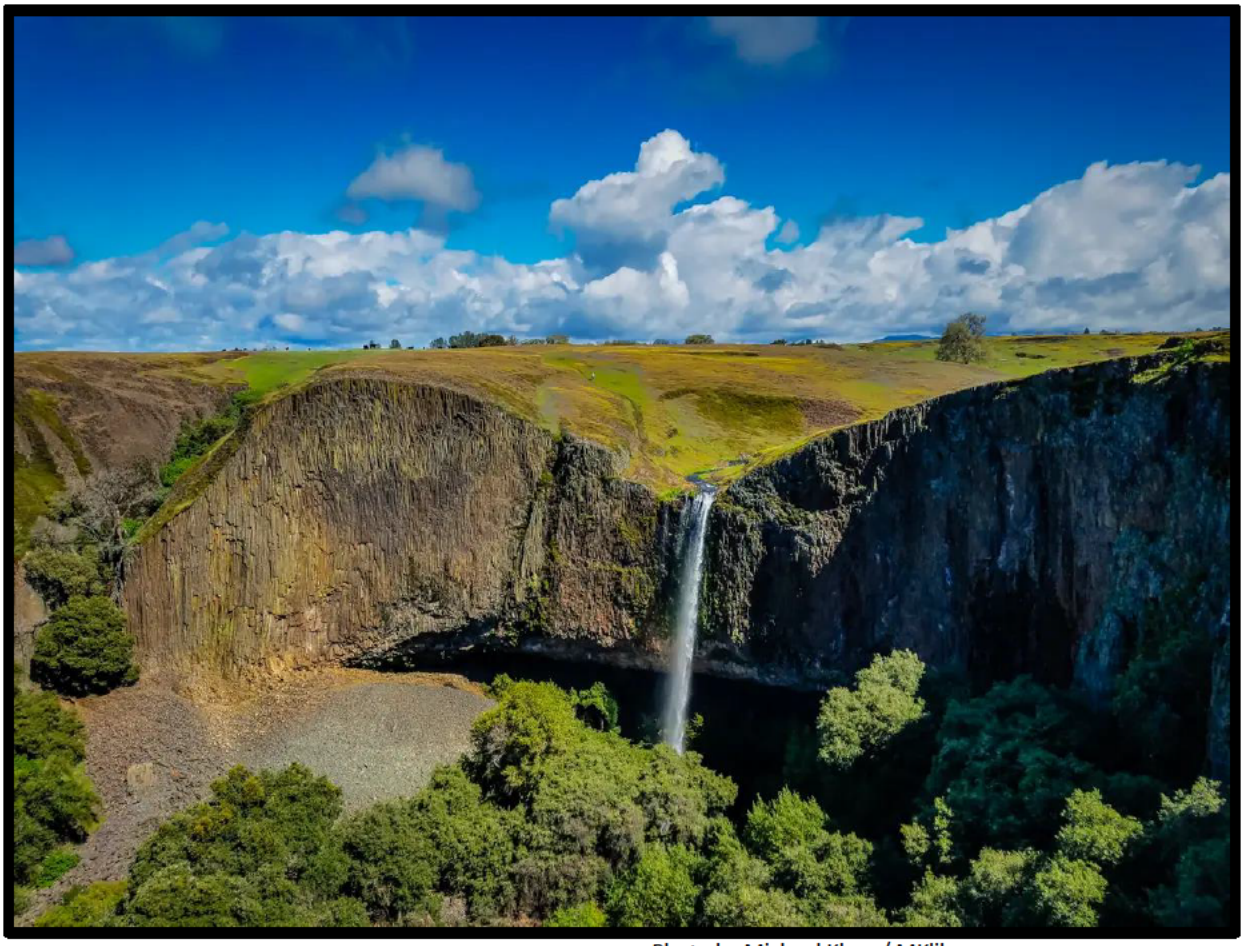
Butte County

Grand Jury 2022-2023



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Final Report

FILED
Superior Court of California
County of Butte
JUN 16 2023
Shant Elmaliah, Clerk
By Deputy
FILED

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May 23, 2023

The Honorable Corie J. Caraway
Butte County Superior Court
1 Court Street
Oroville, CA 95965

Dear Judge Caraway:

The 2022-2023 Butte County Civil Grand Jury respectfully submits our final report to Butte County and the Butte County Superior Court in accordance with California Penal Code §933.05.

The Grand Jury was recruited through a letter sent to 7,500 randomly selected residents of Butte County. A list of volunteers responding to the letter was further pared down to nineteen individuals through an interview process by Butte County Superior Court. After empanelment, the Grand Jury was sworn in, completed a two-day training program, and attended a subsequent Report Writing Workshop. Education was provided by trainers from the California Grand Jury Association and funded by the Butte County Superior Court.

The Grand Jury completed the mandatory inquiry of the Butte County Jail and Butte County Juvenile Hall Detention facilities. Tours were offered to any interested jurors. Staff answered questions and provided valuable information. Three jurors participated in the Butte County Election Division's Logic and Accuracy Testing and observed election night vote tabulation.

The Grand Jury received a total of 14 complaints. Jurors reviewed each of the complaints and gave them careful consideration. In all, the Grand Jury completed numerous inquiries resulting in 10 investigative reports. The members of the Grand Jury spent considerable time collecting information, researching laws, conducting interviews, and evaluating evidence for each report.

We appreciate the support and guidance provided by the Butte County Superior Court, yourself, Court Services Staff, County Staff, County Counsel, and all others who assisted the Grand Jury.

Respectfully Submitted,

Connie Huyck
Foreperson,
2022-2023 Butte County Grand Jury

2022-2023 Butte County
Grand Jury Members

Amy Adair

Eddie Babcock

Carl Carlson

Gail Corneto

Kirk Draper

Paul Fisher

Tiera Frison

Ronald Ginochio

Ralph Godwin

Connie Huyck

Deborah Rollins

Tammy Samson

Melissa Serekilevu

Amanda Waters

We wish to acknowledge those jurors who initially served with the 2022-2023 Butte County Grand Jury but were unable to complete their term. We thank them and appreciate the time they were able to serve.

The 2022-2023 Grand Jury members resided in the following communities in Butte County:

Bangor

Chico

Oroville

Paradise

2022 – 2023 Butte County Grand Jury

MISSION STATEMENT

The 2022-2023 Butte County Grand Jury is responsible for reviewing various levels, branches, and agencies of government within this county. These reviews are conducted to ensure the various government branches and agencies are performing their duties and operating in an appropriate manner which best serves the citizens of Butte County. When necessary, the Grand Jury may also hear and determine the appropriateness of certain criminal indictments.

The Role of the Butte County Grand Jury

The Butte County Grand Jury is mandated by Article 1, Section 23 of the California Constitution.

It operates under Title 4 primarily Penal Code sections 888- 939.91, of the California Penal Code, Sections 3060-3074 of the California Government Code, and Section 17006 of the California Welfare and Institutions Code.

All fifty-eight counties in California are required to have grand juries.

The Grand Jury in California has several functions:

- To function as the public watchdog.
- Annually explore the operations, accounts and records of officers, departments or functions of the county including special districts.
- To explore the condition and operations of jails and prisons within the county.
- To respond to allegations of misconduct against public officials and establish whether formal accusations should be presented requesting removal from office.
- To weigh criminal charges and determine if indictments should be returned.

The Grand Jury has the authority to investigate the following:

- Public records within the county.
- Records or books of any incorporated city or joint powers authority located in the county.
- Certain housing authorities.
- Taxing or assessing agencies with special purpose entirely or partly within the county.
- Nonprofit corporations established by or operated on behalf of a public entity.
- All portions of the county and city government, including special districts.
- Records, books, and financial expenditures of government agencies including cities, school boards, and commissions.

History of Grand Juries

In the 18th century, the greatest experiment in human governance began: a new nation founded on a system of citizen-led democracy. In a world dominated by monarchs and dictators, this radical idea of a citizen-run government was met with derision, skepticism, and war. Citizen-led democracy, over 240 years, has proven to be the greatest form of government the world has ever known, creating opportunity for prosperity, peace, and harmony for all who desire it.

The Massachusetts Bay Colony impaneled the first American grand jury in 1635 to consider cases of murder, robbery, and wife beating. Colonial grand juries expressed their independence from the crown by refusing in 1765 to indict leaders of the Stamp Act or bring libel charges against the editors of the Boston Gazette. The union with other colonies to oppose British taxes was supported by a Philadelphia grand jury in 1770. By the end of the colonial period, the grand jury had become an indispensable adjunct of government.

The model of the citizen-run government elevates the requirements of a nation's occupant. Freedom comes with responsibility and requires dedication of time and resources from every citizen. The grand jury serves as one of these responsibilities, crucial to the health and continuity of our society. The grand jury serves as a structure for citizens to voluntarily engage with their local government in a position of authority and acting in a confidential manner.

The grand jury has autonomy to investigate any area of county or city government, and the right to subpoena information if not satisfied with what is provided. The grand jury is a constituent part of the superior court, created for the protection of society and the enforcement of law. The grand jury is free to follow its own inclinations in investigating local government affairs.

The grand jury may act only as a whole body. An individual grand juror has no more authority than any private citizen. Citizens can refer issues of government misconduct to the grand jury, who may proceed with an investigation if deemed appropriate. The subjects of investigations or departmental reviews are determined solely by the grand jury and remain confidential until the end of the one-year term.

Annual Final Report

At the close of the grand jury term, it submits the final report to the superior court. This report provides an account of the activities and investigative findings and recommendations conducted by the grand jury. The final report is the voice of the entire grand jury.

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CALIFORNIA PENAL CODE

The Grand Jury Final Report has been filed on this date pursuant to California Penal Code §933. A copy of the report is enclosed.

§933.

(a) Each grand jury shall submit to the presiding judge of the superior court a final report of its findings and recommendations that pertain to county government matters during the fiscal or calendar year. Final reports on any appropriate subject may be submitted to the presiding judge of the superior court at any time during the term of service of a grand jury. A final report may be submitted for comment to responsible officers, agencies, or departments, including the county board of supervisors, when applicable, upon finding of the presiding judge that the report is in compliance with this title. For 45 days after the end of the term, the foreperson and his or her designees shall, upon reasonable notice, be available to clarify the recommendations of the report.

(b) One copy of each final report, together with the responses thereto, found to be in compliance with this title shall be placed on file with the clerk of the court and remain on file in the office of the clerk. The clerk shall immediately forward a true copy of the report and the responses to the State Archivist who shall retain that report and all responses in perpetuity.

(c) No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All of these comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years.

(d) As used in this section “agency” includes a department.

(Amended by Stats. 2002, Ch. 784, Sec. 538. Effective January 1, 2003.)

§933.05.

(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding.

(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.

(f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

(Amended by Stats. 1997, Ch. 443, Sec. 5. Effective January 1, 1998.)

2022 - 2023 Butte County Grand Jury

Annual Report

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2022-2023 BUTTE COUNTY GRAND JURY

May 23, 2023

Compliance and Continuity for the

2021-2022 Butte County Grand Jury

Responses to 2021-2022 Grand Jury Report

SUMMARY

The Butte County Grand Jury (BCGJ) functions as a civil watchdog, investigating Butte County (BC) government departments, joint powers authorities, and special districts. Over the course of their terms of service, the BCGJ completes multiple investigations addressing all manner of topics across the county. Reports are written and published with findings and recommendations, including due dates for responses from the entities investigated. The California Penal Code (CPC) precisely defines the manner and time frame for the responses. Because each Grand Jury term is limited, tracking of these responses becomes the responsibility of subsequent juries.

The 2022-2023 BCGJ reviewed the responses to the ten investigative reports by the 2021-2022 BCGJ. There were 40 findings which either required or invited a response and 27 recommendations were given to the various BC government entities.

This Compliance and Continuity Report is an example of the collaborative efforts within BC's government agencies and special districts working with the BCGJ findings and recommendations. All required responses were received in a timely manner and there were no deficiencies.

GLOSSARY

BC	Butte County
BCBH	Butte County Behavioral Health
BOS	Butte County Board of Supervisors
BCBT	Butte College Board of Trustees

BCGJ	Butte County Grand Jury
BCL	Butte County Library
BCLEA	Butte County Law Enforcement Academy
BCSD	Butte County Special Districts
BINTF	Butte Interagency Narcotics Task Force
CPC	California Penal Code
OCC	Oroville City Council
P&P	Policy and Procedure

BACKGROUND

Under California State law and in accordance with CPC §933, local government agencies, elected officials, and department heads (respondents) are required to respond in writing to BCGJ reports. The governing body of any agency that is a subject of the report has 90 days to submit a response, while elected officials and department heads have 60 days to respond. Respondents must state whether they agree or disagree with the BCGJ findings. Respondents must also state if recommendations will or will not be implemented, or they require further analysis. Respondents are required to explain disagreements with both findings and recommendations.

In accordance with CPC §933.05(a), responses to findings must either agree with the findings, disagree with the findings, or disagree partially with the findings.

In accordance with CPC §933.05(b), responses to individual recommendations must include whether each has been implemented, has not been implemented but will be (including a time frame for completion), requires further analysis with an explanation and parameters of the analysis and time frame for the matter to be prepared for discussion, or will not be implemented with an explanation.

METHODOLOGY

The 2022-2023 BCGJ evaluated responses to the 2021-2022 BCGJ recommendations to ensure compliance with CPC §933.05 with the following criteria considered:

- If required responses to all findings and recommendations were received by the stated deadline.
- If a response indicated a recommendation was implemented, sufficient detail was provided about how.
- If a response indicated that a recommendation would be implemented, it included details about when and how.
- If a response indicated that a recommendation required further analysis or study, the respondent explained how that would be accomplished.
- If a response indicated that a recommendation would not be implemented, it included an explanation why.

The BCGJ visited agency websites and other media platforms to validate details in the responses. When necessary, the BCGJ contacted public agency department directors directly for clarification on responses. This report provides updates to the 2021-2022 BCGJ report responses and a respondent's progress toward recommendations, as necessary. The BCGJ contacted department directors to confirm the status of implementation and the agency's progress toward accomplishment of BCGJ recommendations.

DISCUSSION

The 2021-2022 BCGJ Report offered twenty-seven recommendations resulting from 40 findings across ten reports. One report (Butte County Single Audit Report) had no findings and no recommendations. Fifteen findings were statements that did not result in any recommendations. Agency required responses are reported in Table 1 and invited responses are reported in Table 2. A summary of each report and its responses follows. They are listed in the same order as in the full 2021-2022 BCGJ report.

Summary of Required Responses

All the required responses to the 2021-2022 BCGJ report were received on time and in accordance with California state law. The required respondents were Butte-Glenn Community College Board of Trustees, Butte County Board of Supervisors, Gridley City Council, and Oroville City Council.

Table 1: Required Findings and Responses:

Required Respondents by Report:						
Topic/*Entity*:	Agree	Disagree	Partially Disagree	Implemented	Will be Implemented	Will not be implemented
Butte College Law Enforcement Academy						
Butte-Glenn Community College Board of Trustees	F1,F3		F2	R1 (part),R2		R1 (part)
Butte County Behavioral Health						
Butte County Board of Supervisors	F1,F2			R2,R3		R1
Butte County Library						
Butte County Board of Supervisors	F1,F2,F3		F4,F5		R1,R2,R3	
Chico/Paradise Veterans Memorial Halls						
Butte County Board of Supervisors	F1,F2,F3	F4				R1
Butte Interagency Narcotics Task Force						
None						
Special Districts Roster						
Butte County Board of Supervisors	F1,F3		F2		R1,R2,R3	
City of Gridley Electric Utility						
Gridley City Council	F1,F2,F3,F5,F6		F4	R1	R2,R3,R4	
Neal Road Recycling and Waste Facility						
Butte County Board of Supervisors	F1,F2,F3,F5,F6,F7	F4,F8		R4	R1,R2,R3,R5	
City of Oroville						
Oroville City Council	F2,F3	F1,F4,F5			R2	R1,R3,R4

Summary of Invited Responses

The 2021-2022 BCGJ extended invitations to respond to those whom the BCGJ felt may have input. Invited Respondents are not required to respond. The invited respondents were:

- The Director of the Butte College Law Enforcement Academy
- The Director of Butte County Behavioral Health
- The Butte County Chief Administrative Officer
- The Butte County Librarian
- The Director of the General Services Department
- The Butte Interagency Narcotics Task Force (BINTF) Board of Directors
- The BINTF Commander
- The Butte County Director of Information Services
- The Butte County Clerk-Recorder
- The Gridley City Administrator
- The Gridley Finance Director
- The Butte County Public Works Director
- The Deputy Director, Waste Management Division
- The City Administrator for the City of Oroville
- The Mayor of the City of Oroville

Table 2: Invited Findings and Responses:

Invited Respondents by Report:						
Topic/*Entity*:	Agree	Disagree	Partially Disagree	Implemented	Will be Implemented	Will not be implemented
Butte College Law Enforcement Academy	-	-	-	-	-	-
Director Butte College Law Enforcement Academy	-	-	-	-	-	-
Butte County Behavioral Health						

Director of Butte County Behavioral Health	F1, F2			R2, R3		R1
Butte County Chief Administrative Officer	F2			R2,R3		
Butte County Board of Supervisors	F1,F2,F3		F4,F5		R1,R2,R3	
Butte County Library						
Butte County Librarian			F4,F5		R2,R3	
Chico/Paradise Veterans Memorial Halls						
Director General Services Department						R1
Special Districts Roster						
Butte County Board of Supervisors	F1,F3		F2		R1,R2,R3	
City of Gridley Electric Utility						
Gridley City Council	F1,F2,F3,F5,F6		F4	R1	R2,R3,R4	
Neal Road Recycling and Waste Facility						
Butte County Board of Supervisors	F1,F2,F3,F5,F6,F7	F4,F8		R4	R1,R2,R3,R5	
City of Oroville						
Oroville City Council	F2,F3	F1,F4,F5			R2	R1,R3,R4
Butte Interagency Narcotics Task Force						
BINTF Board of Directors						
BINTF Commander	F1,F2,F3,F4			R1,R2		
Special Districts Roster						
Butte County Director of Information Services	F1,F3		F2		R2,R3	R1 (defers to Recorder)
Butte County Chief Administrative Officer					R2,R3	
Butte County Clerk-Recorder	F3				R1	
City of Gridley Electric Utility						
Gridley City Administrator	F1,F2,F3,F5,F6		F4	R1	R2,R3,R4	

Gridley Finance Director						
Neal Road Recycling and Waste Facility						
Butte County Chief Administrative Officer					R1	
Butte County Public Works Director	F1,F2,F3,F4,F5,F6,F7	F8		R4	R1,R2,R3,R5	
Deputy Director, Waste Management Division						
City of Oroville						
City Administrator for the City of Oroville						
Mayor of City of Oroville	F2,F3	F1,F4,F5			R2	R1,R3,R4

Other Responses

In addition to the required and invited responses, there was one additional and unsolicited response by the District Attorney regarding the BCLEA report. The District Attorney cosigned the response letter submitted by the College Board of Trustees Chair.

SUMMARY OF RESPONSES BY REPORT

Audit Report

There are no findings or recommendations. No response was sought or required.

Butte County Law Enforcement Academy

2020-2021 Report - Findings and Recommendations Included:

FINDINGS

F1. The BCLEA is a comprehensive and well-run program that follows the state mandated POST curriculum. BCLEA's classroom hours exceed POST's minimum hourly requirement. It provides a vital function to law enforcement agencies and to graduates who go on to a career in law enforcement.

F2. The BCGJ identified areas in which the BCLEA program needs more instruction and preparation:

- Additional and more realistic scenario training
- Additional emphasis on communication skills and how to defuse potentially volatile situations
- Additional training on search and seizure and the legal limits of officers
- How to effectively deal with the unsheltered population and individuals with mental health issues
- Training on Community Policing techniques

F3. The Scenario Village is a positive addition to BCLEA that enables instructors to create real life scenarios to better prepare students for experiences in the field.

RECOMMENDATIONS

R1. The Butte-Glenn Community College District Board of Trustees to institute a program whereby recently graduated and currently employed officers can provide anonymous feedback for changes/improvements to the program by June 30, 2023.

R2. The Butte-Glenn Community College District Board of Trustees to conduct an internal review of the allotted time assigned to each Learning Domain to determine if more time and instruction can be redirected to the topics identified in F2 by June 30, 2023.

BCLEA provides recruits to smaller law enforcement agencies in California who cannot afford to run their own academies. Five recent graduates of the academy suggested additional training in several areas, including the legality of search and seizure, the importance of communication skills, and how to effectively manage persons with mental health issues and the unsheltered.

- Responses to findings F1, F2, F3, and to recommendations R1 and R2 were required of the Butte College Board of Trustees (BCBT). The BCBT responded that it agrees with findings F1 and F3 and partially agrees with F2 regarding training with specific populations. The BCLEA responded that it already provides more training hours than is required by the state. The BCBT has implemented recommendations R1 and R2 with a viable program review process, though the process does not provide anonymity to reviewers.
- No invited response was received.

Butte County Behavioral Health

State of Confusion: Who is eligible for Behavioral Health Services

2020-2021 Report - Findings and Recommendations Included:

FINDINGS

F1. The public has misconceptions of BCBH services and eligibility.

F2. The BCBH website homepage does not identify service eligibility requirements.

RECOMMENDATIONS

R1. The BCBH to implement a public outreach program consistent with their Mission Statement to educate residents as to who may be eligible for services by December 31, 2022.

R2. Under the Services heading on the homepage, the BCBH to add: "Not all services are available to every person. Please click the Get Started button to discuss your individual situation." by December 31, 2022.

R3. The BCBH to make the Get Started button on the BCBH homepage more prominent by December 31, 2022.

- BCBH provides a comprehensive array of services to Medi-Cal recipients. The 2021-2022 BCGJ's investigation of BCBH never did provide a clear understanding to that grand jury of how narrow is that population served.
- BOS agrees with the findings F1 and F2. BOS disagrees with Recommendation R1 believing more intensified community outreach "is not warranted." BOS agrees with recommendations R2 and R3 and already has implemented Recommendations R1 and R2.
- An invited response was submitted by the BCBH Director who agrees with Finding F1 and F2 and with Recommendations R2 and R3. They disagree with Recommendation R1, believing an intensified educational outreach "is not warranted" due to the current high level of educational outreach in place and planned.

Butte County Library

Today's Library: Books and Beyond

2020-2021 Report - Findings and Recommendations Included:

FINDINGS

F1. Butte County Library provides a wealth of services to the community beyond book lending and research assistance.

F2. Butte County Library has made use of budget and grant monies to modernize patrons' experience.

F3 Despite the Pandemic, BCL has remained flexible in serving a wide range of patrons' needs while maintaining COVID-19 protocols.

F4. Digital divides exist within Butte County between library services and those that can access them.

F5. The Pandemic reduced volunteers which the BCL depended on to educate the public on the latest technology available.

RECOMMENDATIONS

R1. Butte County Supervisors to commission a study to investigate the feasibility of establishing broadband throughout the county, similar to the Broadband Master Plan Interim Report approved by Chico City Council by December 31, 2022.

https://krcrtv.com/news/local/concerns-with-chicos-broadband-master-plans-48-million-price-tag-addreessed

R2. The Butte County Library administration to coordinate with library partners to increase community outreach and inform the public of library services by December 31, 2022

R3. The Butte County Library administration to develop and implement a Volunteer Recruitment Plan by December 31, 2022

Libraries are an important community resource for education, job searches, acquiring and honing technical skills, entertainment, creating crafts, preparing for higher education, online learning, and computer use for online services. Accessing these resources became difficult during the COVID pandemic.

- BOS agrees with Findings F1, F2, F3 and partially disagrees with F4 and F5 regarding the digital divide, stating "the County Library provides residents access to technology and computer training." Recommendation R1 is in the process of being implemented with a plan to provide broadband service countywide.
- An invited response was received from the Butte County Librarian, who partially disagrees with the findings F4 and F5. Recommendations R2 and R3 are in the process of being implemented, "increasing community outreach" and "developing and implementing a Volunteer Recruitment Plan."

Butte County Veterans

Chico and Paradise Veteran's Memorial Halls

2020-2021 Report - Findings and Recommendations Included:

FINDINGS

F1. The Veterans Memorial Halls in Paradise and Chico were observed to be clean and well maintained.

F2. The Paradise Veterans Memorial Hall now provides an ADA accessible kitchen seating area/mezzanine.

F3. The disbanding of the Veterans Memorial Halls Committees and ceasing rental of the Veterans Halls to the public by the General Services Department has resulted in:

- Less conflicting scheduling of events between members of the public and veterans
- Veterans are allowed to form and appoint their own leadership for each of the Memorial Halls
- Significant reduction in hours spent by the Real Property Agent.
- The Real Property Agent no longer needs to exchange keys after work hours and check the facilities

F4. The Real Property Agent for Butte County was scheduled to retire in May of 2022.

RECOMMENDATIONS

R1. After the retirement of the Real Property Agent, BOS should fill this position with a full or part time person dedicated to overseeing the Veterans Memorial Halls.

Both Veteran's Memorial Halls were observed to be clean and well maintained.

- The BOS agrees with findings F1, F2, and F3. The BOS disagrees with finding F4 and will not implement recommendation R1, instead implementing "a full-team approach, working closely with the Veteran's Halls."
- No invited response was received.

Butte Interagency Narcotics Task Force (BINTF)

2020-2021 Report - Findings and Recommendations Included:

FINDINGS

F1. According to statistics provided by BINTF, deaths in Butte County due to overdose from Fentanyl and methamphetamine have been on a steady increase.

F2. According to statistics provided by BINTF, 16-20 and university age groups in Butte County are being targeted by aggressive cartel marketing.

F3, There is a strong relationship between illegal drug use and child endangerment, with an impact on foster care.

F4. The use of Narcan by EMS responders and the public has reduced the number of overdose deaths due to illegal drugs.

RECOMMENDATIONS

R1. BINTF budget to include more resources for outreach and education to combat aggressive marketing techniques being used by controlled substance providers by July 1, 2023.

R2. BINTF implement methods to educate the public regarding the effectiveness of Narcan by July 1, 2023.

Recent increases in overdose deaths demonstrate an urgent need for effective enforcement, intervention, outreach, and education spearheaded by the BINTF.

- There is no required response to the findings and recommendations of the BCGJ.
- There was an invited response received jointly from the BINTF Commander and the BINTF Board Chair and from the Butte County District Attorney. Those respondents agree with findings F1, F2, F3, and F4. The respondents also agree with recommendations R1 and R2. They state, "The COVID-19 pandemic essentially eliminated most requests for public presentations by BINTF."

They further state, "With the recent designation of Butte County as a High Intensity Drug Trafficking Area by the Office of National Drug Control Policy, additional resources, including funding, will likely be available to increase the outreach and educational efforts of the BINTF."

Districts and Commissions

In Search of Special Districts

2020-2021 Report - Findings and Recommendations Included:

FINDINGS

F1. The Butte County website does not have a drop-down menu for special districts.

F2. The Butte County website is difficult to navigate. Typing a search within the search bar on the Butte County homepage sends the user to the world wide web and is not Butte County specific.

F3. The physical log of Butte County Special Districts maintained and stored at the Butte Clerk-Recorder's Office is accessible only to those making an in-person visit.

RECOMMENDATIONS

R1. The Butte County Clerk-Recorder to publish a comprehensive online roster of all of Butte County's dependent and independent special districts and CSAs by December 31, 2022.

R2. The Butte County Chief Administrative Officer to add a SD heading under a drop-down menu on the homepage of www.buttecounty.net by December 31, 2022.

R3. The Butte County Chief Administrative Officer to modify the homepage search function to be Butte County specific by December 31, 2022.

The BCGJ discovered that a readily accessible complete list of Butte County Special Districts (BCSD) does not exist, making BCSD difficult to be monitored by the BCGJ or by the public.

- Responses to finding F3 and recommendation R1 are required of the BOS. The BOS agrees with finding F1."
- An invited response was received from the Butte County Director of Information Systems regarding findings F1, F2, F3; and recommendations R1, R2, and R3 agreeing with all findings.

- An Invited Response was also received from The Butte County Clerk-Recorder agreeing with finding F3 and planning to late implement of recommendation R1 during the first quarter of 2023, creating a website link with a "comprehensive online Special District roster." F1 and R1, R2. Per Chief Administrative Officer, "Butte County is still in the process of completing a link to information on Special Districts on the drop-down menu. BC placed a Special Districts link on the website drop down menu under the Government tab but is still in the process of adding content to the Special Districts page. Once completed, the Special Districts page will have a comprehensive list of all Special Districts in Butte County."
- F2 and R3. "The new BC website went live in March 2023. Content is still being added to the website. Departments are making necessary edits and adjustments."
- F2 and R2. "The search bar on the website is BC specific. When the search bar is used, search results will only include links to pages or documents within the BC website. To search outside the website, a person would need to utilize a web browser such as Google Chrome or Microsoft Edge."

Gridley City Government

City of Gridley Electric Utility Turns a Profit

2020-2021 Report - Findings and Recommendations Included:

FINDINGS

F1. The City of Gridley has not posted its audited financial reports dated 6-30-20 and 6-30-21.

F2. A portion of the funds in excess of the Electric Enterprise Operating Expenses are transferred annually into the City of Gridley General Fund .

F3. The City of Gridley audits show an accumulation of cash over the Fiscal Years 2016-2019.

F4. City officials have not identified the goal number of accumulated cash/investments.

F5. The City of Gridley has not provided the method or basis for the computation of the GEU rates.

F6. The GEU rates per kWh are comparable to other northern California cities.

RECOMMENDATIONS

R1. City of Gridley to produce audited and approved financial reports for FYs ending 6/30/20 and 6/30/21 by 9/30/22.

R2. City of Gridley to produce audited and approved financial reports no later than 6 months after the close of each fiscal year starting with the audit dated 6/30/22.

R3. City of Gridley to provide a detailed plan for the allocation of unrestricted cash/investment accumulations in the cash and investment fund accounts. The plan shall itemize to which category(ies) the accumulation is allocated by 12/31/22.

R4. City of Gridley City Council and Gridley City Administrators to make public the basis and methodology for calculating the electric rates in a clear, understandable manner by 12/31/22.

The City of Gridley has not been transparent regarding the computation of electric rates. The city has not posted audits for fiscal years ending 6-30-2020 and 6-30-2021. Gridley's electric utility's operating income is more than five times the operating income of its seven peer communities.

- Responses to findings F1,F2,F3, F4, F5, F6; and recommendations R1, R2, R3 and R4 were required of the Gridley City Council. The Gridley City Council approved the invited response submitted and signed by the Gridley City Administrator. They agree with findings F1, F2, F3, F5

and F6 and partially agree with finding F4. Finding F4 is about identifying the goal number of accumulated cash and investments. The City Administrator reports the city having a public record goal of 20% for budget reserves by 2024-2025.

- According to the City's initial response, all recommendations were to have been implemented by 12-31-2022. The City's "final follow-up on required response" dated 04-25-2022 is quoted below:
    - "F1 and R1. The audit for the fiscal year ending 06-30–2020 has been finalized and is publicly available on the city website. The fiscal year ending 06-30-2021 audit final trial balance, after recent corrections was submitted and is being imported by auditors into software for audit testing. All previous analytics for comparison were recently uploaded. However, due to this most recent submission, it could potentially result in additional follow-up items. Verified by BCGJ representative via website review."

    - "R2. Recently, current auditors informed the city they would not be able to book, and field test the audit for fiscal year ending 6-30-2022. The city has moved forward in preparing a request for proposal for future auditing work. Upon reviewing proposals, results will be provided and approved at a future council meeting."

    - "F4 and R3. The city is currently awaiting the completion of audits for fiscal year 2021 and 2022 in order to have audited balances as part of the methodology for planning allocation of unrestricted cash/investment accumulations."

    - "F5, F6 and R4. The city is in the final stages of completing a comprehensive data, driven cost of services study being conducted under contract with Utility Financial Solutions. "The cost of services study will be the foundation of the proposed rate design methodology that will be presented to the Gridley City Council. Upon completion and once adopted all supporting documents, data, and the executive summary will be posted to the City webpage."

Neal Road Recycling and Waste Facility

2020-2021 Report - Findings and Recommendations Included:

FINDINGS

F1. NRRWF provides a valuable service to Butte County and its residents. The operation is well run, and management does an excellent job of staying abreast of the latest technologies in landfill operations and recycling, as well as governmental mandates and requirements.

F2. NRRWF employees are well trained, committed to their jobs, and perform their work in a professional and competent manner with an emphasis on customer service.

F3. NRRWF management and Butte County Department of Public Works are commended for their emphasis on planning for the future by creating a Strategic Plan for the Landfill and posting an RFQ for development of a Master Plan.

F4. User fees at the Landfill are not high enough to fully cover operational costs.

F5. Signage at NRRWF is confusing and difficult to read.

F6. The credit card system is cumbersome and slow.

F7. Scale house employees are using individual skills and conflict resolution techniques to counter and avoid negative interactions with customers.

F8. Due to the way work hours are scheduled, employees rarely have time to participate in team conversations or learning opportunities.

RECOMMENDATIONS

R1. Department of Public Works management to upgrade or replace the current credit card system with a system that is simpler and more efficient by December 31, 2022.

R2. Department of Public Works management to install signage that is simpler and more direct. This includes signage at the scale house window in English, Spanish, and Hmong by December 31, 2022.

R3. Department of Public Works management to develop an informational and factual multi-language brochure for customers by December 31, 2022.

R4. Department of Public Works management to initiate regularly scheduled team meetings for employees to improve communication by December 31, 2022.

R5. Department of Public Works management to provide scheduled conflict resolution training for employees who deal directly with the public by December 31, 2022.

Traffic backups on Neal Road present a safety hazard. Streamlining the process of getting patrons beyond the gate is imperative for safety and provides customers with more timely and efficient service.

- The BOS in their required response agrees with findings F1, F2, F3, F5, and F6. "The respondent wholly disagrees with" findings F4 and F8. Finding F4 refers to user fees being insufficient to fully cover operational cost. The BOS believes that "user fees have been higher than operating costs for at least a decade" and are sufficient. Finding F8 is about employees rarely having time to participate in team meetings. BOS states, "The department holds meetings monthly and repeats them across sessions to ensure participation and opportunity."
- A response was received from Butte County Public Works Director. Their responses are in harmony with those of the BOS, except for finding F4. The Director foresees the need for increasing revenue to allocate funds for capital improvements and equipment purchases that were deferred due to the Camp Fire. They also cite Senate Bill 1383 and other recent State legislation impacting future operating cost projections.

Oroville City Government

Complaints Prompt Investigation into Oroville City Government

2020-2021 Report - Findings and Recommendations Included:

FINDINGS

F1. One individual holds more than one key city office.

F2. There is not a current and complete PPM accessible to the general public.

F3. Emergency declarations have been used to override existing policies.

F4. The procedures on record were frequently not followed.

F5. The City Council does not fill vacant positions in a timely manner, enabling the mayor to fill those positions by appointment instead of election

RECOMMENDATIONS

R1. Each position in city administration and city government is to be filled by one individual and no individual to hold multiple positions, except on a temporary basis to fill a vacancy and for no longer than 6 months. This to be put into policy by December 31, 2022.

R2. Oroville City Government to develop and adopt a comprehensive PPM online and in print by December 31, 2022.

R3. The Oroville City Government to define an "emergency situation" in the PPM by December 31, 2022.

R4. City Council members to fill positions in accordance with the PPM and within 6 months, except in emergency situations. This to be implemented by December 31, 2022

The 2021-2022 BCGJ responded to multiple complaints about the City of Oroville government. That Grand Jury reported "a lack of cooperation in providing information" for their investigation.

- A required response was received from the Oroville City Council (OCC), and the OCC disagrees with findings F1, F4, and F5 and disagrees with recommendations R1, R3 and R4.

- The OCC agrees with finding F2 and recommendation R2. Both are regarding creating a comprehensive Policies and Procedures Manual (P&P). The Council agrees to "implement (a new P&P) by the end of 2022." This is partially completed and is currently still in process.

- Though agreeing with finding F3, related to "emergency declarations have been used to override existing policies," "... the City (Council) takes great umbrage at the insinuation... that some nefarious intent existed...."

- Finding F1 and recommendation R1 are about one individual holding more than one key city office. One individual, for a time, did hold 3 such positions concurrently. The OCC responded that "the procedure to fill positions by the council is mandated by the City Charter."

- Finding F4 and recommendation R3 relates to "procedures on record were frequently not followed." The OCC cited "two examples of emergency declarations being used to override standing policy," justifying their breach of policy due to emergency situations. The OCC does not seek to define on record in the P&P what would constitute an emergency situation, stating "… Council determines what an "emergency situation" based on the facts and circumstances before it during Council Meetings. Should the citizens have any concerns related thereto, they can share those concerns with the Council at one of those regularly scheduled meetings."

- Response to finding F5 and recommendation R4 address filling key positions in a timely manner, thus electing people and avoiding appointments by the OCC. The OCC reports the city charter delineates the detailed process by which the mayor may become mandated to appoint key personnel.

- In addition to the required response, there is a documented public response in the June 29, 2022, Mercury Register attributed to the then current Mayor of Oroville to the findings and recommendations in the 2021-2022 Grand Jury Report. He states, "We read it (the Grand Jury Report) the other day in closed session, and it wasn't much. All the stuff was former council members. I think it kind of speaks for itself."

Responses are to be submitted to the presiding judge of the Butte County Superior Court in accordance with the provisions of Penal Code § 933.05. Responses must include information required by §933.05.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code §929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

APPENDIX

2021-2022 Butte County Grand Jury Report

http://www.buttecounty.net/administration/Grand-Jury/Grand-Jury-Report-for-Fiscal-Year-2021-2022

Butte County Single Audit Report

https://www.buttecounty.net/Portals/4/Financial_Reports/2021%20County%20of%20Butte%20Single%20Audit%20Report.pdf?ver=2022-07-07-173516-210

2022-2023 BUTTE COUNTY GRAND JURY

April 25, 2023

County of Butte Single Audit Report:

Year Ended June 30, 2022

Audit Report

SUMMARY

The Butte County Grand Jury reviewed the County of Butte Single Audit Report Year Ended June 30, 2022. It was prepared by Butte County's independent Auditor (IA). Based upon their review, the IA issued an unmodified opinion on the Financial Statements Audit section of the report but did note a deficiency in the internal control area. The IA also issued an unmodified opinion on the Federal Awards Compliance Audit section.

GLOSSARY

FY 2021 Fiscal Year ending June 30, 2021

FY 2022 Fiscal Year ending June 30, 2022

GASB Government Accounting Standards Board

IA Independent Auditor

BACKGROUND

A Single Audit Report is a federal award audit of a non-federal entity that expends $750,000 or more in federal funds in one year. The report contains 2 audit sections, the Financial Statements Audit, and the Federal Awards Compliance Audit. The purpose of the report is to ensure that a funds recipient organization follows all applicable compliance

requirements and regulations. The report is created by an independent auditing firm, usually a CPA, hired by the organization. The IA for Butte County is the CPA firm Clifton, Larson, Allen LLP. A Single Audit Report is required to be made public within 9 months of the close of the fiscal year or within one month after receiving it from the auditing entity, whichever occurs first (45 CFR 75.512).

For Fiscal Year 2021-2022, Butte County completed and posted the report on their website within the required time.

METHODOLOGY

The research for this report involved attending a meeting of the Butte County Audit Committee and an interview with the Butte County Auditor Controller's office.

DOCUMENTS RESEARCHED

- County of Butte Single Audit Report Year Ended June 30, 2022, prepared by Clifton, Larson, Allen LLP IA
- County of Butte Single Audit Report Year Ended June 30, 2021, prepared by Clifton, Larson, Allen LLP IA

DISCUSSION

FINANCIAL STATEMENTS AUDIT

This is the audit of the financial statements for the federal grants and loans the entity has received. The statements show the federal expenditures awarded to the entity and the end of fiscal year balances in the loan and grant accounts. The IA gave an unmodified opinion on

these financial statements, which means that they found the statements to be presented fairly in all material aspects and to be in accordance with generally accepted accounting principles.

Total Federal Expenditures grew from $112,180,816 in FY 2021 to $118,394,106 in FY 2022 for a net increase of $6,213,290, reflecting an annual growth rate of 5.54%. The largest sector sources of FY 2022 expenditures were the U.S. Department of Health and Human Services ($63,401,400—approximately 54% of total FY 2022 expenditures) and the U.S. Department of Transportation ($21,804,396).

The largest 2022 sector increases in expenditures were attributed to the U.S. Department of Agriculture, via the SNAP program, the U.S. Department of Housing and Urban Development through the COVID-19 Emergency Solutions Grant Program, the U.S. Department of Transportation through the Emergency Relief Program, and the U.S. Department of Health and Human Services via the COVID-19 ELC Enhancement, CalWorks, and the Adoption Assistance programs. These sectors experienced net increases of $1,437,153 (Agriculture), $6,405,619 (Housing and Urban Development), $7,344,177 (Transportation), and $3,417,780 (Health and Human Services), respectively, in 2022. The sector increases were significantly offset by a reduction in the U.S. Department of the Treasury sector expenditures which fell by $12,438,698 (primarily due to a reduction in COVID-19 Relief/Recovery Fund expenditures) to $9,002,400.

The report contains the opinion of the IA regarding the performance of the grantee during the fiscal year. There are 4 opinions the IA may express, listed below in order, from most favorable to least.

- Unmodified (for all non-public company entities) opinion
- Qualified opinion
- Adverse opinion
- Disclaimer of opinion

In the course of an audit, the IA will note any "deficiency" in internal control. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, (financial report) misstatement(s) on a timely basis. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A "significant deficiency" is a deficiency, or a combination of deficiencies, in internal control that is less severe than a "material weakness," yet important enough to be brought to the attention of those charged

with governance.

In FY 2021-2022, Butte County received an unmodified opinion from the IA, which is their most favorable opinion. However, they did flag a "significant deficiency" in the internal controls portion of their financial statements audit. They did not identify any "material weaknesses."

The deficiency involved not implementing Government Accounting Standards Board(GASB) Statement No. 84 correctly when reporting the ~$24 million balance of the Butte County 115 Pension Stabilization Trust liability side offset. For the year ended June 30, 2020, Butte County reported the 115 Pension Stabilization Trust balance amount as an assigned General Fund balance as the liability offset to the cash balance in the trust. However, for the fiscal year ended June 30, 2021, complying with the guidance of the IA, Butte County reclassified that amount from an assigned General Fund balance to a restricted accounts payable in the General Fund. Subsequently, upon further review of GASB 84, the IA reversed and decided that the amount should not have been reclassified but should have remained reported as an assigned General Fund balance. As a result, for the fiscal year ended June 30, 2022, it was again reclassified as an assigned General Fund balance. This "correcting" reclassification triggered the IA deficiency notice. Fortunately, the accounting reclassification had no negative financial impact or consequence to Butte County.

FEDERAL AWARDS COMPLIANCE AUDIT

The compliance audit reviews the internal controls of the programs identified by the IA as being "Major Federal Programs" (i.e., individual program expenditures were greater than $3,000,000). In FY 2021-2022, there were 6 Major Federal Programs identified by the IA.

Based upon their review and compliance tests, the IA found that the Butte County Major Federal Programs had no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. The County complied, in all material respects, with OMB compliance standards for these programs. As a result, Butte County received an unmodified opinion on compliance for Major Federal Programs from the IA, which is their most favorable opinion.

FINDINGS

F1. Although achieving an unmodified opinion, the 2022 Butte County Single Audit Report flagged a significant deficiency in internal controls. The deficiency was due

to Butte County following the guidance proposed by the IA for the previous fiscal year-end report. The deficiency was corrected in the fiscal year ended June 30, 2022, report and caused no financial harm to Butte County.

Responses are to be submitted to the presiding judge of the Butte County Superior Court in accordance with the provisions of Penal Code § 933.05. Responses must include information required by §933.05.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code §929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

WEBSITES

https://www.hrsa.gov

https://www.councilofnonprofits.org

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2022-2023 BUTTE COUNTY GRAND JURY

April 11, 2023

Unfinished Business, The Butte County

Payroll Clearing Fund 1420 Analysis Report

Payroll

SUMMARY

The Butte County Grand Jury (BCGJ) received and reviewed the Butte County Payroll Clearing Fund Analysis Report for Fiscal Years 2010-2018. It was prepared by the Independent Auditor (IA) CLIFTON, LARSON, ALLEN, LLP. The finalized report was released in February 2019 and has been under discussion by county officials for over 3 years. Some of the IA recommendations have been implemented by Butte County (BC) and others have not, due in part to inter-departmental differences of opinion as to the financial impact of a current BC practice and the absence of clear direction from the Board of Supervisors (BOS).

The County Audit Committee (CAC) commissioned the IA's report to audit the accuracy and efficiency of the practices currently in place for the Payroll Clearing Fund 1420 (Fund 1420) reconciliation. Fund 1420 is a pass-through account which accumulates the contributions for BC employee health insurance and other benefits in advance of the payments that would subsequently pass to benefit provider vendors. Approximately 40 different employee benefit ledger accounts comprise Fund 1420. CAC was concerned that due to the nature of advance collections and intermittent disbursements from Fund 1420, material deficits and cash flow shortfalls may occur and exist without detection. Also, there is a substantial (approx. $900,000) reserve fund set aside to cover Fund 1420 deficits. The IA audit would help determine if the reserve account is sufficient to cover any estimated Fund 1420 deficit or if some of the reserve was available to be released back to the BC general fund.

The IA recommended various procedural and operational changes to BC practices to improve the reconciliation efficiency and transparency of Fund 1420. The IA also found that there were more than sufficient reserves to cover the estimated deficiency in Fund 1420 and recommended releasing a substantial portion of the reserve.

Amongst other things, the BCGJ found that some of the proposed 2019 IA report recommendations have not been implemented, that BC provides payroll and benefit services to third-party entities for an amount below the cost of providing those services, and that it is unclear as to the amount of the set-aside reserve account available for release to the general fund. Correspondingly, the BCGJ recommendations include that the BOS address and resolve outstanding auditor report issues on a timely basis, outsource third-party payroll and benefit services to an outside vendor, and that BCAC conduct an accounting true-up to identify the amount needed to cover anticipated Fund 1420 deficits.

GLOSSARY

BC	Butte County
BCAC	Butte County Auditor-Controller's Office
BCAG	Butte County Association of Governments
BCGJ	Butte County Grand Jury
BCHR	Butte County Human Resources
BOS	Butte County Board of Supervisors
CalPERS	California Public Employees Retirement System
CAC	County Audit Committee
CAO	Chief Administrative Officer
CFO	Chief Financial Officer
FMLA	Family and Medical Leave Act
FTE	Full Time Equivalent Employee
FUND 1420	Payroll Clearing Fund 1420
FYE	Fiscal Year Ending
IA	Independent Auditor

LAFCO Local Agency Formation Commission

Workday Workday, the Enterprise Resource Planning system used by BC.

BACKGROUND

The BCGJ decided to investigate Fund 1420 and to write this report because of unresolved and related issues arising from the 2019 IA report on Fund 1420.

Butte County Auditor-Controller

The Butte County Auditor-Controller's Office (BCAC) is headed by an elected county official. The duty of this office is to provide public interest oversight to the receipt and disbursement of BC funds. Those responsibilities are defined and mandated by Federal and/or State law and/or BOS policy directives.

The BCAC provides numerous services to BOS and BC departments. These services are performed by 4 internal sections:

- Accounts Payable-where the processing of claims submitted by County departments and special districts are conducted and where all County disbursement of funds are made.
- Accounting-where the receipt and disbursement of BC funds are recorded, reviewed, monitored, and reported.
- Internal Audit-which assists with calculating BC financial risk exposures, performs investigative departmental audits, and evaluates the operational procedures and system controls used to ensure financial reporting integrity and conformance with regulatory requirements.
- Property Tax-where property taxes are calculated, tax statements generated, and where, once received, property tax proceeds are disbursed to the various municipal claimants (e.g., County, State, cities, schools, and special districts).

BCAC is recognized and acknowledged for professional competency. BCAC was the 2022 co-host for the annual State of California Controller's Conference for County Auditors. It was

awarded the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting. Also, it received the Award for Counties Financial Transaction Reporting from the State of California Office of the Controller.

Fund 1420, detailed later in this report, is one of the accumulation finance accounts used by BCAC. It was initially set up on BC's legacy financial accounting system which was replaced by the Workday Resource Enterprise Management Planning system (Workday) in late 2021. The Workday system is extremely robust and functional. As expected, the migration to Workday from the legacy system has been an ongoing and very time-consuming process for BCAC as well as all other impacted BC departments. Moreover, implementation of Workday has been occurring in a county-wide environment experiencing high staff turnover and/or staff reductions.

Department of Human Resources

The Butte County Department of Human Resources (BCHR) reports to the Chief Administrative Officer (CAO), has many functions/responsibilities, and provides multiple services for county operations. These include the recruitment and testing of new employees, development of employee compensation plans and job specifications, administration of the County's Equal Employment Opportunity compliance and assessment plan, managing labor negotiations, and the administration of payroll and negotiated employee benefit programs. BC has approximately 2,000 employees for whom BCHR provides payroll and benefits administration services. It also performs payroll services and benefits administration for 2 third-party agencies, Local Agency Formation Commission (LAFCO) and Butte County Association of Governments (BCAG), which (combined) have approximately 24 employees.

Due to the differences in their account set up requirements and their benefit plans/packages, a significant and disproportionate amount of staff resources administer and service the payroll/benefits for the third-party agencies. BC is reimbursed approximately $13,500/yr. for providing payroll services to LAFCO (per the 2013 services agreement) and BCAG pays BC approximately $11,800/yr. for a suite of services (per the 2005 services agreement), including payroll servicing. BCHR estimates that the payroll services it provides LAFCO and BCAG cost BC approximately $100,000/yr.

Approximately one third of the HR Director's time is absorbed by the payroll administration function and BCHR has a section manager and staff dedicated to performing payroll related duties. Although none of the section employees are professional accountants by training, some have long term analyst and/or organizational type experience and all meet the required staff position specifications. There are 19 BCHR department Full Time Equivalent Employees (FTE), including 3 current vacancies.

All BCHR functions are well integrated into Workday except for the benefits module. Although current

staffing issues may negatively impact some of BCHR's operational functions, it is not expected to disrupt the projected timeline for integrating the employee benefits module into Workday, which is expected to be fully integrated by the end of April 2023. When adoption is complete, BCHR will use Workday to conduct all employee related information management and tracking activities: employee records, benefits, performance reviews, absences, accruals, hours worked, etc. Nonetheless, the process of moving from the legacy system to Workday and its ongoing adoption has and continues to absorb a lot of BCHR staff time.

Prior to 2008, payroll and benefits administration were housed in BCAC. However, in 2008, BCAC was re-organized following a 2006 Butte County Grand Jury report, and some BCAC functions (including payroll and benefits) were transferred to other County departments and/or the Butte County Chief Financial Officer (CFO). Following the elimination of the CFO position, the payroll and benefits administration function was transferred to BCHR where it currently resides.

Fund 1420

Fund 1420 is the clearinghouse for approximately 40 separate ledger benefit accounts that track activities of payroll related benefits/deductions including deferred compensation, retirement plan contributions, medical insurance, dental insurance, vision insurance, retirement, and other payroll related deductions and contributions. Of these, health/medical related benefits are a major part. Fund 1420 also accounts for activities related to third-party agency entities (i.e., BCAG and LAFCO) which are not BC employee related.

The BCHR department manages and administers the BC employee payroll which is a large element of Fund 1420. Operationally, BCHR prepares and generates the BC payroll and then submits the payroll information to BCAC which cuts the payroll checks. BCAC has no direct review responsibility or control of the payroll information it receives from BCHR.

Through the payroll administered and generated by BCHR, each benefit account receives inflows from employee payroll deductions and BC contributions as part of the biweekly payroll process. Per the Family and Medical Leave Act (FMLA) and/or other legislation, employees not on the BC payroll system, (e.g., non-active or non-compensated employees, employees out on medical leave, or employees with other temporary absences) retain their health benefits and their benefit premiums must continue to be paid. Also, when benefit premiums are paid to vendors, payment must be for the entire amount (i.e., to include both the County and the employee contribution portions). Since non-compensated employees are off the payroll system, there is no payroll deduction to make the employee's portion directly available for payment.

Prior to the benefits premium payment by BC, non-compensated employees are billed for their portion. These employees may or may not respond in a timely manner and make their payment. Since the entire benefit premium must be paid even if the employee does not advance their part, BC proceeds to make the entire payment to the vendor. For those employees who do not advance payment, BC advances the employee payment on their behalf. In this process, there can be significant delays between when employees are invoiced, when (and if) they make their payment contribution, and when vendor benefit providers are paid. According to the IA, these timing differences complicate Fund 1420 reconciliation.

If funds have been advanced for employee benefit contributions and the employee does not repay BC, the account is remanded to BC collections. Repayment via payment installments over time may be an option if the employee returns to work and rejoins the payroll system. An employee who does not pay back the funds, depending upon whether the employee is in a protected or non-protected status, may have their benefits terminated. Moreover, if benefit termination occurs, it may be weeks or months following non-payment.

According to BCHR, the level of non-active and/or non-compensated employee health benefit related repayment delinquencies are approximately $60,000 over the course of a year and approximately 90% of these delinquent payment obligations are cured. Also, there appears to be no explicit policy regarding the termination of an inactive employee who never repays their funds advancement.

The operational practice where BC advances benefit provider payments for the non-active and non-compensated employees who do not advance their portion of premium payments to BC appears contrary to the policy stated in BOS resolution #21-005 (see appendix). That directive states that it is the responsibility and requirement of an approved leave of absence employee to advance funds for insurance benefit premiums to BC, not the other way around.

The BOS directive is most adhered to by the non–compensated, non-protected employees. Protected employees comprise the majority of the repayment delinquencies. Given FMLA, other labor statutes, and/or overriding contractual arrangements, BOS resolution #21-005 may lack the necessary operational consequence for compliance and/or enforcement.

One of the largest employee benefit provider vendors for BC is California Public Employees Retirement System (CalPERS). CalPERS does not bill an employee directly for their portion of vendor services. Rather, it invoices BC for the entire amount. Also, BCAC and/or BCHR staff spend a fair amount of time reviewing the CalPERS monthly benefit invoices for accuracy. If discrepancies are noted, BC pays the billed amount and then notifies CalPERS of the error. It then waits for the billing correction to be reflected in the subsequent CalPERS billing invoice. This timing discrepancy also complicates Fund 1420 reconciliation.

METHODOLOGY

The research for this investigation included interviews with various members of the BCAC, BCHR and CAC, and in cases multiple interviews with a single department.

Documents researched.

Payroll Clearing Fund 1420 Feb. 2019 Audit Report prepared by Clifton, Larsen, Allen LLP Independent Auditor

2005-2006 BCGJ "The Butte County Auditor-Controller" in the Annual Report

2008-2009 BCGJ "Office of the Auditor-Controller" in the Annual Report

Butte County Merit System and Personnel Rules 1/12/21 BOS resolution # 21-005

Butte County Family Leave Act Employee Packet

Butte County Family Leave Act Exhaustion Letter

BCAG Services Agreement 7/01/2005

LAFCO Services Agreement 7/01/2013

Independent Auditor Review

The IA analysis assumed that contributions/collections made in 1 month are to be used for the payment of vendor invoices received the following month. From this, the IA developed a cash basis method for calculating the net surplus or deficit in an account at the end of a period. Summing up across the approximately 40 accounts comprising the Fund 1420, for Fiscal Year Ending (FYE) 2017 and FYE 2018, the ending cash balance component of the Fund was $2,292,989 and $7,222,831, respectively. According to the IA, in this case, the significant difference in the estimated year end cash balances reflects the timing of the last payroll run for fiscal year 2018. It may also reflect a cash management strategy where BC reduced interest charges by making a lump sum prepayment to CalPERS of their vendor benefit billings. The estimated deficit for Fund 1420 was $27,534 and $140,389 for FYE 2017 and 2018,

respectively.

The IA also calculated the surplus or deficit for each of the individual benefit accounts comprising Fund 1420. None of the individual accounts appeared to have very substantial deficits or surpluses but, of those, the medical/health insurance related benefit accounts had the largest deficits.

In addition to benefits accounts, Fund 1420 also contains a set aside funds account. These funds were initially set aside (and continued to grow) via excess BC contributions and administrative fees charged but never taken. It functions as a reserve account for Fund 1420. It was intended that funds in this account would eventually return to BC. Since June 2015, the set aside account balance has been stable at approximately $921,000. It is the BCGJ's understanding that as of the date of this report, none of the set aside funds have been transferred from the reserve for Fund 1420 and back to BC. BC has not yet definitively determined to what extent these funds would eventually be needed to cover a deficit in Fund 1420.

DISCUSSION

Independent Auditor Recommendations

Based on the IA's analysis that the estimated FYE 2018 deficit of Fund 1420 is approximately $140,389, the IA recommended a majority of the $921,000 set aside fund account balance be returned to BC. The IA also recommended that the set aside balance target be set at a lower level of approximately $150,000.

The IA further recommended that:

- BC to ask CalPERS to change their billing practices.
- BC update and revise its procedures for recording and reconciling non-active or non-compensated employee billings.
- For the third-party agency accounts in Fund 1420, BC establish a more automated method to disburse their funds once collected. If implemented, this change would reduce some of the staff time currently employed with third-party entity processing.

- BC adopt a method to track current as well as past due/aged receivables on one comprehensive accounting system.
- BC develop one comprehensive accounts receivable system that includes all billings and collections from non-active employees and to also develop a formal process for monitoring their overdue accounts receivable aging balances.
- BC develop a management plan to replenish Fund 1420 in the event of write offs, unanticipated component account short falls, or any other event requiring Fund 1420 replenishment.
- BC perform quarterly reconciliations of Fund 1420.
- BC should track the differences between employee payroll deductions and invoices and that these billing and fund cash reconciliations take place in the same department.

Additional Discussions

BCGJ discussions with BCAC and BCHR indicate that some of the IA recommendations have been implemented but others have not.

The IA recommended that most of the $921,000 set aside fund account balance be returned to BC and that the set aside balance target be set at a lower limit of $150,000. These recommendations have not been implemented. Although there may be excess funds in the reserve account compared to the current Fund 1420 deficit, the BCGJ believes that the current operational practice of advancing non-active employees health benefit premium contributions make a large reduction in the reserve account imprudent at this time. It may be needed to cover the shortfalls generated by continuing to advance health benefit premiums to non-compensated employees. One source estimates the impact is $30,000/yr. Moreover, the BOS has not issued a directive to resolve this.

Fund 1420 was never intended to advance cash or to have a surplus. The fact that the 2019 IA report is still under discussion by BC underscores that some of the issues noted in the report are still outstanding and have not been resolved. BC's difficulty in getting full resolution to an IA report released in 2019 may be due to various factors including: COVID interruptions, senior staff turnover (e.g., only 2 of the original CAC members who commissioned the IA report are still on the CAC), inter-departmental disagreement as to an appropriate solution(s), and/or BOS not providing direction. Two alternative solutions to the fund 1420 benefit premium advancement issue might be to either vendor-bill the relevant employees directly for their share

of those expenses, or, to bill the relevant BC department for those expenses.

The IA recommended that BC request CalPERS to change their billing practices. CalPERS was approached by BC, but it was not responsive to billing non-active employees directly and/or changing how errors in billing are managed.

The IA recommended that BC update and revise its procedures for recording and reconciling non-active or non-compensated (i.e., off-payroll system) employee billings. BC has addressed this recommendation by creating a subsidiary account which tracks which employees are non-active and their billing status. It replaces the earlier paper binder method used to track non-active employee billings. This change has reduced the amount of staff time dedicated to this activity.

The IA recommended that, for the third-party agency accounts in Fund 1420, BC adopt a more automated method to disburse their funds once collected. BCAC indicates that implementation of this recommendation is in process via Workday. When fully implemented, it will free up significant staff time.

The IA recommended that BC develop a method to track current as well as past due/aged receivables on one comprehensive accounting system. BCAC and/or BCHR indicated that this recommendation has been implemented.

The IA recommended that BC develop one comprehensive accounts receivable system that includes all billings and collections for non-active employees and to also develop a formal process for monitoring their overdue accounts receivable aging balances. BCAC and/or BCHR indicated this was done by establishing a subsidiary account in Fund 1420 which is fully incorporated into Workday.

The IA recommended that BC develop a management plan to replenish Fund 1420 in the event of write offs, unanticipated component account short falls, or any other event requiring Fund 1420 replenishment. This has not been done.

The IA recommended that BC perform quarterly reconciliations of Fund 1420. This has not been completed, but work is underway to perform full quarterly reconciliations. BCHR has not conducted complete reconciliations because of staff vacancy issues and/or because the available payroll staff is occupied with the adoption/transition to Workday. Also, the presence of third-party agency accounts in Fund 1420 creates an added difficulty for reconciliation. BCAC is developing and implementing internal controls which would give system alerts to BHRC regarding reconciliation errors.

The IA recommended that BC should track the differences between employee payroll deductions and invoices and that these billing and fund cash reconciliations should be handled

in the same department. This recommendation was implemented for all payroll components of Fund 1420 (except for the non-active historical components) in April 2021 following a CAC report in 2020. BCAC and/or BCHR indicated that Workday has robust capability and once fully integrated, it would allow complete functionality.

FINDINGS

F1. BC has not implemented some of the recommendations proposed in the IA report on Fund 1420 which was released in February 2019.

F2. The compensation contracts between BC and third-party entities for providing payroll and benefit administration servicing have not been updated since origination which causes BC to provide those services at a charge rate below cost.

F3. The BC practice of advancing benefit premium funds to off-payroll employees does not follow BOS policy.

F4. There is no applicable BC termination policy for ex-employees who fail to repay their benefit contribution fund advancements.

F5. It is unclear as to the amount of the set-aside reserve fund for Fund 1420 that is available for release.

F6. There is no management plan in place to replenish funding shortfalls within Fund 1420.

F7. Complete quarterly reconciliations of Fund 1420 are not occurring.

RECOMMENDATIONS

R1. BOS address and resolve all recommendations that appear in the outstanding BC commissioned IA audit reports or internal audit reports by June 30, 2024.

R2. BOS outsource third-party agency payroll administration and servicing functions to an outside vendor by June 30, 2024.

R3. BCHR should comply with BOS Resolution 21-005 by June 30, 2024.

R4. The funds in the set-aside reserve account for Fund 1420 should not be released until an accounting true up is performed by BCAC to identify the amount needed to cover anticipated Fund 1420 deficits. This should be completed by June 30, 2024.

R5. The CAO, in coordination with BCAC, develop a management plan for replenishing Fund 1420 by June 30, 2024.

R6. BCHR, in coordination with BCAC, perform quarterly reconciliations of Fund 1420 by June 30, 2024.

REQUIRED RESPONSES

The following responses are required pursuant to Penal Code § 933 and § 933.05:

From the following governing body of a public agency within 90 days:

Butte County Board of Supervisors: F1, F2, F3, F4, F5, R1, R2, R3, R4

From the following elected official within 60 days:

Butte County Auditor-Controller: F1, F3, F5, F6, F7, R1, R2, R3, R4, R5, R6

INVITED RESPONSES

The Grand Jury invites the following responses:

From the following governmental officials within 60 days:

Butte County Chief Administrative Officer: F1, F2, F3, F4, F5, F6, F7, R2, R3, R4, R5, R6

Director, Butte County Human Resources Department: F1, F2, F3, F4, F5, F7, R2, R3, R4, R6

Responses are to be submitted to the presiding judge of the Butte County Superior Court in accordance with the provisions of Penal Code § 933.05. Responses must include information required by §933.05.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code §929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

APPENDIX

BOS Resolution 21-005, refer to pages 55-56

https://www.buttecounty.net/Portals/17/LaborRelations/Personnel_Rules.pdf

WEBSITES

http://www.buttecounty.net

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2022-2023 BUTTE COUNTY GRAND JURY

February 24, 2023

Passing Marks: Butte County

Assessment Sampling Survey Report

Assessment Survey

SUMMARY

The Butte County Grand Jury (BCGJ) reviewed the State Board of Equalization (BOE) Sampling Survey Audit of the Butte County Assessor's Office (BCAO). The BCAO provided the BCGJ with the audit report for its information and review. The BOE Assessment Survey Audit is conducted every 5 years to evaluate the accuracy of the assessments made by the BCAO.

Property assessments are used for the purpose of calculating property taxes. The BOE survey audit is used to certify the eligibility of Butte County (BC) to continue to recover costs associated with administering supplemental property tax assessments and was completed in accordance with §15640 of the Government Code and §75.60 of the Revenue and Taxation Code. The BOE survey audit found that BC remains eligible to continue to recover costs associated with administering supplemental property tax assessments.

GLOSSARY

BC	Butte County
BCAO	Butte County Assessor's Office
BCGJ	Butte County Grand Jury
BOE	State Board of Equalization

BACKGROUND

Butte County Assessor's Office

The goal of the BCAO is the fair and equitable assessment of property located in BC. As mandated by the California State Constitution, the role of the assessor is to locate and identify all taxable property in the County, establish the taxable value of that property, maintain the assessment roll showing the assessed value of all properties, and to apply all legal exemptions. The Assessor does not set tax rates, calculate tax amounts, or collect taxes. It does, however, determine the values upon which taxes are calculated and billed.

Under The Supplemental Real Property Tax Law of 1983, supplemental assessments are required to be levied on all properties experiencing a 'supplemental event' such as new construction or a change in ownership title. This supplemental assessment and resulting supplemental tax is in addition to the tax amount appearing on the annual tax bill. Conceptually, the supplemental assessment attempts to recapture changes in assessed property values which might have been deferred under California Proposition 13.

Since all county assessors are required by the State to conduct supplemental assessments when triggered by a 'supplemental event,' it reimburses the counties for the administrative costs associated with undertaking a supplemental assessment. The BOE survey is used by the State to determine the quality of a county's supplemental assessments prior to administrative expense reimbursement. In so doing, the BOE findings can be generalized as assurance to taxpayers of the accuracy of a county's overall property assessment process.

CA State Interest

Although county government has the primary responsibility for local property tax assessment, the State has a public policy and a financial interest in promoting fair, accurate, and equitable assessments. Because property taxes affect all taxpayers and the assessment process is inherently subjective, it should be monitored closely. Also, State law guarantees California schools a minimum amount of funding from property tax revenue. To the extent property tax revenue falls short, the State must make up the difference from the general fund.

The Assessment Survey report is one of the State's major audit programs to address its public policy and financial interests and to promote uniformity and integrity in the property tax

assessment process. Under this program, the BOE periodically reviews the county's assessment practices and procedures and/or samples and re-appraises property assessments appearing on its assessment rolls.

METHODOLOGY

- The grand jury spent 2 hours visiting the BCAO to understand the functions and responsibilities of the BCAO.

- The site visit entailed a formal presentation by BCAO staff, followed by a question-and-answer period. The presentation traced the history of California property tax law, legislation pertaining to Assessor function and responsibilities, and applicable BCAO operating procedures. The question-and-answer period discussion expanded upon and clarified the presentation. Following the presentation, BCGJ was given a tour of BCAO.

- The grand jury interviewed 3 individuals, including leaders and employees in BCAO.

- The grand jury had numerous communications with employees of the Assessor's Office to schedule the site visit, obtain report information, and verify data.

- The grand jury reviewed the following document during its investigation:

  - California State Board of Equalization Sampling Survey Report November 2022

Under the Revenue and Taxation Code (§75.60), the BOE determines whether a county's assessment roll meets the standard to continue to recover costs associated with administering supplemental assessments. This is decided by either receiving satisfactory statistical results from a sampling of the county's assessment roll or by a determination by the State survey team (based on standards defined by State law) that there are no material problems with the county assessments.

The BC assessments were audited by the BOE via the sampling of the assessment roll method. In this approach, every 5 years, the BOE pulls a representative stratified random sample of the property valuations appearing in the BC assessment roll and re-assesses them. The assessment roll properties are placed into strata defined by property value range and property type. Each strata category is sampled where the sample size is commensurate with the assessment level within the County. In this audit, the 2018 County assessment roll was sampled.

For each re-appraisal, all sample properties are field investigated. The nature of the field investigation will differ depending upon the category of the property sampled. However, the objective from the BOE viewpoint is the same across all sampled properties—to determine if the County assessment valuations are reasonable and consistent.

For each strata sample, BOE staff audits and appraises each property in the sample and compares their results to the BCAO values. They use this process to calculate 2 summary test measures: a valuation error measure and a valuation consistency measure. The valuation error measure equals the average ratio of the County Assessor valuations to the BOE valuations. The valuation consistency measure is calculated as the sum of the absolute value differences between the BOE and BCAO valuations.

For the valuation error calculation, the ideal result is 100% i.e., the BCAO and the BOE value, are, on average, the same. To pass this test, the calculated measure must be at least 95%. This means that, on average, the BCAO valuations must be at least 95% of the BOE valuations. For the valuation consistency measure, the ideal measure is 0% i.e., there is no disparity between the individual property valuations calculated by the BCAO and the BOE. To pass this test, the calculated measure can be no larger than 7.5% of the total sampled values.

DISCUSSION

Butte County Sampling Results

The BOE's Assessed Properties Division sampled BC's 2018-2019 assessment roll. It contained 107,580 property assessments with a taxable value of approximately $22.6 billion.

The following table shows the composition of the 2018-2019 assessment roll by property type:

PROPERTY TYPE	NUMBER OF ASSESSMENTS	ENROLLED VALUE
Residential	80,951	$ 16,163,231,801
Rural	8,960	$ 2,242,720,368
Commercial / Industrial	8,990	$ 4,033,053,434
All Other	8,679	$ 193,742,520
Total	107,580	$ 22,632,748,123

The BOE's sample analysis found that the BC assessment roll meets the requirements for assessment quality established by §75.60. Their sample of the 2018-19 assessment roll

indicated an average assessment ratio of 100.03% and the sum of the absolute differences between the BCAO and BOE values were 0.33%. Accordingly, the BOE certified that BC is eligible to receive reimbursement of costs associated with administering supplemental assessments. According to an experienced appraiser with the BCAO, this is the best BOE evaluation they can remember.

FINDINGS

F1. The BCAO succeeded in passing the BOE sampling audit, allowing BC to continue to receive additional funding available for the purpose of conducting supplemental assessments

RECOMMENDATIONS

None

REQUIRED RESPONSES

Pursuant to Penal Code §933.05, the following response is required:

- The Butte County Assessor: respond to F1 within 60 days of receipt of this report.

Responses are to be submitted to the presiding judge of the Butte County Superior Court in accordance with the provisions of Penal Code § 933.05. Responses must include information required by §933.05.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code §929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

WEBSITES

http://www.buttecounty.net/assessor

https://www.boe.ca.gov/proptaxes/pdf/04assr1122.pdf

https://www.boe.ca.gov/proptaxes/proptax.htm

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2022-2023 BUTTE COUNTY GRAND JURY

May 1, 2023

Drainage – When it rains, it pours!

Special Districts Drainage

SUMMARY

Management of drainage water is important to Butte County. There are 6 drainage and reclamation districts in southern Butte County. The Butte County Grand Jury (BCGJ) conducted research and analysis of the revenue, expenses, and benefits of these districts. The BCGJ learned most of the costs to these districts are administrative in nature. This research was impeded by a lack of publicly accessible documents and district contact information. Some districts had board members who were highly organized and easily accessible while others were nearly impossible to meet with. The BCGJ believes it will be more efficient to merge some of these districts to provide better services at reduced costs to the community.

GLOSSARY

BCGJ	Butte County Grand Jury
GIS	Geographic Information System
LAFCO	Local Agency Formation Commission
MSR	Municipal Service Reviews

BACKGROUND

As part of the BCGJ's review of past Grand Jury Reports, they found that drainage and reclamation districts had not been investigated in the past 20 years. As the County was in a state of drought at the time of this report, the BCGJ was concerned about what maintenance was being carried out prior to the rainy season. Butte County now has 8 drainage and reclamation districts, many of which were created over 100 years ago, 6 of which are found in southern Butte County and serve agriculture.

Reclamation Districts

Reclamation is one of the first forms of public improvement in California, with the early focus on reclaiming "swamp and overflowed" lands granted to the state under the Federal 1850 Arkansas Act. The term reclamation primarily encompasses flood control and drainage but has also long been held to include irrigation.

Drainage Districts

A drainage district consists of a group of people who work together to improve the drainage in their area. They are allowed to collect money from people who live in the area to pay for improvements. This can help make the land better for farming and building. The district is created by a vote or petition from the people who live there. If the district takes away someone's property or causes damage, they have to pay for it. Drainage districts can help improve the agricultural capacity of drained lands and provide new land for buildings and other improvements.

Section §56040 of the California Water Code - The objects and purposes of a county drainage district shall be to provide for:

- The protection from damage by storm or waste waters of private property and of public highways other public property within said district.
- The conservation of storm and waste waters for beneficial and useful purposes by spreading, storing, retaining, or causing such waters, or any part thereof, to percolate into the soil within or without said district or the saving and conservation in any manner of any and all of such waters.

METHODOLOGY

The BCGJ visited multiple drainage and reclamation districts and communicated with representatives of those districts. The BCGJ acquired financial documents from those districts and the Butte County

Auditor-Controller's office. The BCGJ interviewed staff from the Butte Local Agency Formation Commission (LAFCO) and studied their most recent Municipal Service Reviews (MSR) regarding drainage and reclamation districts. The BCGJ utilized the Butte County Geographic Information System (GIS) interactive maps.

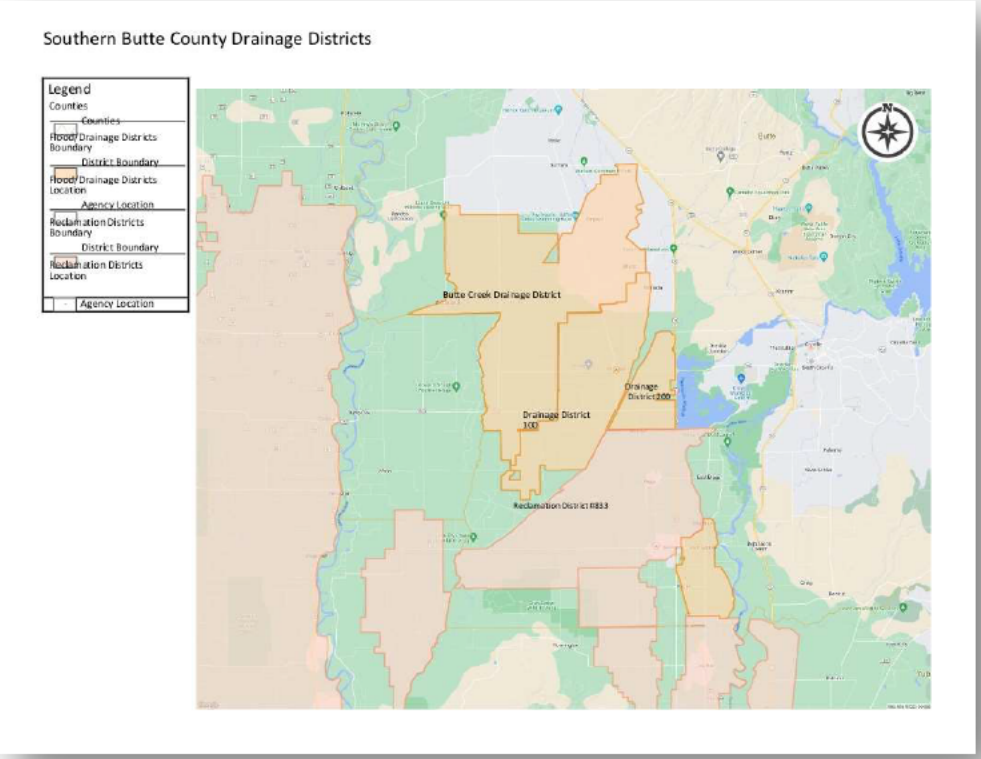
DISCUSSION

The BCGJ found it exceedingly difficult to find current contact information for the board members of several drainage districts. Last year's Butte County Grand Jury also identified this issue. There is a link to Special Districts on the updated County website, but as of the date our report was issued, there was no information showing anything other than just the Title 'Special Districts.'

The BCGJ visited with staff from several of the districts located in southern Butte County and reviewed provided financial reports. All districts have administrative expenses, such as meeting compensation, professional liability insurance and legal fees for the governing board, as well as operational expenses, including maintenance. Any unspent revenue is added to the district's general fund for possible future use. Some administrative expenses are common across each district. The BCGJ learned that 2 drainage districts have not done any maintenance in the past 2 years but still collect funds to cover administrative costs. These districts do not provide any useful benefit to the community.

Combining districts could lessen administrative expenses rather than letting each district stand alone. Also, a combined district would be better equipped and staffed to maintain and even handle preventative maintenance.

The following map shows southern Butte County, with candidates for combination labeled:



The BCGJ believes that Drainage District #200 and Butte Creek Drainage District could be combined with Drainage District #100, due to their proximity to each other. Drainage District #100 also has employed staff to maintain drainage systems in their district.

The BCGJ also learned that some districts have had difficulty filling their governing boards. Volunteers govern many districts, with little or no competition for board membership. Combining districts could potentially increase competition for governing board membership.

The BCGJ was impressed by the dedication of the staff of Reclamation District 833. They go above and beyond their normal duties. They are proactive and seek out preventative maintenance instead of just reacting to problems after they have occurred.

FINDINGS

F1. Two drainage districts do not have publicly available or current contact information.

F2. All these districts have similar expenses that could be shared.

F3. A few drainage districts have administrative costs that outweigh the benefit to the community.

F4. Many of these districts have difficulty finding candidates for their governing boards.

F5. Reclamation District 833 has done an outstanding job being proactive in their district.

RECOMMENDATIONS

R1. The Drainage District 100 Governing Board should update their contact information for public access by January 15, 2024.

R2. The Butte Creek Drainage District Governing Board should update their contact information for public access by January 15, 2024.

R3. LAFCO should update and maintain current contact information for the drainage districts they list on their website by January 15, 2024

R4. LAFCO should update and maintain current contact information for the drainage districts they list on their website by January 15, 2024

R5. The Butte Creek Drainage District Governing Board or Butte County Board of Supervisors should initiate the dissolution of Butte Creek Drainage District, with Drainage District 100 being the successor agency by January 15, 2024.

R6. The Drainage District 200 Governing Board or Butte County Board of Supervisors should initiate the dissolution of Drainage District 200, with Drainage District 100 being the successor agency by January 15, 2024.

REQUIRED RESPONSES

The following responses are required pursuant to Penal Code § 933 and 933.05:

From the following governing bodies within 90 days:

- Drainage District #100 – F1, R1, R4, R5
- Butte Creek Drainage District – F1, F2, F3, F4, R2, R4
- LAFCO – R3
- Drainage District #200 – F2, F3, F4, R5

- Butte County Board of Supervisors - R4, R5

INVITED RESPONSES

The Grand Jury invites the following responses:

- LAFCO – R4, R5

Responses are to be submitted to the presiding judge of the Butte County Superior Court in accordance with the provisions of Penal Code § 933.05. Responses must include information required by §933.05.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code § 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury

WEBSITES

www.buttecounty.net

https://www.buttecounty.net/506/Geographical-Information-Systems-GIS

www.buttelafco.org/resources

https://www.buttelafco.org/drainage-district-100

https://www.buttelafco.org/drainage-district-200

https://www.buttelafco.org/butte-creek-drainage-district

https://www.buttelafco.org/reclamation-district-833

https://www.balmd.org/reclamation-levee-maintenance-district.html

https://www.lsd.law/define/drainage-district

2022-2023 Butte County Grand Jury

May 1, 2023

Who Pays for Street Lighting?

Special Districts Lighting

SUMMARY

The 2022-2023 Butte County Grand Jury (BCGJ) investigated street lighting within the unincorporated territory of Butte County (BC), which is maintained using special districts called County Service Areas (CSAs). The County's Board of Supervisors acts as the governing board for each CSA (independently of the County government), and County staff administer each CSA. Revenues to fund these districts comes mainly from property taxes and direct assessments of the properties that benefit from street lighting. The BCGJ found while much of the expenses of street lighting are energy costs, there are significant administrative expenses, sometimes exceeding the energy costs, which is a result of using County Service Areas to provide this benefit. CSAs require separate budgets, operational funds, financial reporting, and approvals for boundary changes.

The BCGJ believes that using multiple County Service Areas is an inefficient approach to provide this benefit, and that the County should form a single special district to provide street lighting benefits for all the unincorporated territory of the County. In the process of BCGJ's investigation, additional findings were identified with recommendations to correct them.

GLOSSARY

BC	Butte County
BCGJ	Butte County Grand Jury
Butte LAFCO	Butte Local Agency Formation Commission
CSA	County Service Area
CSA Law	County Service Area Law

HPSV	High Pressure Sodium Vapor
LED	Light-emitting Diode
LLAD	Landscaping and Lighting District
PG&E	Pacific Gas & Electric Company
Public Works	Butte County Department of Public Works

BACKGROUND

As part of its oversight of special districts within BC, the BCGJ learned that most CSAs provide street lighting benefits to residents in the County's unincorporated territory and wished to learn more about this topic.

Street lighting is a common public improvement that provides several benefits:

- Neighborhood enhancement
- Increased nighttime visibility for motorists and pedestrians
- Reduced risk of robbery, burglary, vandalism, and other criminal activity

Streetlights are most often associated with cities and towns, but they also benefit rural communities. Over 450 streetlights have been installed in the unincorporated territory of the County. Streetlights are un-metered, but since they are turned on and off daily, the energy usage can be predicted and used to calculate a monthly energy cost which can be charged to a responsible party. Maintenance is often included in the monthly energy cost. In some cases, the responsible party can be an individual, but in most cases, it is a community, such as a planned development or subdivision. These streetlights are maintained by taxes and assessments on parcels (property taxes) within defined CSAs.

County Service Area Law

In 1953, the State of California enacted the "County Service Area Law" (CSA Law), which allowed counties in California to fund services to distinct areas of benefit within the unincorporated territory of a

county, known as CSAs. Since 1967, approval of CSA formation, dissolution, and boundary changes has been required by the Local Agency Formation Commission (LAFCO). In 2008, the State Legislature rewrote the CSA Law to reflect 50 years of constitutional and statutory changes, and various legal opinions.

Butte County formed its first CSA in 1964. Since then, the County has formed over 190 CSAs, the second most of any county in California. Most of these CSAs have the authority to install and maintain street lighting. No CSAs have been formed in the County since the new CSA Law took effect at the beginning of 2009. Over 120 CSAs have been dissolved, including 40 CSAs since 2016. The County now has 66 CSAs, 39 of which have the authority to install and maintain street lighting.

Several California counties, including Alameda County, Santa Clara County and Santa Cruz County, have formed street lighting districts for the purpose of residential and commercial street lighting for some portion of the unincorporated territory in their respective county.

Landscape and Lighting Act of 1972

In 1972, the State of California enacted the Landscape and Lighting Act, which allows local governments in California to form Landscape and Lighting Assessment Districts (LLADs) that would install and maintain landscaping and street lighting for the benefit of residents. While many local governments have used this law to provide for park and street landscaping, some local governments have used this law to provide street lighting.

Several California counties, including San Diego County and Riverside County, have formed such districts for the purpose of providing residential street lighting in the unincorporated territory of their respective county.

METHODOLOGY

The BCGJ interviewed local government leaders regarding the formation and administration of CSAs in general, and street lighting districts in particular.

The BCGJ reviewed PG&E statements for multiple years to better understand the energy costs associated with street lighting. The BCGJ also researched technologies used in street lighting, and programs offered to modernize street lighting.

The BCGJ reviewed County budget documents, County Board of Supervisors agendas and minutes, and Butte LAFCO Municipal Service Reviews to better understand the revenue sources and expenses associated with street lighting.

The BCGJ researched street lighting districts in other California counties to compare with those in the County.

DISCUSSION

The BCGJ determined that 39 of the surviving CSAs have the authority to install and maintain street lighting, though only 29 CSAs have any street lighting installed. There are 13 CSAs that only provide street lighting maintenance. Of these, 7 CSAs are funded by the general property tax (1% of assessed value), and 6 are funded through annual direct assessments ranging from $13-$65 per parcel. While maintenance of streetlights is performed by PG&E (and is covered by a portion of the energy cost), the Butte County Auditor-Controller's Office prepares and files state-mandated finance reports (with costs charged to each CSA), and the Butte County Department of Public Works ("Public Works") administers all CSAs. Public Works recommends budgets and assessments, pays energy bills, and allocates costs to each CSA. The annual energy cost of all streetlights is estimated at $62,000.

The BCGJ compared the budget cost estimates with the actual costs for past years and found that the estimates for energy costs and administration costs of CSAs were often significantly higher than the direct costs. The following table shows estimated and actual costs for FY22 for several CSAs that provide only street lighting:

CSA	Description	Estimated Energy Costs FY22	Actual Energy Costs FY22	Estimated Admin Costs FY22	Actual Admin Costs FY22	Estimated Fund Balance FY23
11	**Durham Street Lighting (Zones 1+2)**	$3,581	$2,559	$1,424	$224	$81,576
12	**Stirling City Street Lighting**	$0	$0	$824	$224	$15,496
16	**West Chico Street Lighting**	$454	$321	$824	$224	$43,553
17	**South Oroville/Las Plumas Park Street Lighting (Zone 1)**	$10,832	$7,695	$712	$112	$79,454
27	**Richvale Street Lighting**	$3,450	$2,209	$824	$224	$27,453
33	**Oro-Wyandotte Street Lighting**	$1,061	$751	$824	$224	$40,776
36	**Glen Haven Street Lighting**	$913	$645	$824	$224	$86,614
62	**Rancho de Thunder Subdivision 1 Street Lighting**	$556	$394	$829	$229	$1,715
67	**Vista Del Cerro Subdivision Street Lighting**	$6,492	$4,514	$868	$268	$8,152
68	**Crestwood Subdivision Street Lighting**	$1,260	$879	$842	$241	$7,956

85	**Carriage Manor Subdivision Street Lighting**	$603	$419	$848	$247	$2,567
92	**Rosewood Subdivision Street Lighting**	$0	$0	$627	$227	$934
103	**Morris Subdivision Street Lighting**	$754	$523	$829	$229	$3,923
	TOTAL	**$29,966**	**$20,909**	**$11,099**	**$2,897**	**$400,169**

The administrative costs for the 13 above-mentioned CSAs in FY22 (the latest year for which actual costs were available) were estimated by Public Works at $11,099, and the actual costs were $2,897. The energy costs were estimated at $29,966, and actual costs were $20,909. The BCGJ found the estimated administrative costs included fees, such as Road Fund, which could not be allocated to these CSAs. Alternately, some CSAs have operating fund balances that exceed the annual energy costs for their area. For example, Durham Street Lighting (CSA 011) is projected to have a FY23 fund balance of $81,576, compared to an annual energy cost of just $2,559. This fund balance would cover 32 years of energy costs for the CSA but will never be depleted as it is growing by $5,000 each year. Public Works does not have any established policy or procedure to ensure that CSA costs are estimated well. There should be a policy or procedure to guide Public Works in this regard.

The BCGJ learned that other California counties have county-wide street lighting districts, formed under provisions of the Landscape and Lighting Act of 1972. These districts offer zones of benefit, which act like CSAs, but without state-level reporting requirements of LAFCO oversight, resulting in lower overhead costs.

The BCGJ believes that using multiple CSAs to provide the benefit of street lighting is an inefficient approach, and there would be significant cost savings and reduced administration workload if all existing street lighting maintenance were reorganized as a single lighting district, patterned after the San Diego Street Lighting District, with zones of benefit corresponding to the existing CSAs with streetlights. This reorganization would save residents up to $2,500 in administrative costs alone and reduce Public Works workload as well.

Some 39 CSAs would have their authority to maintain street lighting rescinded. The following 10 CSAs (3 CSAs are already in the process of being dissolved due to annexation) would be dissolved because of such a reorganization, as they would no longer have any specified authority:

CSA	Description
011	Durham Street Lighting (CSA 011)
012	Stirling City Street Lighting (CSA 012)
017	South Oroville/Las Plumas Park Street Lighting (CSA 017)
027	Richvale Street Lighting (CSA 027)
033	Oro-Wyandotte Street Lighting (CSA 033)
062	Rancho de Thunder Subdivision 1 Street Lighting (CSA 062)
067	Vista Del Cerro Subdivision Street Lighting (CSA 067)
068	Crestwood Subdivision Street Lighting (CSA 068)
085	Carriage Manor Subdivision Street Lighting (CSA 085)
092	Rosewood Subdivision Street Lighting (CSA 092)

The BCGJ also looked at the technology used by streetlights. The most prevalent technologies are Light-emitting Diode (LED) technology, and High-pressure Sodium vapor (HPSV) technology. LED technology is the most efficient lighting available today (at half the energy cost of HPSV technology) and has lower maintenance costs (because LED lamps last 10 times longer than HPSV lamps). The BCGJ noted that PG&E has offered a program (Street Light Turnkey Program) to modernize street lighting technology since 2009, and that in 2016, the city of Chico began retrofitting over 3,800 city-owned, and 2,200 PG&E-owned, streetlights in the city. The BCGJ found that 85 of 452 (18%) streetlights are not yet using LED technology and estimate that modernizing these streetlights would save residents up to $7,000 per year in energy costs. The energy cost savings would result in lower property taxes for residents. The BCGJ believe the Board of Supervisors should commit to completing the modernization of streetlights to use LED technology.

The BCGJ also investigated the process of adding streetlights to neighborhoods at the request of residents. Residents can apply to PG&E to install new streetlights at personal expense and operating

costs. Developers can install streetlights in new subdivisions or developments and form new districts to maintain the streetlights using direct assessments. The BCGJ learned that there is no such County policy or procedure to share costs to install and maintain new streetlights. The BCGJ believe that County residents should have this option. Utilizing a single county-wide assessment district would allow such a procedure to be created. Several counties, including San Diego County, have such a policy for its street lighting district.

FINDINGS

F1. Butte County has too many County Service Areas (39) providing street lighting maintenance, which have high overhead costs compared to the benefit they provide.

F2. Butte County Department of Public Works overestimates the administrative expenses for County Service Areas that provide street lighting maintenance, which influences assessment adjustments.

F3. Some streetlights within the unincorporated territory of Butte County are still using less-efficient HPSV lamps, resulting in higher energy costs for nearby residents.

F4. Butte County has no procedure for residents within its unincorporated territory to request new streetlights in their neighborhood, making it more difficult to enhance pedestrian visibility and reduce crime.

RECOMMENDATIONS

R1. The Board of Supervisors should adopt a plan to form a single district for street lighting maintenance by March 31, 2024.

R2. The Butte County Department of Public Works should establish procedures for estimating expenses for County Service Areas (or successor agencies) that provide street lighting maintenance by March 31, 2024.

R3. The Board of Supervisors should commit to completing conversion of the remaining HPSV lamps to LED technology by March 31, 2024.

R4. The Board of Supervisors should adopt a procedure for residents to request new streetlights in their neighborhood by March 31, 2024.

REQUIRED RESPONSES

The following responses are required pursuant to Penal Code § 933 and 933.05 within 90 days of receipt of this report:

From the following governing bodies:

- Butte County Board of Supervisors: F1, F2, F3, F4, R1, R2, R3, R4

INVITED RESPONSES

The Grand Jury invites the following responses within 60 days of receipt of this report:

- Executive Director of Butte Local Agency Formation Commission: F1, R1
- Director of Butte County Department of Public Works: F2, F4, R2, R4

Responses are to be submitted to the presiding judge of the Butte County Superior Court in accordance with the provisions of Penal Code § 933.05. Responses must include information required by §933.05.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code § 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

WEBSITES

http://www.buttecounty.net/administration/County-Budget - County Budget documents

https://www.buttelafco.org/county-service-areas - Butte LAFCO Municipal Service Reviews for CSAs

https://www.sandiegocounty.gov/content/sdc/dpw/specialdistricts/streetlight.html - Streetlight Districts in San Diego County

https://dpw.co.santa-cruz.ca.us/Home/CSAs/ResidentialStreetLighting.aspx - Residential Street Lighting in Santa Cruz County

https://rctlma.org/trans/Land-Development/LLMD89-1-C - Street Lighting in Riverside County

https://calafco.org/sites/default/files/resources/STPIPublication.pdf - "Serving the Public Interest," October 2008

http://chico-ca.granicus.com/MetaViewer.php?view_id=2&clip_id=618&meta_id=49993 - Chico City Council Agenda Report on Replacing Street Lights with LED Technology

https://www.pge.com/en_US/large-business/save-energy-and-money/business-solutions-and-rebates/lighting/led-street-lighting-replacement-program.page - PG&E Street Light Replacement Program

2022-2023 BUTTE COUNTY GRAND JURY

June 6, 2023

District Attorney's Information Systems

Holds Up Police Operations

Law Enforcement

SUMMARY

Butte County (BC) is a rural county in Northern California with five incorporated municipal areas, Biggs, Chico, Gridley, Oroville, and Paradise. County law enforcement agencies have seen an increased workload from the homeless, those arrested, and those released from incarceration. Management of these populations has contributed to slowing Butte County recovery from monumental trials in the recent past, principally, massive forest fires, an extended drought, the COVID Pandemic, and structural damage to the Oroville Dam.

In the midst of this, county and municipal law enforcement officers find themselves understaffed, overworked, and publicly scrutinized. State and Federal governments continue to add more rules and laws to restrict officers. Ironically, this may allow those choosing a criminal path more opportunities to break the law.

During its investigation, the Butte County Grand Jury (BCGJ) reviewed and compared how Butte County's law enforcement agencies process individuals, deal with substance abuse, mental health situations, and other emergencies. This was accomplished through review of policies and government rules, and interviews along with site visitations.

Overall, BCGJ observed law enforcement agencies operate according to policy and procedure. They are effective in most areas despite limited resources. Addressable problems encountered were not in public-facing areas, but rather the inter-office/agency exchange of data and record transfers. Without exception, law enforcement agencies estimate an average of two-to-four-hour loss of productivity daily when passing information between agencies. Most days this is due to incomplete data information exchange with the District Attorney Office's Information Systems. A lack of training, as well as adequate process documentation caused data transfers to be rejected as incomplete or incorrect resulting in time spent getting the data right. This problem increases the amount of time it takes an officer to move on to the next case.

GLOSSARY

BC	Butte County
BCDA	Butte County District Attorney's Office
BCDA IS	Butte County District Attorney's Office Information Systems
BCGJ	Butte County Grand Jury
BOS	Butte County Board of Supervisors
IS	Information Systems
P&P	Policy and Procedure

BACKGROUND

Justice is implemented by the Executive and Judicial Branches, of which sworn police officers are a part. The distribution of justice is a function of the court system, juries, and judges. In between are various additional agencies, who while not a part of the 'legal cycle' are instrumental pieces of the administration of justice.

When a call to the local police department occurs, trained dispatch officers take charge. They answer each call and with their knowledge, and the ability to think and work quickly, they dispatch the appropriate officer(s). However, this is not the end of the process.

BC, like all other counties, has a myriad of steps which are included in the realm of "law enforcement." It's a process, and all processes can have issues, problems or areas which are often not followed. The BCGJ's investigation and review of all encompassed in today's law enforcement world were reviewed for problems, omissions, concerns, or areas truly needing updates.

METHODOLOGY

The BCGJ visited and interviewed key personnel within various departments and agencies in the BC judicial system, including:

Chico Police Department	CPD
Gridley Police Department	GPD
Oroville Police Department	OPD
Paradise Police Department	PDP
Butte County Behavorial Health	BCBH
Butte County District Attorney Information Systems	BCDA IS
Butte County Information Systems	BCIS
Butte County Juvenille Hall	BCJH
Butte County Jail	BCJH
Butte County Sheriff's Office	BCSO

Each location offered a full tour of the facility and an informative presentation including access to the documented Policy and Procedure (P&P) for that facility. This individual department approach allowed for comparisons and for seeing issues unique to individual locality, rather than just issues with P&P. Public access websites for all departments were reviewed. A series of investigative questions were asked at each interview.

These interviews included mention by those interviewed of associated agencies possibly intersecting the law enforcement path. This provided the BCGJ the opportunity to reviewed information, but not interview, public access internet information for the following intersecting agencies:

- Psychiatric Health Facilities
- Crisis Care Teams
- Local Hospital and Emergency Services
- Local Shelters

DISCUSSION

The BCGJ asked for and received current published P&P manuals, and comparing them with other departments investigated, as well as comparing answers to interview questions to procedure statements, to verify the validity of statements made. With minor differences in policy, we found all entities to be compliant with standard guidelines and in-line with each other, offering a complementary view, despite community differences.

In recognition of the unique issues in each department, along with issues considered normal for all in law enforcement, the BCGJ utilized a series of questions. These were standardized to assist in gleaning department specific quantifiers, which could then be reviewed in general and compared to other departments within BC. Questions were altered to fit the entity visited, the position and responsibilities of the individual we spoke with, or to accumulate enhancements to previously presented information.

Two areas of inquiry included:

- Staffing and budgetary considerations, both recent past, current, and future needs.
- Frustrations were expressed in all areas and the most intently shared have been gathered in this section.

After visiting multiple entities, interviewing one or more staff members of various positions at each entity, listening to presentations when offered, asking questions, and listening to the answers, several facts become clear. The people in all branches of BC law enforcement are committed in their service to the citizens of the county and their respective areas. The issues that exist for one department or area are common elsewhere; discussions indicate a willingness to share solutions with other departments. This sharing will affect interdepartmental consistencies and allow successful, seamless data transfer. While all believe in what they do, there are frustrations to be managed. A review of departmental frustrations as a result of our investigation shows:

FRUSTRATIONS	Chico Police Department	Gridley Police Department	Oroville Police Department	Paradise Police Department	Sheriff Patrol Division
Concerns regarding staff retention	Yes	No	Yes	No	Yes
Concerns for staff pay to workload	Yes	No	Yes	No	Yes
Concerns regarding data transfer issues	Yes	Yes	Yes	Yes	Yes
Estimated percentage of incomplete transfers	45%	75%	75%	60%	Not-Tracked*
Estimated daily loss of work hours	2-4 hours	Not-Tracked*	2-4 hours	2-4 hours	Not-Tracked*

*** Not-Tracked** Sheriff Patrol Division relies upon the DA's IS department to reach out regarding missing items. Gridley Police Department does not track the time.

Clearly, all police departments in BC are concerned with keeping staff and not overworking staff that are retained. Furthermore, each department estimates that a significnt amount of time is spent sending, and in many cases resending, case documentation (videos, pictures, or other support documents) from the arresting police department to the Butte County District Attorney's Office (BCDA). It is necessary for the BCDA to receive these documents complete, as they are the backup for a potenial case.

The most significant area of concern to the BCGJ is the loss of productive time due to an ineffective or uncomplete data transfer. In an organization concerned about not adding work, not over-working the staff, and retaining the staff they have, repeating the same process of attempting to transfer data multiple times is not an effective method of daily business.

This led the BCGJ to speak with Information Systems. It was determined the BCDA Information Systems department is solely responsible for all software and applications utilized by the BCDA office or any agency utilizing an interface for transfer of records and data.

- This office utilizes a District Attorney proprietary software application that receives, stores, and manages the records and additional documents transferred from outside agencies.

The BCGJ learned the following regarding the BCDA IS department:

- Information Systems confirmed knowledge of the frustrations and difficulties with case backup data transfer from independent law enforcement agencies (CPD, OPD, GPD and PPD) to the DA IS system.

- Confirmed that the application used by police departments to transfer documents is problematic at best but as a proprietary system utilized by BCDA offices - it is the system they must use.

- Verified there is a paid update waiting to be installed, but intricate timing issues prevent a quick deployment, lest additional problems arise

  - BCDA office will require three days to perform updates to the software and any necessary data migration of historical data.

  - The problem is how to manage "normal business" when systems are down for upgrade.

  - Verified there are currently no trainings given to the individual departments on best utilization of interface to application.

  - Verified the file size limitation is 4-gig and is not a limit that can be either ignored or resolved – it just is.

It is clear to the BCGJ that installation and implementation of the already owned and possessed software upgrade, followed closely by individual law enforcement location training on data transfer protocols and rules, to include a location specific training packet for future utilization would resolve the concerns voiced in our interviews. Furthermore, any additional cost or time of said trainings would certainly be less intrusive to a normal workflow than the continued failures currently experienced.

CRITICAL CONCERN REGARDING STAFFING

The BCGJ found through this investigation that most members of each department visited or interviewed agreed retention of current staff and replacement of those lost through attrition is considered a significant issue. Law enforcement and government jobs which were historically looked upon as excellent career choices now have a stigma attached, rendering these fields less attractive. State laws and mandates have hindered the options officers have, doubling the paperwork and requiring time necessary to accurately record each reportable incident.

Council meetings attended for various cities in BC brought this same message – the Council bodies struggle for new ways to make Butte County an attractive place to settle, while offering financial packages that work for the city, the county, and the individuals they wish to attract.

The BCGJ recommends that over the next three years, the county, cities, and all agencies in the law enforcement arena work together to develop a plan to generate positive growth, including bringing willing applicants to BC.

FINDINGS

F1. Significant IS problems exist uploading required case documents from CPD, GPD, OPD, PPD and BCSO to BCDA resulting in repeated failures and lost worker time.

F2. BCDA has existing updates for the E-Prosecutor internal DA system which will bridge and integrate with CPD, GPD, OPD, PPD and BCSO. BCDA IS has scheduled this installation.

F3. The training previously provided to CPD, GPD, OPD, PPD and BCSO regarding BCDA data transfer protocols was not adequate for the current full process, including utilization of larger files and management of errors.

F4. BCDA IS lacks reference materials, i.e., videos/presentations/etc. explaining how to interface with reporting police departments.

F5. All law enforcement agencies utilizing RIMS will require updated process training after completion of BCDA software upgrade and implementation.

F6. Butte County, as a whole, has a difficult time recruiting and retaining staff.

RECOMMENDATIONS

R1. BCDA direct the internal BCDA IS department to schedule the already purchased and tested update to the E-Prosecutor proprietary software utilized for case documentation retrieval by October 31, 2023.

R2. BCDA install the already purchased and tested update to the proprietary software utilized for case documentation retrieval by December 31, 2023.

R3. BCDA direct the BCDA IS schedule utilization and use training with key representatives in CPD, GPD, OPD, PPD and BCSO on transfer of record protocols by March 31, 2024.

R4. BCDA IS to create and distribute a training video/presentation (at the time of each training) to be used as a reference for future key representatives at CPD, GPD, OPD, PPD and BCSO on transfer of record protocols by March 31, 2024.

R5. The BCGJ recommends the BOS form a multi-agency task force to develop and implement a proposal addressing the future growth of BC, to include staffing concerns, by December 31, 2023.

REQUIRED RESPONSES

The following responses are required pursuant to Penal Code Sections §933 and §933.05:

From the following elected official due within 60 days:

BCDA:	F1, F2, F3, F4, F5 and R1, R2, R3, R4
BOS:	F6 and R5

INVITED RESPONSES

The Grand Jury invites the following responses:

None

Responses are to be submitted to the presiding judge of the Butte County Superior Court in accordance with the provisions of Penal Code § 933.05. Responses must include information required by §933.05.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code §929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

2022-2023 Butte County Grand Jury

May 30, 2023

Is Butte County Prepared for the Next Disaster?

County Office of Emergency Services

SUMMARY

In November 2018, the Camp Fire, California's deadliest wildfire, killed 85 people. In September 2020, the Bear Fire, one of California's largest wildfires, killed 15 people. Since these events, county agencies have been scrutinized and taken actions to prevent or mitigate the next disaster in Butte County. The 2022-2023 Butte County Grand Jury (BCGJ) reviewed recommendations and responses from a variety of sources in an attempt to answer the question: Is Butte County prepared for the next disaster? The Grand Jury found that while considerable progress has been made, the County has been slow to act, and there is still much work to be done five years after the Camp Fire.

A 2019 report by the California State Auditor included three recommendations for the County, which produced an inadequate response from the County. A 2020 Camp Fire Corrective Action Plan included more than 20 recommendations for the County, but no follow-up report has been published to demonstrate implementation of these recommendations. The County finally updated its Emergency Operations Plan (EOP) and released it this year. The County installed Alert FM, a FM radio-based emergency notification system to supplement its internet-based emergency notification system, Code RED. Plans to install an early warning system of sirens in the eastern foothills of the County have progressed slowly and installation is three years away or more. A recently revised County website features a more centralized portal for emergency preparedness, but much information is only found outside the portal, demonstrating a fragmented approach to emergency management.

The County needs to do more to prioritize disaster preparedness and public outreach. A follow-up report to the 2020 Camp Fire Corrective Action Plan is warranted to reassure County residents that recommendations have been implemented. The Board of Supervisors needs to address the fragmented authority over emergency management and ensure that funding of emergency management continues in the absence of Federal and State grants. Information about participating in and using the County's emergency notification systems needs to be created and distributed to all County residents.

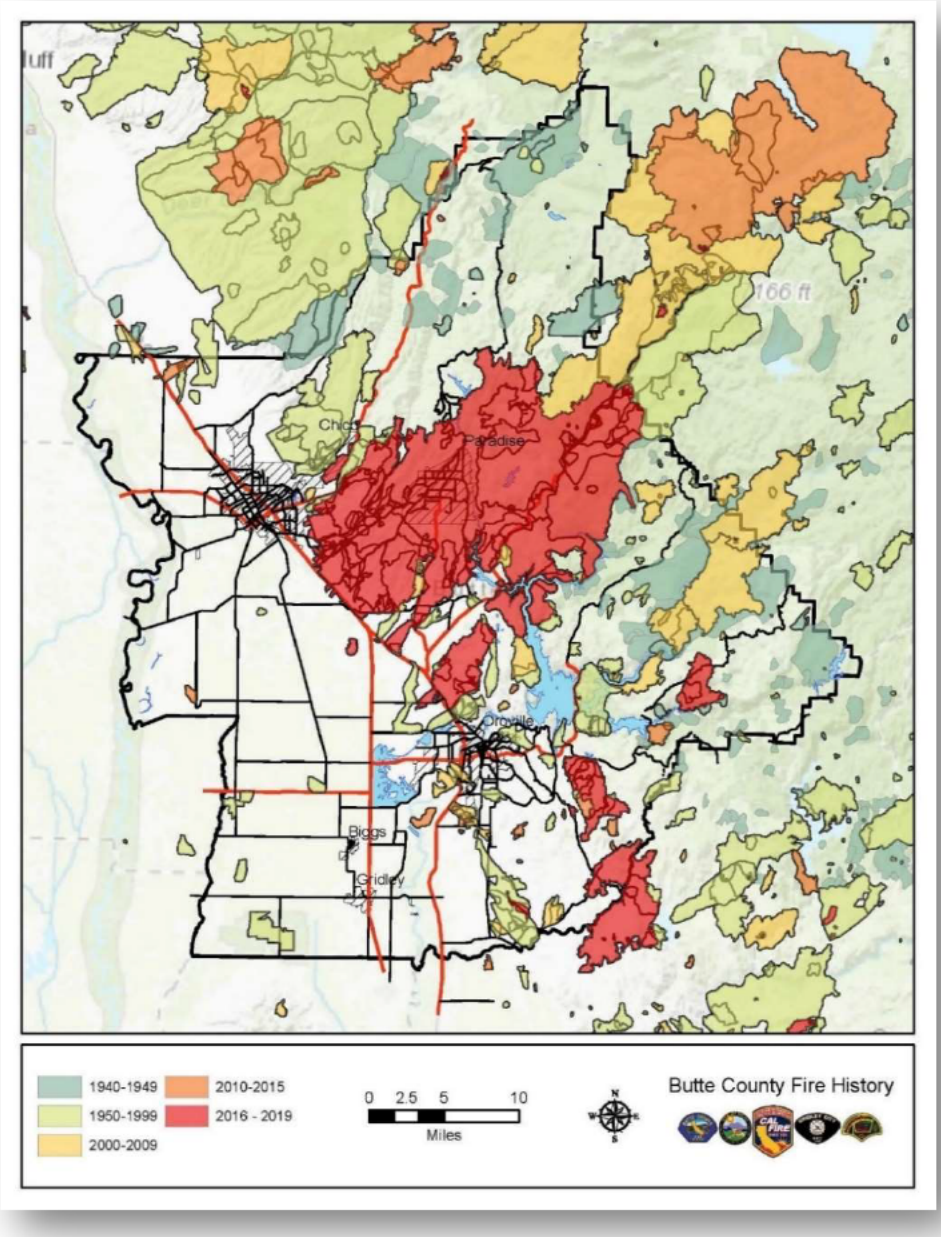
GLOSSARY

BCGJ	Butte County Grand Jury
BCDPH	Butte County Department of Public Health
BCSO	Butte County Sheriff's Office
BOS	Butte County Board of Supervisors
CalFire	California Department of Forestry and Fire Protection
CalOES	California Office of Emergency Services
CWPP	Community Wildfire Protection Plan
DESS	Butte County Department of Employment and Social Services
DOC	Department Operations Center
EOC	Emergency Operations Center
EOP	Butte Operational Area Emergency Operations Plan
FEMA	Federal Emergency Management Agency
LHMP	Butte County Local Hazard Mitigation Plan
OEM	Butte County Office of Emergency Management
PG&E	Pacific Gas & Electric Company
SNAP	Special Needs Awareness Program

BACKGROUND

Butte County has been affected by numerous disasters in the last 15 years, including:

- 2008 Humboldt Fire
- 2017 Oroville Dam Spillway Failure
- 2017 Wall Fire
- 2017 Ponderosa Fire
- 2018 Camp Fire
- 2020 Bear Fire
- 2021 Dixie Fire



The actions of local agencies in response to these disasters have been headline news, with a common question being asked: Is Butte County prepared for the next disaster? The 2022-2023 Butte County Grand Jury sought to answer this question and determine if any improvements are needed to ensure the County is prepared.

Planning for future disasters is difficult. Disasters can strike at any time, but assessments can be made to predict the type and impact of potential hazards. Agencies at the Federal, State, County, and City level all have processes for disaster and emergency planning, with varying degrees of success. In Butte County, emergency planning is a multi-agency effort, including the County's Office of Emergency Management (OEM), Sheriff's Office (BCSO), Department of Public Works, and Department of Employment and Social Services (DESS). Federal agencies, such as the Federal Emergency

Management Agency (FEMA), and state agencies, such as California Department of Forestry and Fire Protection (CalFire), California Office of Emergency Services (CalOES), also participate in disaster and emergency planning.

Two actions involving the County after the 2018 Camp Fire were the settlement with Pacific Gas & Electric Company (PG&E) and an increase in FEMA grants. In June 2019, PG&E reached a $252M settlement with the County for damages caused by the Camp Fire. In July 2020, the County's net share of this, $204M, was placed into a new "PG&E Settlement Fund" to support County stability, hazard mitigation, and recovery. As of January 2023, the County committed $89.3M from this fund for 25 projects, including $600,000 to install a new emergency notification system called Alert FM, which transmits vital information during an emergency to battery-powered devices that are unaffected by power, cell phone, and internet outages. Since 2018, the County has received over $2M in FEMA grants that have been used to fund various projects, including an update of the County's General Plan, hazardous fuels reduction, and fire protection and prevention.

Butte County Office of Emergency Management

The OEM supports and coordinates emergency planning, community preparedness, hazard mitigation, and training. The Deputy Administrative Officer-Emergency Services leads the office. During emergencies, the office assists the Emergency Operations Center (EOC) to deploy needed resources, and coordinate information sharing among responding and supporting agencies. After emergencies, the office helps affected communities return to normalcy, which often takes years. The office also serves as the lead agency for various state and federal grants for emergency management and hazard mitigation.

The OEM is responsible for establishing, maintaining, and distributing the Butte Operational Area EOP and the Local Hazard Mitigation Plan (LHMP). It maintains relationships with various agencies, such as FEMA, CalOES, and CalFire.

Butte County Sheriff's Office

The BCSO is the lead agency for emergency alerts, notifications, and evacuations. They issue evacuation orders and warnings. The BCSO also operates the CodeRED emergency mass notification system. The Sheriff-Coroner leads the office. The BCSO, in association with the Butte County Fire Safe Council, developed evacuation maps and plans for the following unincorporated communities within Butte County:

- Berry Creek

- Butte Creek/Butte Valley
- Cohasset/Richardson Springs
- East Oroville and Cherokee
- Forbestown/Robinson Mill/Clipper Mills
- Forest Ranch/Butte Meadows
- Hurleton/Feather Falls
- Palermo and Bangor
- Paradise/Upper Ridge
- Yankee Hill Area

The CodeRED emergency mass notification system is a county-wide, opt-in, online system that requires the internet for communicating with participants. If the internet or power is lost, the system may fail to provide adequate warning.

The BSCO has installed a distinctive Hi-Low siren on its patrol vehicles to be used only during evacuations. These sirens help alert people that there is an evacuation in progress.

Butte County Department of Employment and Social Services

DESS administers a Special Needs Awareness Program (SNAP) that provides evacuation information and assistance to residents with access and functional needs, such as physical, developmental, or intellectual disabilities. SNAP registrants may also be eligible for free devices to alert them of an emergency (Alert FM).

Butte County Department of Public Health

The Butte County Department of Public Health (BCDPH) is responsible for the health of residents and visitors in Butte County. The department includes a Department Operations Center (DOC), which was the first DOC activated during the Camp Fire.

Butte County Department of Public Works

The Butte County Department of Public Works is responsible for many of the roads needed to evacuate residents during a disaster or emergency. The LHMP identifies several actions that are needed to improve roads used as evacuation routes. These improvements are implemented or administered by Public Works.

Butte County Cooperative Fire Protection Agencies

The Butte County Cooperative Fire Protection Agencies are five agencies (CalFire - Butte Unit, City of Biggs, City of Oroville, City of Gridley, Town of Paradise) that provide professional fire services within these areas. Together, they developed the Butte County Community Wildfire Protection Plan (CWPP), which identifies strategies and tactics to be implemented before a wildfire strikes. The CWPP has been updated every year since it was released, including a five-year update in 2020.

Butte Operational Area Emergency Operations Plan

The Butte Operational Area EOP establishes an emergency management organization, known as the Butte Operational Area Emergency Operations Center. The Plan addresses the roles and responsibilities of government organizations during disasters and emergencies, and provides a link to local, state, federal, and private organizations and resources that may be activated to address and support disasters and emergencies in the Butte Operational Area (Butte County and its political subdivisions).

The EOP identifies multiple communications systems and methods, including social media, email, traditional media, and direct notifications, to be used during emergencies:

- Wireless Emergency Alert/Integrated Public Alert and Warning System alerts all cell phones in a specific geographic area.
- Integrated Public Alert and Warning System compliant Emergency Mass Notification System (Code RED).
- Press releases distributed via the Public Information Officer.
- Direct notification (door to door).
- Hi-Low sirens installed on BCSO vehicles (only used during evacuations).
- Alert FM for notifications through FM radio stations.

- Butte County main website and OEM website.
- Butte County OEM social media accounts, including Twitter and Facebook.
- Alert and Warning messaging for hearing and sight impaired (TTD and TDY) and translation services for different languages.
- Emergency alerts to those registered in the SNAP.

The EOP was last updated in April 2022. The previous version of the EOP was released in 2011 and was in effect during each of the emergencies affecting the County in the past decade.

Butte County Local Hazard Mitigation Plan

The LHMP guides hazard mitigation planning to better protect the people and property of the County from the effects of hazard events and ensures that the County and participating authorities remain eligible for federal disaster assistance. The LHMP identifies the hazards that could impact the County, determines their likely impacts, sets mitigation goals, and defines the process for developing appropriate mitigation strategies. In particular, the latest LHMP includes:

- 18 Identified Hazards
- 9 Mitigation Goals
- 60 Actions Benefiting Butte County

The LHMP was last updated in October 2019. The LHMP was first released in 2014 and was in effect prior to each of the emergencies affecting the County between 2014 and 2019.

Butte County Emergency Operations Center

The EOC is described by the EOP, and is activated during a disaster or emergency to facilitate:

- Overall management and coordination of emergency operations
- Coordination and liaison with appropriate federal, state, and other local government agencies, Community-Based Organizations, and private sector resources
- Management of mutual aid resources
- Establishment of priorities

- Collection, evaluation, and dissemination of damage assessment information and other essential data

The Deputy Administrative Officer-Emergency Management is the designated EOC Director, who has the primary responsibility for ensuring that the Butte County Board of Supervisors (BOS) is kept apprised of the situation and bringing all major policy issues to the board for review and decision-making. The Deputy Administrative Officer-Emergency Management also designates an EOC Manager to carry out the directions of the EOC Director. The EOC Director sets goals and objectives for the EOC Manager to manage.

METHODOLOGY

Interviews with members of Butte County Administration

Review of County department web pages

Review of latest and previous EOP, LHMP and CWPP documents

Review of Camp Fire Corrective Action Plan and After-Action Report

Review of County Code of Ordinances for Butte County and nearby counties

Review of County Adopted Budgets from the past 20 years.

Review of Board of Supervisors meeting agendas, minutes, and related staff reports

Review of news reports and articles about disaster preparation and response

DISCUSSION

The BCGJ collected emergency planning information from a multitude of sources and made several observations. First, county involvement in emergency planning has been slow. Despite having four federal disaster declarations and numerous local emergencies affecting Butte County between 2008 and 2020, the BOS did not approve a contract to update the 2011 EOP until 2021 or begin an assessment for additional emergency warning systems until 2022. An updated EOP was adopted by the BOS in April 2022, but not made available on the county website until March 2023. The BOS needs to prioritize disaster preparedness and public outreach.

In December 2019, the California State Auditor published a critical report on emergency planning in three counties (Butte, Sonoma, and Ventura). The report audited these counties' emergency planning and found that they did not have updated plans for alerting, evacuating, and sheltering their residents before recent wildfires, like the Camp Fire. Butte County disagreed that having out-of-date plans, a lack of documentation, and not following best practices were contributory to the county's response during the Camp Fire. The county's responses to three recommendations included in the report were lackluster.

In August 2020, a report entitled "Camp Fire After Action Report", commissioned by the Butte County Chief Administrative Officer, was released to disseminate lessons learned and best practices to enhance the county's capabilities to respond to disasters. A separate document entitled "Camp Fire Corrective Action Plan" included more than 20 recommendations for agencies in the county to implement. No public follow-up was ever made by the county, making it difficult to determine how many of the recommendations were implemented. County residents deserve to know what has been done to address these recommendations.

The BCGJ learned much information not yet widely communicated to county residents. A project is under way to update Community Emergency Evacuation Plans in the county. A contract to engage an outside vendor to accomplish this was made by the BOS in April 2022. This project is just now starting community outreach. A project is under way to consider an early warning system in the eastern foothills of the county, like one being implemented by the Town of Paradise. A recommendation in favor of this system was made to the BOS in December 2022. A request for proposals is pending publication. Such a system will take three or more years to come online if approved by the BOS. There will be two disaster-related exercises conducted in 2023 to ensure that participating agencies understand their roles and responsibilities. Some recommendations from the Corrective Action Plan have been implemented, but several either will not be implemented or have yet to be implemented.

The BCGJ reviewed county budgets allocated for emergency services and found that OEM funding is dependent on Federal and State grants for disaster recovery and mitigation, which generally are only available after a disaster has occurred. The OEM budget has increased from $122,000 in FY2000 to $1,139,000 in FY2023, including $818,000 in Federal and State grants. Federal and State grants are likely to stop, creating a funding gap for the OEM. The county should commit to sufficient funding to keep the OEM active in the absence of disasters.

The BCGJ also learned that while the OEM is defined in the County Code of Ordinances (Sections § 8-5, 8-6), the BOS Chairperson is designated as its Director. This is the only Director-level position in county government to be filled by a member of the BOS and the BCGJ could not find another county in California that operates this way. The BCGJ believes that the OEM Director should be in an administrative position and not a second hat for the BOS chairperson. Also, the Code establishes the role of Emergency Services Officer (Section § 8-7), but this role was replaced by the role of Deputy

Administrative Officer-Emergency Management in 2021. The Code needs to be updated to reflect this change in position title and responsibilities.

When the BCGJ began this investigation, the county website covered disaster preparedness and emergency management on multiple web pages. Information relating to these topics were found on web pages associated with various departments, with no links between web pages. The county website was revised in March 2023, and there is now a revised web page devoted to emergency preparedness and the OEM, and a prominent button to this web page on the home page ("Emergency Preparedness"). Unfortunately, some important documents are still not easily found through the revised web page, such as the map of evacuation zones (which is only mentioned on the BCSO web page), or information about Alert FM (which is only mentioned on the DESS web page). The revised BSCO web page includes information on emergency management and disaster preparedness (simply titled "Be Prepared"). The revised BCDPH web page includes some information on emergency preparedness. There is little information about emergency notification systems, aside from a link to the CodeRED signup page. Also, information on the function and organization of the EOC is found only in the EOP, and plans for evacuation road improvements, fuels reduction, and other emergency services are found only in the LHMP. The BCGJ believes there needs to be one county-wide web page for all this information, like web pages provided by other California counties, such as Sonoma and Sutter Counties. Also, more information about CodeRED and Alert FM are needed to educate residents about these systems, encourage them to take advantage of these systems, and assist those who have difficulties using technology.

The BCGJ is concerned with the fragmented emergency management authority in the county (OEM, BCSO, DESS, BCPBH, Public Works). A centralized agency would be more efficient and have access to more resources to meet the needs of disaster preparedness and emergency management, including early warning systems, evacuation plans and maps, and emergency resource management.

FINDINGS

F1. The county has been slow in showing progress on emergency preparedness.

F2. There has been no public follow-up to the recommendations found in the 2020 Camp Fire Corrective Action Plan, leaving residents in the dark about improvements in the county's emergency preparedness.

F3. The Office of Emergency Management is principally funded through grants. There is a risk of a severe funding gap if the county loses one or more of these grants.

F4. In the County Code of Ordinances, the Director of the Office of Emergency Management is not assigned to an administrative officer, contrary to all other directors in county government.

F5. Emergency preparedness is spread among multiple departments each with different priorities.

RECOMMENDATIONS

R1. Board of Supervisors issue a public statement or report on the state of emergency preparedness in the county, including ongoing and future efforts to enhance emergency preparedness, by December 31, 2023, and update this statement or report semi-annually thereafter until there is no longer need to enhance emergency preparedness.

R2. The Chief Administrative Officer publish a status report on the implementation of recommendations found in the 2020 Camp Fire Corrective Action Plan by December 31, 2023.

R3. The Board of Supervisors ensure that the Office of Emergency Management is permanently funded by June 30, 2024.

R4. The Board of Supervisors update the Butte County Code to define the Director of the Office of Emergency Management as an administrative position by June 30, 2024.

R5. The Board of Supervisors consolidate all emergency preparedness and response into a single office or agency within the county by June 30, 2024.

R6. The Office of Emergency Management provide better education and outreach to county residents for CodeRED and Alert FM by June 30, 2024.

REQUIRED RESPONSES

The following responses are required pursuant to Penal Code §§933 and 933.05:

From the following governing body within 90 days:

The Butte County Board of Supervisors – F1, F2, F3, F4, F5, R1, R2, R3, R4, R5, R6

INVITED RESPONSES

The Grand Jury invites the following responses within 60 days:

Butte County Deputy Administrative Officer - Emergency Management – F1, F3, F5, R1, R3, R5, R6

Butte County Chief Administrative Officer – F2, R2

Butte County Sheriff-Coroner – F5, R5

Butte County Director of Employment and Social Services – F5, R5

Butte County Director of Public Health – R5

Butte County Director of Public Works – F5, R5

Responses are to be submitted to the presiding judge of the Butte County Superior Court in accordance with the provisions of Penal Code §933.05. Responses must include information required by §933.05.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code§ 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

WEBSITES

https://www.buttecounty.net/731/Office-of-Emergency-Management-OEM

https://www.buttecounty.net/1393/SheriffCoroner

https://www.buttecounty.net/1757/7682/Be-Prepared

https://www.buttecounty.net/1768/Emergency-Management

https://buttecounty.granicus.com/MetaViewer.php?view_id=2&clip_id=972&meta_id=149690

https://www.buttecounty.net/359/Employment-Social-Services

https://www.buttecounty.net/610/Public-Health

https://www.buttecounty.net/921/Emergency-Preparedness

https://www.buttecounty.net/807/Public-Works

https://www.buttecounty.net/DocumentCenter/View/7071/2022-Butte-County-EOP-PDF

https://www.buttecounty.net/808/Local-Hazard-Mitigation-Plan

https://www.buttecounty.net/DocumentCenter/View/3848/Camp-Fire-Corrective-Action-Plan-PDF

https://osfm.fire.ca.gov/media/efzpg35k/2022-butte-county-unit-fire-plan.pdf

https://buttecounty.opennrm.org/assets/1c20adf12b0bef22ef46332c9be983a8/image/jpeg/CWPP_2020-2025_Figure_K_Butte_County_Fire_History_Map_Img.jpg

https://library.municode.com/ca/butte_county/codes/code_of_ordinances?nodeId=CH8EMSE

https://www.buttecounty.net/Archive.aspx?AMID=36

https://www.kqed.org/news/11762655/camp-fire-ravaged-butte-county-to-use-new-siren-to-warn-of-evacuations

https://www.mynspr.org/news/2022-11-07/butte-county-fire-survivors-say-emergency-notifications-are-falling-short

https://www.auditor.ca.gov/pdfs/reports/2019-103.pdf

https://sonomacounty.ca.gov/administrative-support-and-fiscal-services/emergency-management

https://www.suttercounty.org/government/county-departments/emergency-services/office-of-emergency-management-oem

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2022-2023 BUTTE COUNTY GRAND JURY

June 2, 2023

Butte County Utilization of

Community Development Block Grants

County Community Development

SUMMARY

Butte County (BC) participates in the US Department of Housing and Urban Development's Community Development Block Grant (CDBG) program which funds a variety of programs, including the development of housing programs targeted towards extremely low to low- and moderate-income populations within the unincorporated areas of the County. The Butte County Grand Jury (BCGJ) investigated the administration, the application, and the program outcomes of the CDBG funds related to housing development. The Grand Jury found increasingly complex program requirements, diminished oversight for administration of those programs, outsourcing of the delivery of services, and lack of knowledge of the services among the targeted populations.

GLOSSARY

BC	Butte County
BCAG	Butte County Association of Governments
BCGJ	Butte County Grand Jury
BOS	Butte County Board of Supervisors
CalHome	Housing rehabilitation, home ownership, site development (and other activities) loan program funded through Community Development Block Grants
CAO	Chief Administrative Officer
CDBG	Community Development Block Grant
CDBG-DRI	Community Development Block Grant - Disaster Recovery Initiative

CDBG-DR	Community Development Block Grant - Disaster Recovery
CTCAC	California Tax Credit Allocation Committee
HCD	California Department of Housing and Community Development
HOME	HOME Investment Partnerships Program
HUD	US Department of Housing and Urban Development

BACKGROUND

The CDBG program is one of the longest running programs of the United States Department of Housing and Urban Development (HUD). The program funds local community development activities with the stated goal of providing affordable housing, anti-poverty programs, and infrastructure development. CDBG programs differ from categorical grants, which are made for specific purposes, in that they are subject to less federal oversight and are used at the discretion of the state and local governments and subgrantees. The requirements for grant monies are as follows: First, not less than 80 percent of CDBG funds must be used for activities that benefit low- and or moderate-income persons. Second, funds must be spent on eligible activities, which are broadly defined as including community development activities directed toward neighborhood revitalization, economic development, and improved community facilities. Third, governments must follow a plan of project selection that includes citizen participation, especially citizens who live in areas which the grantee proposes to use CDBG funds.

Butte County participates in many CDBG grant programs such as the CalHome housing rehabilitation loan program, which aims to improve the condition of the home for current residents, as well as to increase the lifespan of the home. BC also includes dry well rehabilitation in this category. Owner occupied properties are eligible for loans providing that incomes must be below 70 percent of the County's median income, adjusted for household size. CDBG funds and HOME funds can also be combined in the form of a loan for construction, but the maximum combined loan amount is limited. Loans are zero percent interest with deferred payment for 30 years. The loan is secured by a deed of trust. BC received CalHome disaster relief monies in 2020 in the amount of $2,650,000 to remediate housing destroyed by wildfires.

The County participates in other CDBG programs: CDBG-Grant CARES Act program which focuses on food delivery services (food bank, senior nutrition services) and CDBG Mitigation Planning and Public Services Program focusing on planning and mitigation for public health and safety concerns (code enforcement, evacuation planning). BC also received special grants provided through federal

disaster declarations, Community Development Block Grant - Disaster Recovery (CDBG-DR), to provide housing to displaced victims of wildfire disasters. Thirty percent of CDBG-DR project units must be made available to low-to-moderate income people and households pursuant to HUD requirements.

METHODOLOGY

- Interviews with BC staff at off-site location
- Review of rehabilitation contracts
- Review of grant award notices
- Review of contracts with California Department of Housing and Community Development (HCD)

DISCUSSION

The BCGJ investigated CDBG programs in which BC participates and may provide new housing or maintain current housing stock for low-to-moderate income homeowners and renters within the unincorporated areas of BC. The BCGJ investigated funding sources, the administration of the programs, and the delivery of services to the targeted community.

It is beyond the scope of the BCGJ to investigate all the CDBG programs in which BC participates, thus the Grand Jury chose to focus its investigation on grants which BC has received to develop housing and/or rehabilitate/reconstruct existing housing within the unincorporated areas of the County. The majority of the most recent CDBG funds have been earmarked for recovery or rehabilitation of housing lost due to recent disasters and designated disaster recovery areas for the provision of multi-family housing for eligible families and individuals.

The provision of affordable housing in BC has been exacerbated by the multiple wildfires which have occurred over the past decade. The impact of these fires on low-to-moderate income families is acute. The California Department of Housing and Community Development (HCD) Statewide Housing Plan dashboard states that 66 percent of low-income households had housing acquisition problems (2019 data); and that by 2030, BC requirements to provide affordable housing are “High” (see Appendix, Attachment 1), as reported in “HCD Regional Housing Need Allocation: Permits by Affordability.” The BC Housing Element of the General Plan has a stated goal of providing 250 extremely-low-income

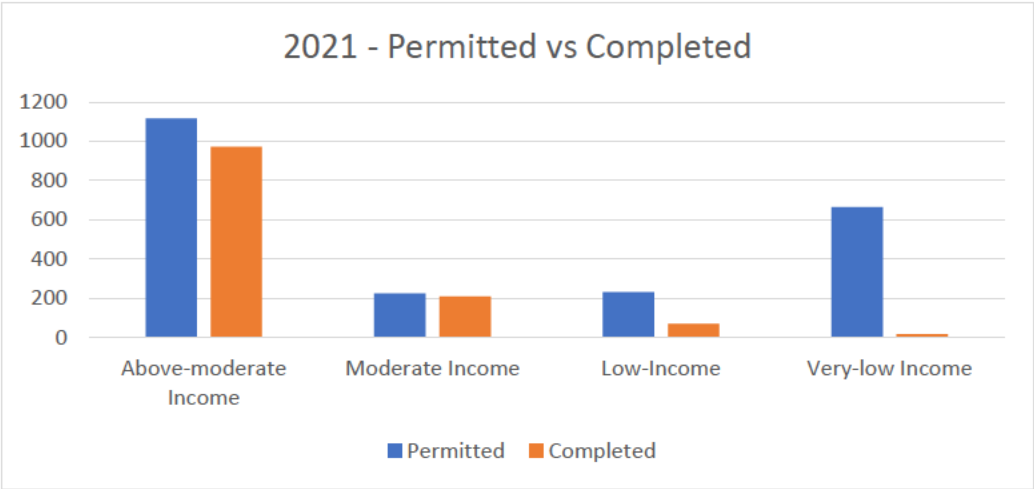
units, 500 low-income units, with 40 percent of these units to be placed in high opportunity areas, 30 percent in areas of concentrated poverty or low resource areas (see Appendix Attachment 2 and Attachment 3). Yet provision of affordable housing (as defined by HUD standards) has lagged (see Appendix, Attachments 4a – 4d).

Prior to recent disasters within BC, provision of affordable housing was dependent upon the California Tax Credit Allocation Committee (CTCAC) program. This program offers private developers non-refundable and transferable tax credits for the development of affordable rental housing to low-income individuals and families. The CTCAC administers federal and state low-income housing tax credit programs, which are both a competitive and limited process. In any given year, the tax credits are limited; developers must compete for the credits. Multifamily housing units within BC have been built using this tax credit program; three completed between 2020 and 2022.

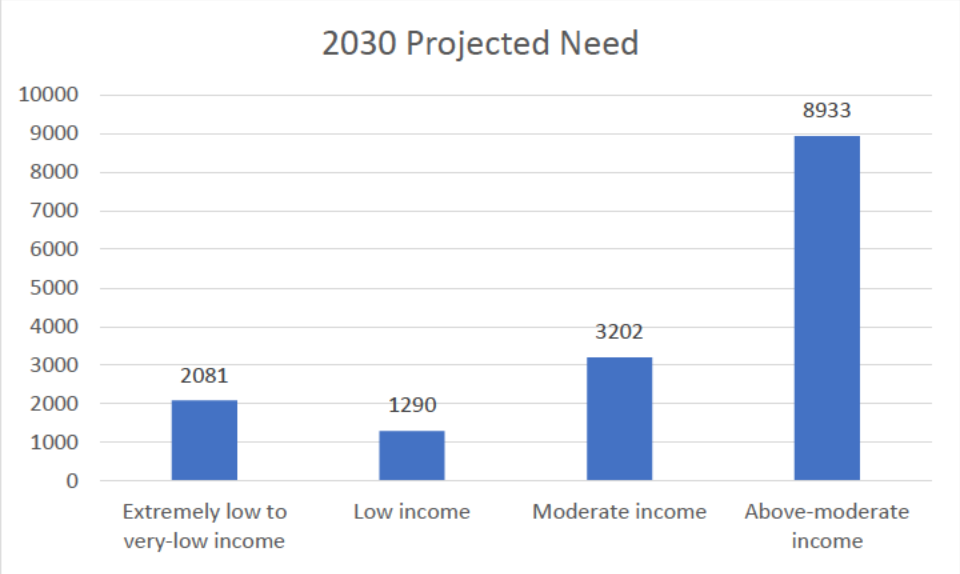
Recently, BC received $695,000 in CDBG funds for the provision of multifamily housing located at 1297 Park Avenue, Chico, consisting of 58 special needs affordable housing units; $2,500,000 CDBG funds in Oroville includes Table Mountain Apartments which consists of 95 units of affordable multifamily units, and $1,600,000 CDBG funds for a 51-unit age restricted, affordable housing complex known as Olive Ranch Senior Apartments. All construction is within existing cities.

The County has conditional new construction commitments for Table Mountain apartments and several more. These are multifamily, affordable housing units currently under construction. All construction is within incorporated areas of the city for ease of access to transportation and other amenities required under the grants. Much of the new development was due to disasters and the subsequent Community Development Block Grant - Disaster Recovery Initiative (CDBG-DRI) and CDBG Multi Family Housing Program grants in an attempt to provide housing to those affected by such disasters. Both projects are targeted for completion in 2026, according to the action plan submitted by BC to HCD. These projects will provide both BC and the City of Oroville with units toward the provision of Regional Housing Needs Allocation goals but have done little to provide housing to those who live in the unincorporated areas of BC (see Appendix, Attachment 5). The county has also received funding earmarked for the Camp Fire recovery area, CDBG-DRI, which can provide rehabilitation and/or reconstruction to residents who have been affected by these programs.

According to HCD in 2021, units permitted compared to completed in BC:



The State of California has projected the need for production of new housing units in BC (Regional Housing Needs Allocation 6/15/2022 to 6/15/2030) by the year 2030 to be as follows:



The housing rehabilitation programs also have received funding from CDBG. These funds are for owner-occupied rehabilitation/reconstruction loan program with CalHome disaster assistance which is being administered by an out-of-county program, Habitat for Humanity of Yuba-Sutter. The past rehabilitation/reconstruction loan program was also administered and implemented through an out-of-county program. Contract review of rehabilitation loan programs show $4,790,876 paid in administrative fees to two out-of-county organizations between 2013-2022. The current BC contract

with Yuba-Sutter Habitat for Humanity is composed of $1,788,387 for eligible CalHome activity delivery costs with as much as an additional $20,000 in CDBG-DR funds earmarked for eligible disaster survivors. These activity delivery costs also include administrative costs of between 20 percent and 25 percent for each rehabilitation or reconstruction home completed. This correlates to approximately 54 homes by 2025. Administrative costs range from 5 percent to 19 percent per HCD contract. BC supplements the additional amount to the contracting agency through the BC General Fund of the county budget, according to BC staff (see Appendix, Attachment 6, and Attachment 7).

Several reasons within the BC structure have contributed to this situation. The lack of specific personnel to administer these programs has decreased the ability of BC to fulfill the requirements of creating affordable housing opportunities in the past ten years. BC has only undertaken new construction tasks during the last seven years by using federal and state funding.

Increasingly complex grant program requirements demand a designated core of employees responsible for planning, submission, administration, and implementation of goals set forth in those grants. Current responsibility for achieving affordable housing goals is spread throughout BC, decreasing transparency to potential consumers of these programs, and increasing the workload of the current staff.

Current implementation of the HOME Rehabilitation Program is outsourced to agencies who have the capacity to complete services as provided under HCD contracts. Those agencies are located outside of the service area, making physical access more difficult for consumers of those services.

Oversight of rehabilitation programs throughout BC has, in the past, been through the issuance of payments to the vendors once rehabilitation was completed with the use of BC building inspectors for on-site inspections. Major oversight and compliance has relied on HCD approval. BC uses a loan committee for review of loan documents and the approval process. The standard contracts with HCD and the subgrantees also require the provision of opportunities to the targeted groups, "...provide opportunities for training and employment arising in connection with a housing rehabilitation, housing construction, or other public construction project and these opportunities be given to low and very low income persons residing within the metropolitan area in which the CDBG funded project is located; and priority should be given to very- low-and very low income persons within the service area of the project or neighborhood in which the project is located". Source HCD Standard Contract to grantees. The BCGJ could not find evidence that this requirement has been audited or verified by BC.

Outreach and publicity services for these programs is required of the agency currently under contract. The current BC website, recently revised, does not have a direct access page that informs and directs potential consumers to providers of needed housing services such as rehabilitation. A stated goal of the Butte County General Plan Housing element is that the "county administrative office will develop a list or brochure" of the housing assistance programs and have the same information available on the BC website.

BC has not prioritized the expansion and development of infrastructure to help support affordable housing development in the unincorporated areas of the County. BC currently constructs affordable housing through partnerships with municipalities in the county.

The State of California, Department of Treasury stated in the 2014 Affordable Housing study that the "...principal economic argument in support of affordable housing suggests that investments in affordable housing development increases economic activity, thereby benefiting the state's economy and generating additional tax revenue for the state and local governments…suggesting that development of affordable housing can generate temporary construction related employment and ongoing consumer purchase driven jobs in the local economy." (Source http://www.treasurer.ca.gov/ctcac/affordable_housing.pdf.)

FINDINGS

F1. BC has delayed previous development of very-low, low-to-moderate income community housing? due to scarcity of skilled personnel to deal with increasingly complex program requirements within the unincorporated areas.

F2. BC has not fostered relationships with local businesses or nonprofits to provide local implementation and administration of rehabilitation/reconstruction grant programs.

F3. Responsibility for attainment of goals (as stated in grants) and accountability is diffused throughout BC, with major responsibility given to County administrative offices.

F4. There is a lack of outreach and knowledge of affordable housing programs to targeted populations and potential consumers of these services.

F5. In-county employment and training opportunities are unavailable to very-low and low-to-moderate income individuals and populations within the targeted areas.

F6. BC suffers from damaged infrastructure due to disasters and a lack of expansion to support affordable housing development within unincorporated areas of BC.

RECOMMENDATIONS

R1. The Butte County Board of Supervisors (BOS) create a distinct housing and community development unit within BC to address affordable housing development; funding development and grant acquisition, for utilization of all funding sources available to BC with special interests in unincorporated areas by June 30, 2024.

R2. The Butte County Chief Administrative Officer (CAO) utilize HCD and all funding resources to develop training programs targeted toward employment activities for groups of exceptionally low, low-to-moderate income populations; foster development of local nonprofits and businesses for the implementation of grant funded programs where feasible by June 30, 2024.

R3. The BOS create a centralized capability to develop and coordinate grant requests and grant applications for all BC departments by June 30, 2024.

R4. The CAO develop marketing and outreach programs for affordable housing ensuring it is targeted to all segments of the community by June 30, 2024.

R5. The BOS complete a feasibility study to determine the costs and ability of BC to administer and implement the rehabilitation/recovery program and utilize state and federal funding sources to develop workforce within BC to meet the local workforce requirements within the State funding contracts by June 30, 2024.

R6. The BOS direct the CAO to apply for planning and mitigation grants to aid/incentivize the development of low-income to moderate income housing within unincorporated areas of BC per funding cycle by June 30, 2024.

REQUIRED RESPONSES

The following responses are required pursuant to Penal Code § 933 and § 933.05:

From the following governing bodies:

The Butte County Board of Supervisors must respond to:

- F1, F2, F3, F4, F5, F6 and R1, R2, R3, R4, R5, R6

INVITED RESPONSES

The Grand Jury invites the following responses within 60 days of receipt of this report:

- The Butte County Chief Administrative Officer R2, and R4

Responses are to be submitted to the presiding judge of the Butte County Superior Court in accordance with the provisions of Penal Code §933.05. Responses must include information required by §933.05.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code §929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

WEBSITES

http://bcag.org

http://www.census.gov

https://ca-buttecounty.civicplus.com/

http://www.buttecounty.net

http://www.hcd.ca.gov/housing-elements/docs/ButteCounty-6th-adopted-012523.pdf

https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools

http://hud.gov/program_offices/com_planning/nsp

http://www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-local-government/

http://ruraldataportal.org/search.aspx

http://www.treasurer.ca.gov/ctcac/affordable_housing.pdf

BIBLIOGRAPHY

Butte County General Plan

Butte County Housing Element

APPENDIX

Attachment 1: Regional Housing Needs Allocation

Attachment 2: HCD Regional Housing Need Determination December 31,2021 through June 15, 2030

Attachment 3: HCD Regional Housing Need Determination BCAG

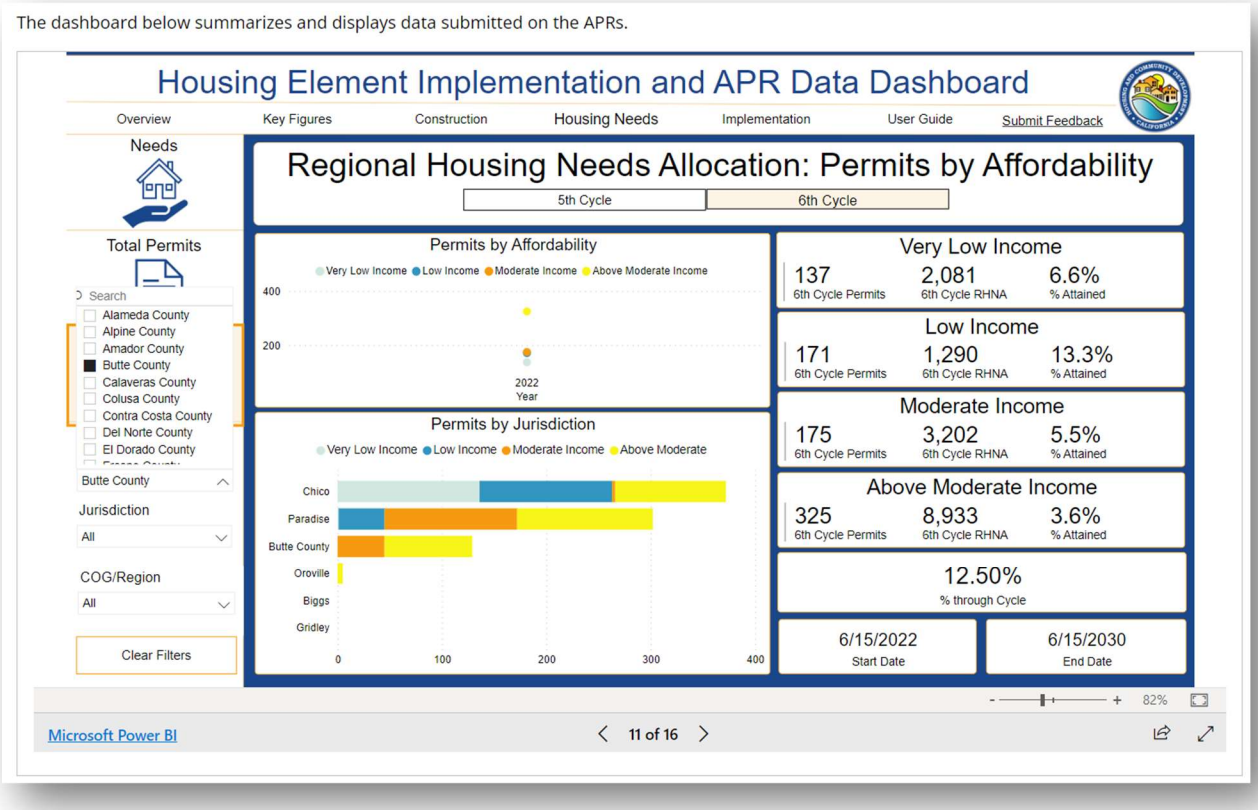
Attachment 4a-4d: HCD APR Data Dashboard 2018-2021 4a-4d

Attachment 5: Map: Rate of Poverty in the Unincorporated Area 2019

Attachment 6: Housing Rehab Loan Program

Attachment 7: Low- and Moderate-Income Housing Rehabilitation

Attachment 1: Regional Housing Needs Allocation



Attachment 2: HCD Regional Housing Need Determination December 31, 2021, through June 15, 2030

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION
BCAG: December 31, 2021 through June 15, 2030

Income Category	Percent	Housing Unit Need
Very-Low*	13.4%	2,081
Low	8.3%	1,290
Moderate	20.7%	3,202
Above-Moderate	57.6%	8,933
Total	**100.0%**	**15,506**
* Extremely-Low	14.3%	Included in Very-Low Category

Notes:
Income Distribution:
Income categories are prescribed by California Health and Safety Code (Section 50093, et. seq.). Percents are derived based on Census/ACS reported household income brackets and county median income and have been adjusted to account for structures lost during the Camp Fire.

Attachment 3: HCD Regional Housing Need Determination BCAG

ATTACHMENT 2

HCD REGIONAL HOUSING NEED DETERMINATION:
BCAG December 31, 2021 through June 15, 2030

Methodology

BCAG: PROJECTION PERIOD (8.5 years) **HCD Determined Population, Households, & Housing Unit Need**		
Reference No.	Step Taken to Calculate Regional Housing Need	Amount
1.	**Population: June 15 2030 (DOF June 30 2030 projection adjusted - .5 months to June 15 2030)**	239,700
2.	*- Group Quarters Population: June 15 2030 (DOF June 30 2028 projection adjusted - .5 months to June 15 2030)*	-6,035
3.	**Household (HH) Population**	233,655
4.	**Projected Households**	**85,750**
5.	+ Vacancy Adjustment (.78%)	+669
6.	+ Overcrowding Adjustment (0%)	+0
7.	+ Replacement Adjustment (.64%)	+550
8.	*- Occupied Units (HHs) estimated December 31, 2021*	-80,499
9.	+ Cost-burden Adjustment	+233
10.	+ Camp Fire Adjustment	8,803
Total	**6th Cycle Regional Housing Need Assessment (RHNA)**	**15,506**

Detailed background data for this chart is available upon request.

Explanation and Data Sources

1-4. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Gov. Code Section 65584.01, projections were extrapolated from DOF projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institute, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons within the Household Population to form households at different rates based on American Community Survey (ACS) trends.

5. Vacancy Adjustment: HCD applies a vacancy adjustment (standard 5% maximum to total projected housing stock) and adjusts the percentage based on the region's current vacancy percentage to provide healthy market vacancies to facilitate housing availability and resident mobility. The adjustment is the difference between standard 5% vacancy rate and regions current vacancy rate based **(4.22%)** on the 2014-2018 ACS data. For BCAG that difference is **.078%**.

6. Overcrowding Adjustment: In regions where overcrowding is greater than the U.S. overcrowding rate of 3.35%, HCD applies an adjustment based on the amount the regions overcrowding rate **(3.18%)** exceeds the U.S. overcrowding rate. Data is from the 2014-2018 ACS. For BCAG, the county overcrowding rate does not exceed the national average, therefore an adjustment is not applied.

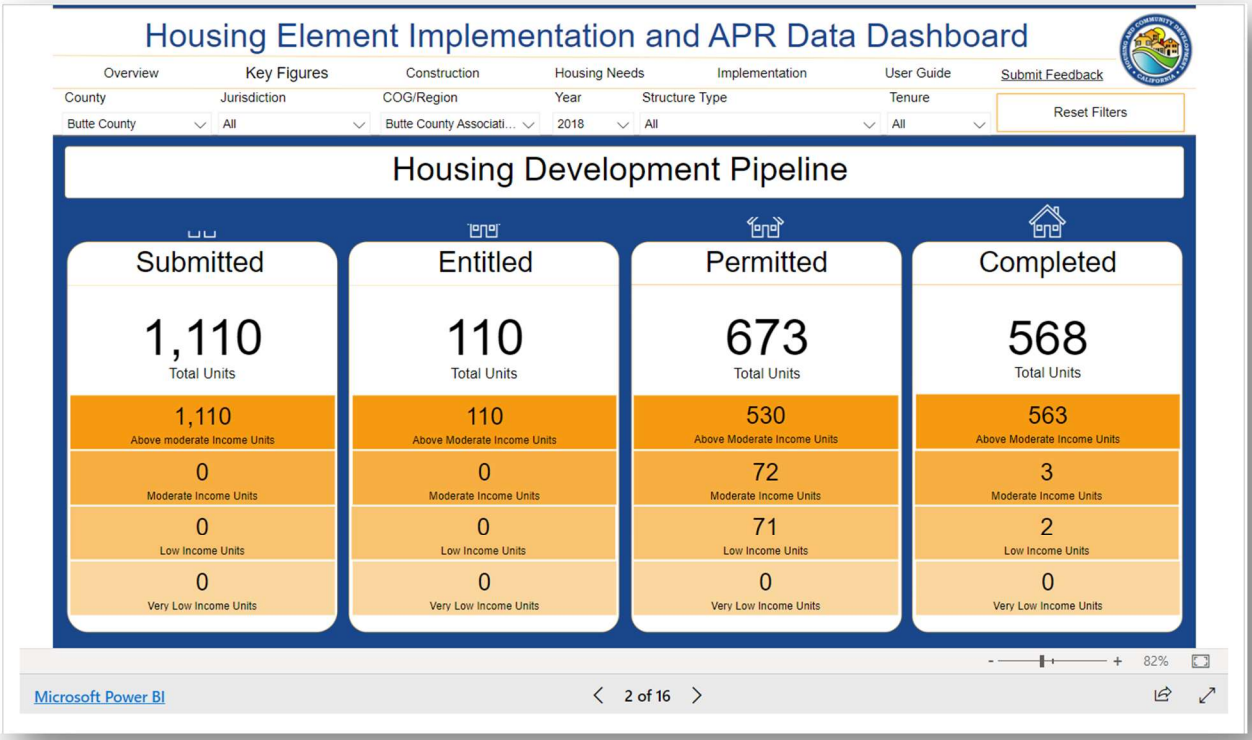
7. Replacement Adjustment: HCD applies a replacement adjustment between .5% and 5% to the total housing stock based on the current 10-year annual average percent of demolitions the region's local government annual reports to Department of Finance (DOF). For BCAG the 10-year annual average multiplied by the length of the projection period is **.64%**, excluding the Camp Fire year as an outlier.

8. Occupied Units: This figure reflects DOF's estimate of occupied units at the start of the projection period (December 31, 2021).

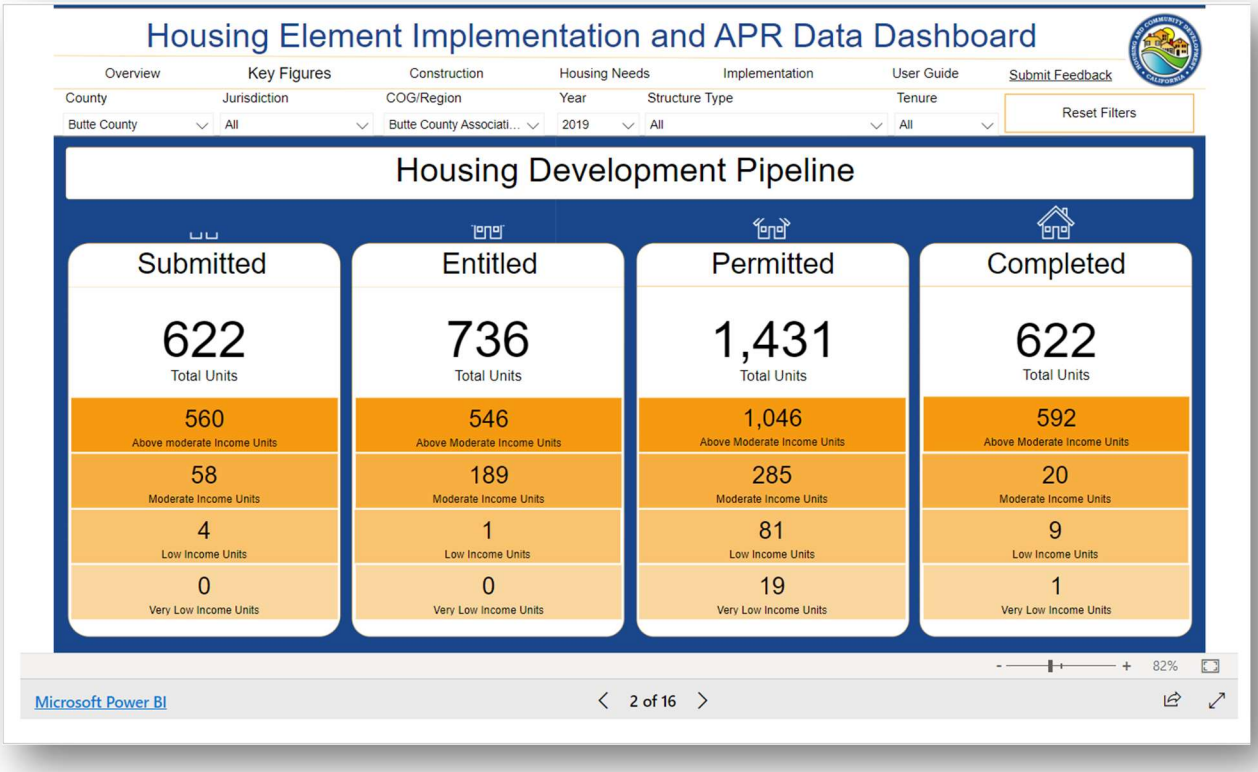
9. Cost Burden Adjustment: Cost Burden Adjustment: HCD applies an adjustment to the projected need by comparing the difference in cost-burden by income group for the region to the cost-burden by income group in the nation. The very-low and low income RHNA is increased by the percent difference (68.31%-64.23%=**4.08%**) between the region and the national cost burden rate for households earning 80% of area median income and below, then this difference is applied to very low- and low-income RHNA proportionate to the share of the population these groups currently represent. The moderate and above-moderate income RHNA is increased by the percent difference (14.75%-11.48%=**3.27%**) between the region and the national cost burden rate for households earning above 80% Area Median Income, then this difference is applied to moderate and above moderate income RHNA proportionate to the share of the population these groups currently represent. Data is from 2012-2016 CHAS.

10. Camp Fire Adjustment: HCD used data provided pursuant to Government Code 65584.01(b)(1)(I) (units lost due to a declared state of emergency) to apply a Camp Fire Adjustment. HCD used data from the Department of Finance to determine the structure type of units lost, and proportionally assigned a structure type to the 8,803 units expected to be rebuilt by BCAG. This does not represent the full estimate of units lost during the Camp Fire, only those expected to be rebuilt during the projection period. Those unit types correspond to different affordability levels, and are applied to each income category of the RHNA accordingly.

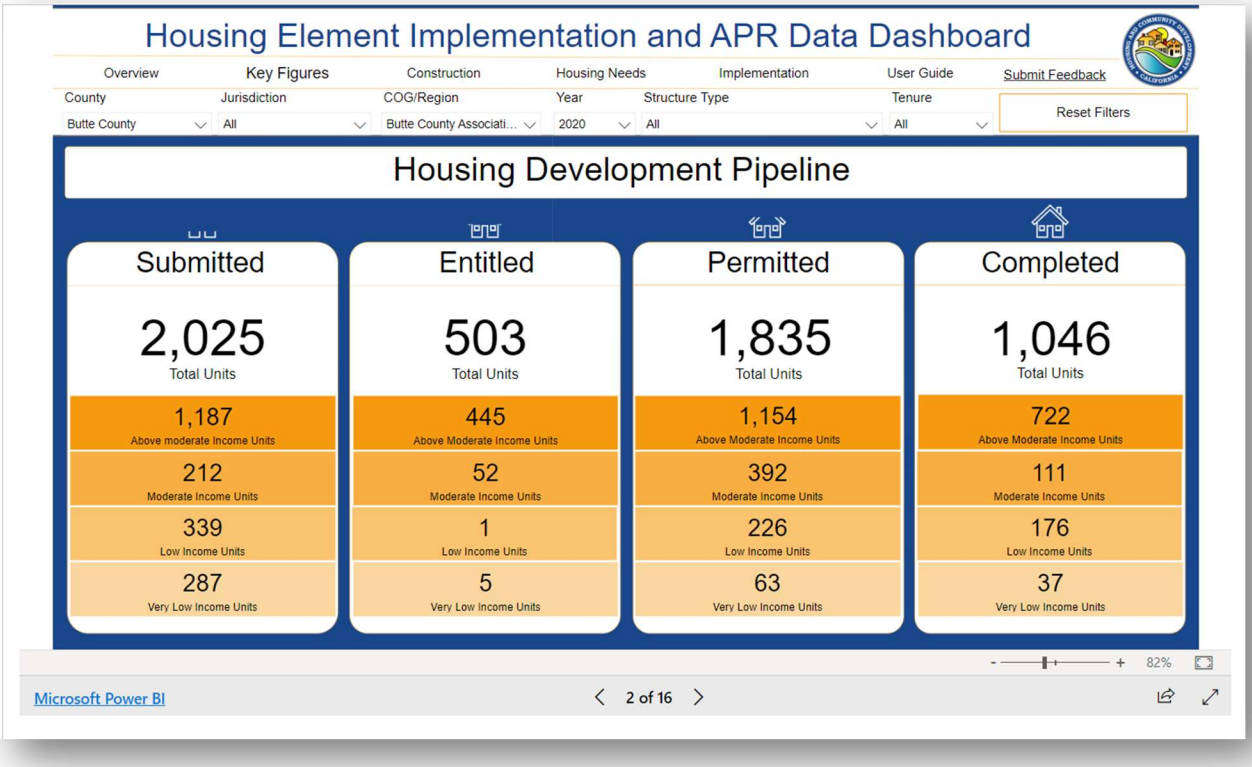
Attachment 4a: HCD APR Data Dashboard 2018



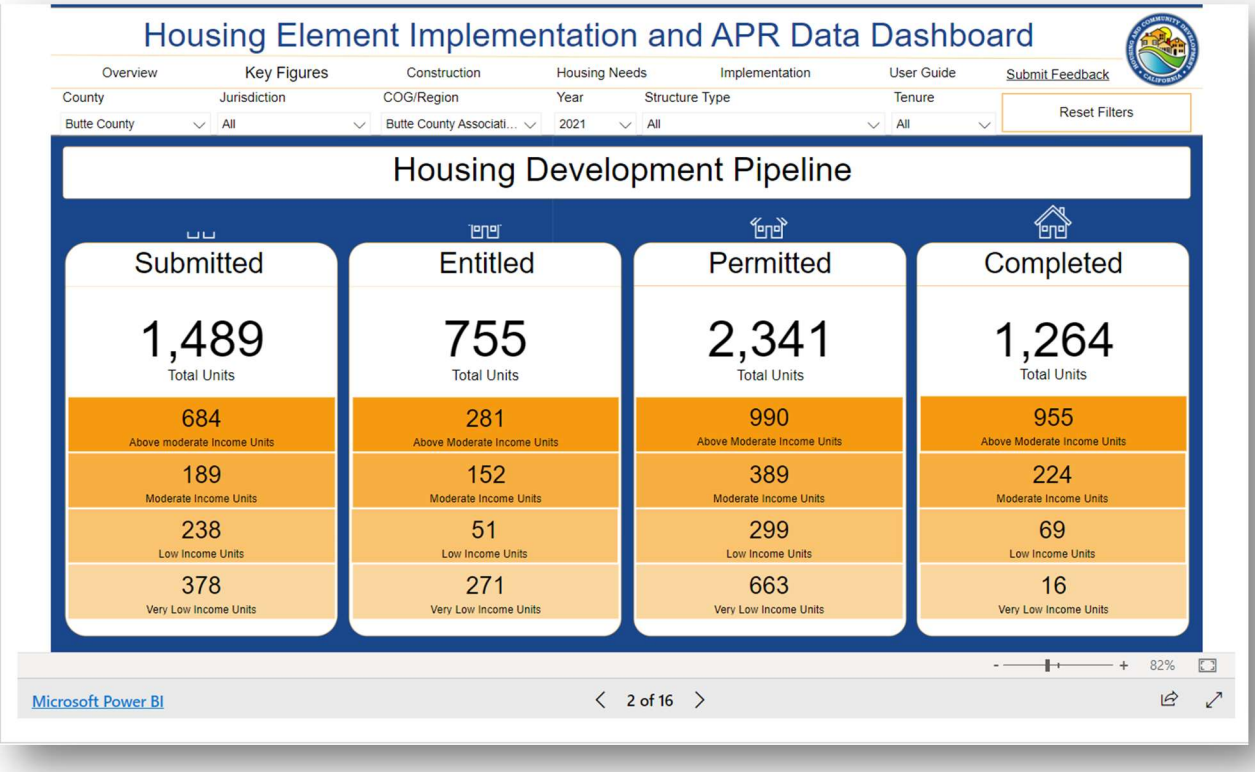
Attachment 4b: HCD APR Data Dashboard 2019



Attachment 4c: HCD APR Data Dashboard 2020

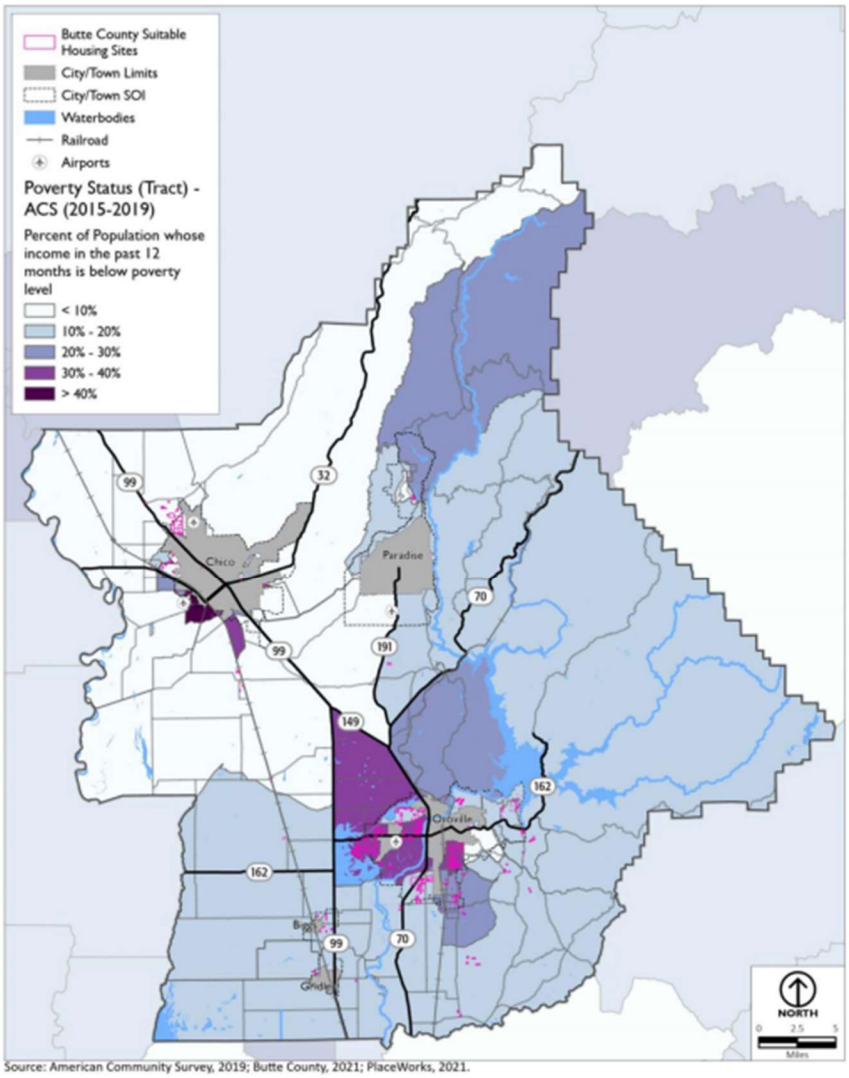


Attachment 4d: HCD APR Data Dashboard 2021



Attachment 5: Map: Rate of Poverty in the Unincorporated Area 2019

FIGURE A-3
RATE OF POVERTY IN THE UNINCORPORATED AREA, 2019



Source: American Community Survey, 2019; Butte County, 2021; PlaceWorks, 2021.

Attachment 6: Housing Rehab Loan Program

Contract ID	Contract Start	Contract End	Source	Amount to Loan	Loans	Admin Fee	Comments
Completed:							
Regional Housing Authority of Sutter and Nevada Counties							
X16847	8/13/2013	6/30/2014	CDBG PI	$120,000.00	2	$30,000.00	
X21229	6/10/2014	12/31/2014	CDBG DRI	$1,400,564.00	25	$336,135.36	2008 wildfires
X21319	7/29/2014	3/31/2017	HOME	$550,403.00	10	$132,097.00	
X21401	10/10/2014	9/30/2014	CDBG	$59,679.00	2	$14,323.00	
X21859	10/27/2015	12/29/2017	CDBG	$512,505.00		$123,001.00	
X23341	12/11/2018	7/31/2021	CDBG	$781,708.00	15	$190,610.00	replaced by X24844
X23513	7/1/2019	9/26/2021	CalHome	$450,000.00	5	$108,000.00	
X24129	1/12/2021	1/27/2025	CalHome	$8,129,032.00	54	$1,808,387.00	replaced by X24764
Habitat for Humanity Yuba/Sutter							
X24655	3/11/2022	9/1/2022	CDBG			$2,500.00	
X24669	4/1/2022	10/31/2022	CalHome			$24,500.00	transfer of X24764
X24670	4/1/2022	10/31/2022	CDBG			$24,000.00	transfer of X23341
ACTIVE							
X24764	6/28/2022	1/27/2025	CalHome	$8,129,032.00	54	$1,808,387.00	replace X24129
X24833	7/26/2022	4/2/2024	HOME	$393,145.00	8	$104,355.00	18-HOME-12578.
				$47,419.00	1	$12,581.00	
X24844	8/9/2022	6/30/2023	CDBG	$300,000.00	4	$72,000.00	replace X23341
			CDBG PI	$65,546.22		$12,453.78	program income from X23341
				$12,810,001.22	**126**	**$4,803,330.14**	

Legend:

CDBG	Community Development Block Grant
CDBG DRI	Community Development Block Grant - Disaster Rehabilitation Initiative
CDBG PI	Community Development Block Grant - Program Income
HOME	HOME Investment Partnerships Program
CalHome	Califorinia CalHome Program

Attachment 7: Low- and Moderate-Income Housing Rehabilitation

Place	LOWMODUNIV	LOW	LOWMOD	LMMI	LMMI %	Comments
Butte County	217095	63285	99833	136024	63%	
Biggs	1765	675	1025	1315	75%	
Chico	85272	28090	41385	53440	63%	
Gridley	6475	1790	2965	4090	63%	
Oroville	14810	4815	8175	11190	76%	
Paradise	25810	6385	10660	15710	61%	
Unincorporated	82963	21530	35623	50279	61%	eligible for Home Rehabilitation Loan Program

Legend:

LOWMODUNIV	Persons with the potential for being deemed Low-, Moderate- and Middle-income. Use as the denominator for LOW, LOWMOD, and LMMI %'s.
LOW	The count of Low-income persons.
LOWMOD	The count of Low- and Moderate-income persons.
LMMI	The count of Low-, Moderate-, and Medium-income persons for the Neighborhood Stabilization Program (NSP).

Neightborhood Stabilization Program:
https://www.hud.gov/program_offices/comm_planning/nsp

Source:
2015 estimates of the number of low- and moderate-income individuals (LMISD)
https://www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-local-government/

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2022-2023 BUTTE COUNTY GRAND JURY

June 13, 2023

A Time for Change

City of Oroville

SUMMARY

The City of Oroville (ORO) has been on the radar of the Grand Jury for years, garnering attention for a variety of reasons. Four of the past ten years of Grand Jury reports prominently discussed ORO with various findings and recommendations. Not all were either agreed with or implemented, and some of those same items are included in the current round of citizen complaints.

The BCGJ received multiple citizen complaints, each of which are addressed in this report. Through our initial research on the issues presented, the BCGJ found substantial indication there was justification for an in-depth investigation. These investigations included inviting numerous individuals for interviews and included current and former ORO employees who were hired, appointed, contracted, or elected. We reviewed and researched ten years of BCGJ reports related to ORO.

After extensive interviews, review of articles and published documents, our findings and recommendations include:

- City Charter updating
- Reallocating titles, duties, and funding
- Eliminating unutilized positions
- Improving technology utilization
- Allocating workspace for City Council
- Providing staff cross training

GLOSSARY

BC	Butte County
BCGJ	Butte County Grand Jury
IRS	US Internal Revenue Service
OCC	Oroville City Council
ORO	City of Oroville

BACKGROUND

The City of Oroville, A Charter City, was incorporated in 1906 and is the county seat of Butte County. The city currently has a significant excess of funds and is understaffed in many areas. While the city has made incredible progress, the 2022-2023 Butte County Grand Jury (BCGJ) also received numerous complaints regarding ORO. This conundrum, praise on one side, and disbelief on the other side, makes evaluating and investigating ORO a complex task.

Calcities.org explains there are two types of cities in California: “charter cities,” which operate under the city's local charter, and “general law cities,” which operate under the general laws of the state. Charters can also contain (self-imposed) limitations on city activities, as well as being a self-policing body.

METHODOLOGY

The BCGJ received complaints and reviewed each one to determine if they merited an investigation. Upon review of the complaints, interviews with ORO current and past employees were scheduled. We invited, by phone or email, 35 individuals, including all sitting council members, all appointed staff, and many clerks.

Interviews were held at neutral locations, providing the privacy the Grand Jury requires. This allowed for a greater sense of security, as many who were interviewed expressed they needed confidentiality, due to fears of retaliation.

Each individual interviewed met with a panel of the BCJG. All were asked the same series of investigative questions pertinent to the specific complaint. Each interview was recorded audibly and later transcribed for data retrieval. All Jury members took independent notes as well, allowing each member to recall the information provided. The members of the BCGJ attended, either in person or via Zoom multiple ORO council meetings and used the on-line library to review previous meetings for clarity to the issues posed to the BCGJ. We read both the published agenda and the subsequent minutes, to verify we were looking at the most appropriate source. Additionally, the BCGJ reviewed previous Grand Jury reports and compared those issues with items brought forth this year.

After review of all interviews, 10 years of grand jury history review, and research on the web for related news articles, the BCGJ asserts there continues to be complex interpersonal issues that must be addressed for the individuals who work and toil for this city to feel worthy, wanted, and appreciated.

Additionally, members of the BCGJ utilized the Public Records Act to obtain copies of documents to assist in our investigation. In this instance, the members of the BCGJ were able to see, firsthand, some realities behind the complaints, as our request was delayed almost 30 days by the time the request was approved by all necessary channels.

DISCUSSION

The OCC response to the 2021-2022 Grand Jury report included the following statement:

> The City Council is particularly disappointed by this Grand Jury report. The report casts negative aspersions against the Council and City staff without any factual basis or support. At the outset, it should be noted that City Staff and Council Members timely complied with all requests made by the Grand Jury for information and documents. Like many cities around the nation, the City Council has many divergent views, which can lead to spirited debate and discussion at some of the Council meetings. This ideological dissonance lies at the very heart of a democracy and it should be embraced, not castigated by the Grand Jury.

It has been the intent of the BCGJ to ensure we provide information based on factual basis and support. We fully expected to see all City Staff and Council Members comply timely with all requests by the BCGJ.

Decade review of Grand Jury reports on City of Oroville, Oroville City Council

In the past 10 years, the BCGJ found issues with the City of Oroville as well as the Oroville City Council. Reports were issued 2021-2022, 2017-2018, 2014-2015 and 2011-2012 and can be found at https://www.buttecounty.net/1208/Grand-Jury.

The BCGJ reviewed previous reports, findings, recommendations, responses, and actions. The compilation found in the appendix (see Bibliography, Attachment #1) is a review of the items ORO or OCC disagreed with and/or will not implement, and a comparison by year and issue.

Several problems, including the City Charter, the morale and treatment of employees, multiple positions held by individuals, excessive turnover, and the inability to contact OCC members from their website remain. The following chart shows the general response or reply by year:

Reply to 2021-2022

The June 29, 2022 Mercury Register documented the City Council's public response to all findings 2021-2022 "We read it (the Grand Jury Report) the other day in closed session and it wasn't much. All the stuff was former council members. I think it kinda speaks for itself." (2021-2022)

Reply to 2017-2018

Oroville City Council agree to 1 finding; Disagreed to 3 findings; made no mention of 4 findings. They implemented 5 recommendations; will implement 1 recommendation; will not implement 3 recommendations. (Were not specific as to which.)

Reply to 2014-2015

Oroville City Council agreed with 9 findings, partially agree with 6 findings, disagreed with 1 finding. (Were not specific as to which.)

Reply to 2011-2012

Agreed to F1 and F7, disagreed in part with F5. Implemented R1, R2, R3 and R4. But no records exist of these being continued after initial implementation.

Discoveries by the 2022-2023 Grand Jury Investigation

CONTRACTED LEGAL REPRESENTATION

ORO has contracted with an agency in Sacramento, CA for legal services. A specific attorney is on contract, along with support staff, to assist with legal services for ORO and OCC at a reported cost in excess of $400k per year. The BCGJ's investigation was impeded various times with the explanation "legal counsel is only available on Tuesdays" or "the docket for legal counsel is already set for next week." City Attorney access is limited for city hall staff, impeding the ability to assist the public in a timely manner.

The BCGJ recommends OCC should seek to engage an attorney who is readily accessible for city business more often than less than half time.

WEBSITE, ELECTRONICS AND COMMUNICATIONS

The 2017-2018 Grand Jury reported issues regarding the City Council members needing basic technology training, as well as the website needing regular checking for continued accuracy and maintenance for the benefit of the constituents. Responses were requested from ORO and the Oroville Acting City Administrative Officer. The reply received did not provide specifics, but stated they agreed with and implemented some, agreed/disagreed, implemented/did not implement some, and disagreed, did not implement the rest of the BCGJ recommendations.

The BCGJ utilized the ORO and OCC websites to reach out to the individuals we invited for interviews, which proved to be a challenging endeavor. Broken links, outdated or invalid email addresses, phone numbers listed that went to different individuals than those listed, or sending emails and leaving voice messages which would never be listened to or seen, as the City or Council members lack sufficient training to correctly forward to their private devices or addresses.

In fact, a few council members were not interviewed, as they never replied to multiple email or phone message requests. The BCGJ found council members do not have a physical location, but rather have forwardable resources. With proper training, they could call their "desk line," utilize the electronic functions and forward all calls to their personal cell phone, which is a number not published. The same action can be taken with the city provided email, so all correspondence would be forward to an email the council member utilizes.

Communication was so challenging, BCGJ members had to go to extreme measure to reach several individuals for interviews.

Interviews with those reached indicated council members use only their private cell phones and provide those numbers to those they are in contact with. This works well for those who are "hooked up" and know how to reach the council member. The BCGJ is of the opinion the 2017-2018 Grand Jury was correct in their recommendations, and R7, R8 and R9 in that year were included in the "will not be implemented" category.

Any individual should be able to successfully reach an ORO or an OCC representative, at the number or email address provided on the website. Individuals, constituents, those members of government outside of BC, should be able to utilize contact information without impedance.

The BCGJ recommends all OCC and ORO employees, staff, appointed or hired, be given necessary technical training so others can reach them. Additionally, it is recommended the website be managed, updated, and checked for errors regularly.

POSITION CROSS-TRAINING, TIMELY FILLING OF POSITIONS, AND REALLOCATION OF DUTIES AND FUNDING

As with many businesses and offices across the state today, OCC has had its share of understaffing, over-working, interdepartmental frustrations, interpersonal conflicts, and an inability to fill open positions.

The 2017-2018 Grand Jury found in the years leading up to their term, vacant positions were often filled "on the fly" with no overall plan regarding City staffing. It was recommended the City hire a consultant to perform a comprehensive analysis of the then-current staff to ensure the city has the appropriate number and types of positions to perform the services required for a city the size of Oroville. The City Administrator, in conjunction with the City Council, was responsible for this task.

The 2017-2018 Grand Jury also reported 5 turnovers in the City Administrator position in the previous 8 years, causing a noted negative impact on City staff morale. It was also reported that mistrust and misunderstanding among the City Council members led to an unusually high level of dysfunction. While it was agreed all were striving to do what was best for the city, the disagreements between Council members on how to achieve the goals prevented them from being implemented smoothly, if at all. The City Administrator at the time was also acting as director for 4 City departments, creating an unhealthy situation. There was additional mention of violations of the City Policy & Procedures manual, as well as the City Charter and Municipal Code.

The 2021-2022 Grand Jury report discussed at length similar issues. Reports of mismanagement of hiring key staff and individuals holding multiple offices. It was recommended to OCC each position in city administration and city government be filled by one individual, and no individual hold multiple positions, unless as a temporary solution for no more than 6 months. It was recommended OCC develop, adopt, print, and provide on-line a comprehensive Policy and Procedures manual.

The City of Oroville's response was drafted August 2022. They disagreed with the finding regarding one individual holding more than one key position, stating the City Charter authorizes them to manage the positions and combine at will, pursuant to Article VII, section 1. Furthermore, response to the 2021-2022 Grand Jury report from the OCC in regard to this issue stated:

- "The City Charter proscribes the requirements for filling the position."
- "The City has not found any law … which would indicate this practice is illegal or even inadvisable."
- "The procedure to fill positions by the Council is mandated by the City Charter, which does include the potential for an appointment to be made by the Mayor following a detailed process."
- "Any deviation from that process (current) would require an amendment to the charter, which must occur by a vote of the people."

They did agree with and implemented the recommendations regarding the updating of the Policy and Procedures manual. The City disagreed there were any violations against Policy and Procedures. Furthermore, the city chose not to implement R1, R3 and R4, stating they were following the City Charter.

Rather than accepting the recommendations, their reply, signed by the mayor on behalf of OCC and ORO, stated "Should the citizens have any concerns …, they can share those concerns with the Council at one of those regularly scheduled meetings."

The BCGJ went to City Hall to request and obtain documents under the Public Records Act. We were able to see, firsthand, how one person holding multiple positions, lack of cross training in filled positions, and the inability to reach a city employee by phone due to the website being incorrect, can cause a delay in business. In this specific example, members of the BCGJ had a scheduled appointment with a staff member to review documents previously requested. Upon arrival at City Hall, BCGJ members were informed that the individual did not come in and no one else was able to supervise us while we reviewed those documents that were not allowed to leave the premises and needed to be reviewed electronically. In this event, members of the BCGJ traveled from Chico to Oroville, only to have to return the next week. Cross training would have allowed those attending the counter to supervise Grand Jury members, or more importantly, to improve the service for citizens of Oroville.

The BCGJ has concerns stemming from the city's historically unfilled key positions. BCGJ recommends OCC contract an independent consultant, to review, compare and analyze positions versus city's actual requirements. As OCC now has surplus revenue, including 29% over reserve funding, carryover from the previous budget year due partially to unfilled positions, and a $10M investment currently paying interest, they are in the unique position to redefine the positions and responsibilities as well as refine the financial compensation to adequately cover the work done. It is further recommended updating of the Policy & Procedures be continued, and necessary changes be made to the City Charter.

FEAR OF RETRIBUTION, HARRASSMENT, DISRESEPCT AND INTIMIDATION

In the 2021-2022 Grand Jury report, multiple complaints were received from citizens, including "bullying of subordinates," and "improprieties of a certain city official using the position to bully subordinates."

The direct question was asked to each individual we interviewed *Were you ever made to feel or were you aware staff was made to feel uncomfortable, intimidated, harassed, or bullied in any way by Council Member(s)?*

In the BCGJ investigation, of those interviewed, almost all expressed knowledge of a city official using their position and power to bully subordinates, both at work and in public.

In the hours of interview recordings, the fear, anxiety, nervousness, concern, and unease were palpable. The abject fear shared for the future of friends and family, outside of work, was a real and tangible concern for many of those interviewed. Raw emotion was shared by staff of all races, nationalities, genders, and positions, regardless of how they obtained the position they held. The majority of those we spoke with were in sync, sharing unique yet similar experiences from a personal perspective.

It is recommended that the City Administrator research and select a leadership training company to facilitate training in effective leadership, emphasizing cooperation and mutual respect. It is further recommended that this training be repeated annually in the first quarter of each calendar year, as the body of the Council can change.

NEED FOR CHANGES TO CITY CHARTER

The OCC utilizes the City Charter, which is the compilation of self-managed rules for the City Council and is outdated. Many of these rules are antiquated at best. Navigating the amendments, related rules and changes over the past century is cumbersome.

The BCGJ reached out for assistance and received these instructions via email:

> "Happy to help; it is not easy. Go to City of Oroville web page. Under government, select Municipal Code. That will steer you to another provider. Select the Charter. Under that it will expand the list and the titles of each charter should appear. The Charter and Municipal Code drive the city. What also is not easy access is the Resolutions of City policy, Zoning regulations and other policy manuals. The city really needs to improve the website."

The BCGJ agrees with the statement provided by many of those interviewed, that the city needs to make the website easier to navigate, including access to the Charter and all associated tables.

It is recommended that the OCC seek and hire a consultant to bring the 1906 City Charter and related Municipal code, the electronic document that "drives the city," up to date.

BCGJ recommends all areas of the Charter be reviewed, updated, and confirmed actually effective, applicable, appropriate, and enforceable.

WORKSPACE IN CITY HALL and CITY CHARTER – Council Member Giving Direction

BCGJ's investigation uncovered several infractions of the City Charter, regarding council member(s) loitering in and giving direction to city employees at City Hall. BCGJ was able to confirm multiple instances of violations of the ORO Charter Title 2 (2.08.010, Code 1954 §2.10) which states *"Council members and committee not to issues* [sic] *orders to subordinates"*, also noted in previous Grand Jury reports (2021-2022, 2017-2018 and 2014-2015).

City Council members visit, loiter, or conduct city or non-city business in various portions of City Hall, bypassing the City Administrator and disrupting work of city employees. City Council members do not have a desk, a physical chair, or other location provided by the city, allowing them to perform necessary business.

On average, a council member has about 4 hours of potential work per week, not including the Council meetings every other week. Council members utilize their private cell phones, a county assigned laptop, and work from wherever they find space.

It is recommended ORO provide council members with a dedicated, physical place to work. While there is a workspace location in chambers, it was indicated council members are not restricted to that location, as they often need to address an issue at City Hall.

As there are several positions open and unstaffed, perhaps the city can allow one or more unoccupied spaces to be utilized by council members for city business, when necessary. Further, it is recommended council members work only on OCC business when at City Hall and avoid work on personal or private business matters.

CITY CHARTER – Elected City Treasurer

The 1906 City Charter required an elected City Treasurer, a position still in existence. All financial aspects of the OCC are handled by a different department, and the city treasurer has no duties to perform. This position includes a stipend and full benefits, totaling $30,617 in 2020-2021. An increase to $45,501 is allocated for the 2023-2024 budget year.

This was discussed in a September 2019 Council meeting, and reported in the Chico ER, as one of the items brought to the Council "over the past few years up until the recent council meeting" included "Eliminate the City Treasurer", as well as other items.

The BCGJ confirmed the City Treasurer position currently only reviews the statements and correspondence regarding the financial investments made for OCC with an Oroville financial management corporation, who charges ORO for their investment counseling services.

It is recommended that the OCC direct staff begin the process to amend the Charter to remove the position of City Treasurer. Any necessary cost involved to bring this to a vote and change the Charter could be offset by the $45,000 annual projected savings.

***CITY CHARTER* – Five to Hire, Three to Fire, or One to Appoint to Position**

The City Charter is subject to broad interpretation, allowing room for potential manipulation. The BCGJ discovered and corroborated via interviews there is standard procedure that 5 votes in favor to hire someone, but only requires 3 votes to remove them, or 1 vote from the Mayor to appoint. Previous Grand Juries indicated a predilection to those in power on the OCC to utilize a broad interpretation of the charter, to remove individuals and keep positions open until such time as someone is appointed.

This specific scenario was discussed in previous Grand Jury reports, all receiving a do not agree or will not implement response. In our interviews, nearly all indicated it was common knowledge that the 5-3-1 rule (5 votes to hire, 3 votes to fire, 1 vote to appoint) could be used anytime for at-will and contract positions.

To eliminate the perception of unfair hiring, firing, and appointing practices, it is recommended that the Charter and Municipal Codes be reviewed by an independent consultant.

POLICE & FIRE DEPARTMENT LOBBY EMERGENCY EXIT DOOR

The OCC approved a remodel upgrade to the Police & Fire Department building, specifically the 2nd floor, adding separate private rest quarters for female employees, upgraded training rooms, equipment, and offices. In addition, they completed necessary ADA compliant changes to restroom facilities, upstairs and downstairs, as well as stairwell handrails.

During the remodel, a vehicle was driven into the lobby of this public safety building, rendering the lobby and public use restroom unusable for a period of time. Through the course of the repairs, the emergency exit fire door from the public access lobby to the fire department was removed and replaced by a wall.

In interviews, most of those we spoke believed the door was removed due to damage from the accident. Photos posted in local newspapers and online, and reviewed by multiple independent licensed state inspectors, found no indication the door nor the wall appeared damaged.

Review of construction documents, requested under the Public Information Act, indicated the door removed and replaced with a wall was included in the first set of approved plans, prior to the accident in the lobby.

To ensure the safety of employees, citizens, constituents, and visitors to Oroville who may enter this facility, the BCGJ recommends the OCC, as the ultimate responsible party, contract with an independent state licensed inspector, from outside of Butte County, to review the construction documents, inspect the work done and verify that the wall replacing an emergency fire door was done correctly.

FINDINGS

F1. The city of Oroville currently pays over $400k annually to a law firm in Sacramento with a physical availability of less than one week per month.

F2. The electronic communication system within the City of Oroville administration is not maintained or coordinated well enough to provide effective communication with the public, specifically telephone numbers, voicemail boxes, and emails.

F3. The OCC has repeatedly allowed one individual to hold multiple key positions, claiming it is allowed in the City Charter.

F4. In several key positions, only one employee has the information or authority required to keep city business flowing.

F5. Oroville has become a financially solvent city government, with excess funds in reserve.

F6. The majority of City of Oroville employees interviewed report feeling disrespected, harassed, or fearful.

F7. There is not adequate private workspace available for Council members to be at City Hall without disrupting ongoing city business.

F8. The need for significant changes to the Oroville City Charter have been reported by 4 previous Grand Juries over the past 10 years.

F9. The Oroville City Charter document is not well assembled nor easily navigated.

F10. The Oroville City Charter document is vague, allows multiple interpretations, and leads to opportunities for manipulation.

F11. Currently, the City of Oroville Charter allows the mayor to appoint administrative staff/department heads under certain conditions, creating an incentive for the mayor to help create those conditions, in order to appoint specific persons without Council super-majority approval.

F12. The 1906 City Charter document requires an elected City Treasurer. The city treasurer position is no longer necessary to administer city financial business.

F13. Oroville City Charter currently requires only a vote of 3 council members in favor to terminate a department head, requires a vote of 5 council members in favor to hire a new department head, or appointment solely by the Mayor.

F14. The BCGJ remains uncertain why the public safety emergency access exit door was removed from the Police & Fire Department lobby.

RECOMMENDATIONS

R1. The BCGJ recommends OCC should seek to engage an attorney who is readily accessible for city business more often than less than half time March 31, 2024.

R2. The BCGJ recommends the ORO provide the council members with a physical place to work by December 31, 2023.

R3. The BCGJ recommends council members work only on OCC business when at City Hall, lest problems occur from private enterprise transactions by September 30, 2023.

R4. The BCGJ recommends all OCC and ORO employees, staff, appointed or hired, be given necessary technical training by Information Systems so that others can reach them by September 30, 2023.

R5. The BCGJ recommends the ORO website be managed, updated, and checked for errors on a quarterly basis, with required reporting to the OCC by the managing department by November 30, 2023.

R6. The BCGJ recommends OCC contract with an independent, non-Butte County consultant for the review of positions with long-term vacancies and determine how the staffing structure can be altered to allow business to flow with one person in one position by March 31, 2024.

R7. The BCGJ recommends the independent consultant (see R6) offer a redefined position and position duties/responsibilities listing, along with revised adequate financial compensation for the consideration of the OCC by June 30, 2024.

R8. The BCGJ recommends the position and financial realignment recommendations from the study provided (see R7) be reviewed by the OCC and accepted recommendations be implemented by November 30, 2024.

R9. The BCGJ recommends the City Administrator research and select a training entity, to work with the OCC, training how to be effective leaders with positive and supportive methods by December 31, 2023.

R10. The BCGJ recommends this interpersonal leadership training be implemented by the City Administrator with an initial training by March 31, 2024.

R11. The BCGJ recommends the OCC include this interpersonal leadership training to be repeated annually, as the Council body can change, to be calendarized within the first quarter of each and announced at a City Council meeting by December 31, 2023.

R12. The BCGJ recommends the OCC seek and hire a database consultant to begin the process of bringing the City Charter current in both platform and technological abilities by March 31, 2024.

R13. The BCGJ recommends the OCC hire a consultant to begin the process of providing the City Charter in a format that is easily understood and searchable by member of the public June 30, 2024.

R14. The BCGJ recommends OCC to amend the City Charter to include each position in city administration and city government be filled by one individual; and that only a 6-month temporary appointment may occur , including all necessary steps for voter approval of this amendment by July 31, 2024.

R15. The BCGJ recommends the hired consultant(s) assist the City Administrator to ensure these changes include the culmination of all past amendments and the initial code, into a current complete statement, are given to the people to vote on November 2025 ballot.

R16. The BCGJ recommends OCC have the Charter and Municipal Codes reviewed by an independent consultant to eliminate areas allowing the perception of unfair hiring, firing, and appointing practices by December 31, 2023.

R17. The BCGJ recommends the OCC amend the Charter to remove the unnecessary position of City Treasurer, to include all necessary steps to having on the November 2024 ballot.

R18. The BCGJ recommends OCC hire an independent inspector to review the Fire & Police Department lobby replacement of emergency fire exit with fire wall, to ensure the safety of employees and the general public by October 31, 2023.

REQUIRED RESPONSES

The following responses are required pursuant to Penal Code § 933 and 933.05:

From the following governing bodies within 90 days:

- Oroville City Council (OCC):

  F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12, F13 and F14

  R1, R2, R3, R4, R5, R6, R7, R8, R9, R10, R11, R12, R13, R14, R15, R16, R17 and R18

From the following Elected Officials within 60 days:

- Oroville City Treasurer

  F6, F12 and R17

INVITED RESPONSES

The Grand Jury invites the following responses within 60 days:

- City Administrator:

  F1, F2, F3, F5, F7, F8, F9, F10, F11, F12, F13, and F14

  R1, R2, R3, R4, R5, R6, R7, R8, R9, R10, R11, R12, R13, R14, R15, R16, R17 and R18

- Oroville Information Systems:

  F3 and R4

- City Clerk:

  R5

- Human Resources Department:

  F7 and R6, R7, R8, R10 and R11

- Oroville Fire Chief:

F14 and R18

- Oroville Police Chief:

  F14 and R18

Responses are to be submitted to the presiding judge of the Butte County Superior Court in accordance with the provisions of Penal Code § 933.05. Responses must include information required by §933.05.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code § 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

BIBLIOGRAPHY

ATTACHMENT 1

Issue noted	2022-2023	2021-2022	2017-2018	2014-2015	2011-2012
ISSUES REGARDING CITY CHARTER	x	x	x	x	
Stated Findings	F1, F2, F3, F4, F5, F6, F7	F1, F5	F3, F4	F7, F12	
Stated Recommendations	R9, R11, R12, R13, R14	F1, F4	R1, R2	R4	
Individual holding multiple key positions	x	x	x	x	
Procedure issues regarding hiring & firing	x	x			
Charter to be updated for ease of use	x				
ISSUES REGARDING FINANCIAL AND EMPLOYMENT	X	x	x		
Stated Findings	F8, F9	F3			
Stated Recommendations	R1, R6, R7, R8	R3	R1		
Emergency Declarations / Financial Impact		x			
Realign positions	x		x		
ISSUES REGARDING ELECTRONIC COMMUNICATION SYSTEM/WEB:	x		x		
Stated Findings	F10		F8		
Stated Recommendations	R4, R5		R7, R8, R9		
City Web Site needs work	x		x		
Issues reaching Council members via contact info	x		x		
ISSUES REGARDING CITY EMPLOYEES MORALE:	x	x	x		
Stated Findings	F12, F13		F6		
Stated Recommendations	R15, R16, R17,				
Mistrust, Misunderstanding			x		
Staff feel disrespected, harrassed, fearful	x	x			
ISSUES REGARDING ITEMS NOT INCLUDED ABOVE:	X		x		x
Stated Findings	F11, F14		F7		F4, F5, F7
Stated Recommendations	R2, R3, R18		R6		R1, R2, R3, R4
Goals and Objectives meeting & workshop			x		x
Accurate & timely update of Appointments Listing					x
Inspections fo Cleantech Innovation Center					x

ATTACHMENT 2

Source: https://www.dir.ca.gov/title8/3228.html

- Per California Code of Regulations, Subchapter 7, General Industry Safety Orders, Group1 General Physical Conditions and Structures Orders, Article 2 Standard Specification, §3228 "Number of Exits".
  - (a) Every building or usable portion thereof shall have at least two exits to permit prompt evacuation of employees and other building occupants during an emergency. The exits shall be located as far away as practicable from each other so that if one exit is inaccessible because of fire or smoke, employees can evacuate using the second exit.
  - Exception: In accordance with Title 24, Part 2, California Code of Regulations, a single exit shall be permitted where the number of employees, the size of the building, its occupancy or the arrangement of the workplace is such that all employees would be able to evacuate safely during an emergency. In accordance with Title 24, Part 2, California Code of Regulations, a single exit shall be permitted where the number of employees, the size of the building, its occupancy or the arrangement of the workplace is such that all employees would be able to evacuate safely during an emergency.
    - (b) More than two exits must be provided in a workplace if the number of employees, the size of the building, its occupancy, or the arrangement of the workplace is such that all employees would not be able to evacuate safely during an emergency if only two exits were provided. Note to subsections (a) and (b): For assistance in determining the number of workplace exits, and the necessary distance between exits, consult Title 24, Part 2, California Code of Regulations, and your local jurisdiction fire department.
    - Note: Authority cited: Section 142.3, Labor Code. Reference: Section 142.3, Labor Code; and Section 18943(c), Health, and Safety Code.

APPENDIX

WEBSITES

https://chartercitiesinstitute.org/intro/#:~:text=A%20charter%20city%20is%20a,administrative%20practices%20and%20commercial%20regulations.

https://www.calcities.org/

https://www.buttecounty.net/1208/Grand-Jury

https://www.cityoforoville.org/home/showpublisheddocument/21091/638169791575030000

https://www.cityoforoville.org/home/showpublisheddocument/20663/638004804666030000

DISCLAIMER

One BCGJ member was recused, due to a conflict of interest, real or perceived, from all aspects relating to one specific investigation, which is included in this report. This member did review and approve of the inclusion of the report, but was not involved in the collection of data, the review of data, any interviews, or documents.