

ECONOMIC AND COMMUNITY DEVELOPMENT

**ECONOMIC DEVELOPMENT/PUBLIC SERVICES GROUP
ADMINISTRATION**

JOBS AND EMPLOYMENT SERVICES

LAND USE SERVICES

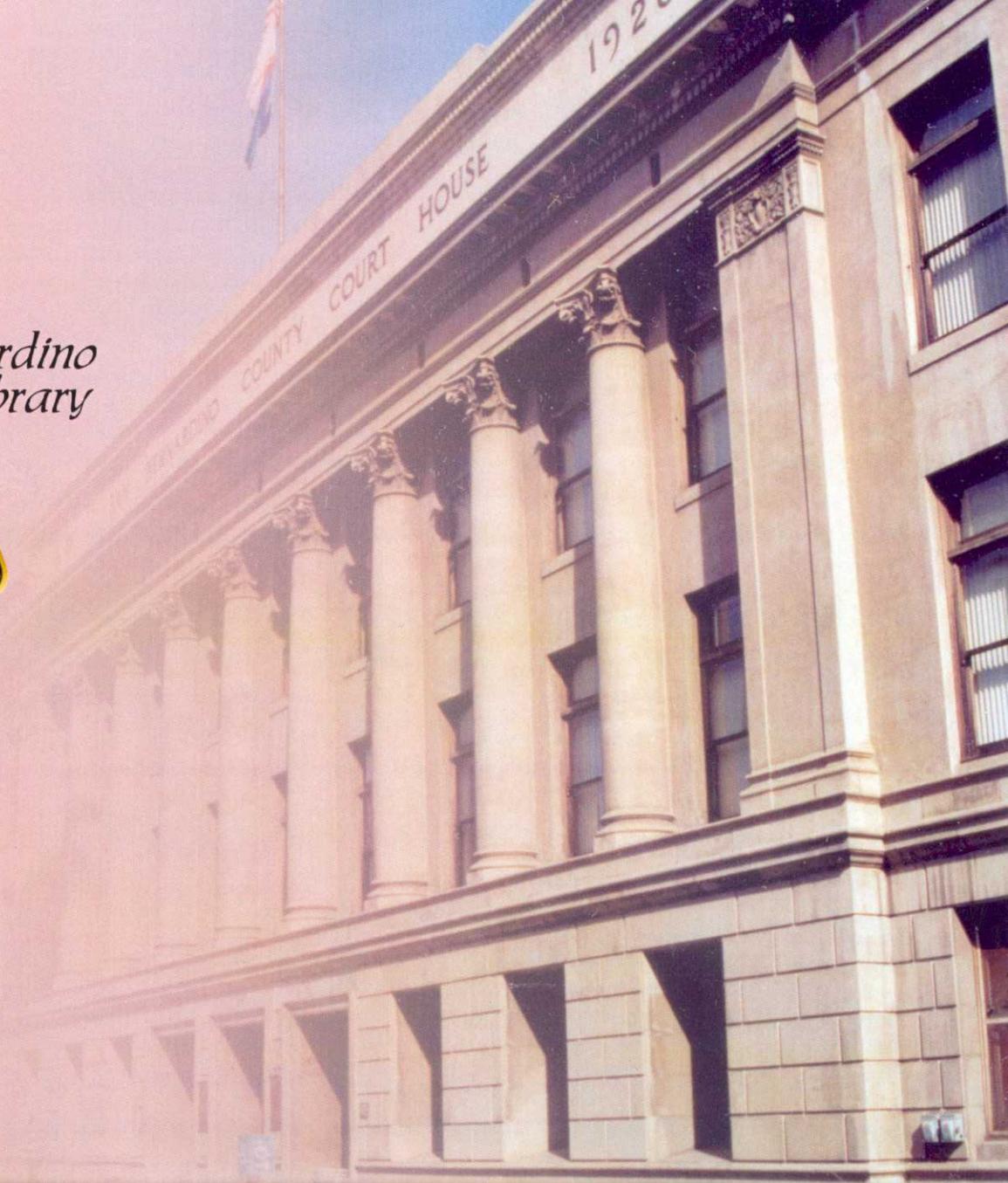
MUSEUM

PUBLIC WORKS

REDEVELOPMENT AGENCY

REGISTRAR OF VOTERS

SPECIAL DISTRICTS



ECONOMIC DEVELOPMENT/PUBLIC SERVICES COMMITTEE



ECONOMIC DEVELOPMENT/PUBLIC SERVICES COMMITTEE

JOSE MARTINEZ, HANS DAHMEN, FRANK REILLE, DENNIS ZIMMERMAN (CHAIR), MEL KORNBLATT,
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ECONOMIC DEVELOPMENT/ PUBLIC SERVICES COMMITTEE

The Economic Development/Public Services Committee had responsibility for the functional oversight/evaluation of the following County departments:

- Economic Development/Public Services Administration
- Agriculture, Weights & Measures
- Airports
- County Fire
- Economic & Community Development
- Jobs and Employment Services
- Land Use Services
- Library and Museum
- Public Works/Redevelopment Agency/Special Districts
- Registrar of Voters

The committee carefully reviewed prior Grand Jury reports and Board responses back to 1993. We also studied departmental budgets, number of employees, etc.

The committee reviewed the departments listed below, and no recommendations are contained in this report.

- Agriculture, Weights & Measures
- Economic & Community Development
- Jobs and Employment Services
- Land Use Services
- Library and Museum
- Public Works/Redevelopment Agency/Special Districts

Subcommittees were formed and in-depth investigations were conducted of the following departments:

- Economic Development/Public Services Administration
- Airports
- County Fire
- Public Works – Hyundai Pavilion
- Registrar of Voters

Findings and recommendations from those investigations are detailed in this final report.

The “Needles Special Project” ad hoc committee was formed by this Grand Jury to look into County operations and services as they pertain to the City of Needles. As part of this inquiry, the ad hoc committee interviewed City officials and consulted with the County’s Economic and Community Development Department. Since that portion of the Needles Special Project Ad Hoc Committee report falls under the umbrella of the Economic Development/Public Services Committee, the findings and recommendations are also contained herein.

AIRPORTS DEPARTMENT

BACKGROUND

The San Bernardino County Airports Department is generally self-supporting and receives only \$50,000 per year from the County General Fund for all five airports. Turning one vehicle back to the County handled the department's four percent (4%) spending reduction, and the projected 30 percent budget cut will come out of the department's General Fund dollars. The Contingency Fund (from Airport operations) can help support operations during budget reductions.

FINDINGS

CHINO AIRPORT

Chino Airport is the largest of the County's airports and is not only a self-sustaining entity, but helps to support other County airports. The income is derived from rental of hangar facilities, tie-down fees and fuel pumping charges. As of February 1, 2003, the Chino Airport had landlord/tenant issues, as follows:

1. Klassic Co.: evicted December 16, 2002; doors padlocked
2. Kamp Industries: in default of \$16,000 per month rent; evicted February 1, 2003; doors padlocked
3. Executive Aviation Logistics: regularly struggles to pay rent
4. Bombardier Corp.: negotiations underway to lease one of four former Lockheed hangars to this Canadian corporation

BARSTOW-DAGGETT AIRPORT

The County leases space at Barstow-Daggett Airport to the Federal government for its fleet of helicopters. As a result, Federal funding is paying for a security system and perimeter fencing for the airport. This is an uncontrolled airport serving Army helicopters and general aviation. Income is derived from shade hangar rentals, tie down fees, fuel pumping charges and residential rentals.

BAKER AIRPORT

Baker is an unattended airport and is maintained by personnel from the Barstow-Daggett Airport. The airport receives \$10,000 annually in State funds. This airport offers no services and has four temporary tie-downs. The California Highway Patrol, the San Bernardino County Sheriff's Department and other emergency aircraft mainly use this airport. The land is leased from the Bureau of Land Management at a cost of \$100 per year, payable every five years.

The airports at Baker, Barstow/Daggett and Needles have no pilot controlled lights (PCL) installed. Hence, runway lights must be kept on all night. In a study done at the Baker Airport it was found that the electrical charges for Baker Airport averaged \$277 a month for the past 18 months, primarily for electricity used by runway lights and the rotating airport beacon. While the airport beacon must remain on all night, pilot controlled runway lights would significantly reduce electricity consumption. A pilot controlled switch can be purchased for less than \$2,500 and installed by airport maintenance personnel.

Projecting these savings at the other three airports, plus the Baker Airport, the cost of installing PCL would be paid for in one year. Thereafter, the savings for the next four years at all four airports would be about \$39,744, and these savings would continue for the foreseeable future. These calculations were based on an allocation of 75 percent of the \$277 for runway lights at a cost of \$208 per month.

APPLE VALLEY AIRPORT

This airport has a full variety of services. At the present time the Department of Airports is negotiating with the CHP and the Sheriff's Department to build a facility to house the two departments as a base of operation. This project appears close to fruition as the approval of Amendment No. 3 by the Board of Supervisors on March 11 added an additional \$94,800, bringing the total contract related to the construction of the law enforcement center at the Apple Valley Center to \$280,419.

NEEDLES and TWENTYNINE PALMS

Income at Needles Airport is from shade hangar rentals. Both airports receive income from airport tie down fees, as well as fuel pumping charges.

RECOMMENDATION

03-14 INSTALL PILOT CONTROLLED LIGHTING AT THE COUNTY AIRPORTS IN BAKER,
BARSTOW/DAGGETT, NEEDLES AND TWENTYNINE PALMS.

NEEDLES SPECIAL PROJECT

ECONOMIC DEVELOPMENT

FINDINGS

A Needles City Council member and the City Manager were visited. The San Bernardino County Economic Development and Business Resources Manager is working with the City of Needles on a four stage participatory strategic planning process to identify and understand the economic problems of the area.

The County hired a consultant to help identify problem areas and find solutions. They are desperately trying to attract new business but the prospects are slim, as they don't have much to give as incentives. There is plenty of water and cheap power, but their labor pool is shy of skilled workers and it is difficult to compete with the low wage scale of neighboring Arizona.

The City of Needles is looking into legislation to improve the area with supportive programs. The First District County Supervisor and the area State Assemblyman are also working closely with the city to try and improve economic conditions.

The County is improving the parks around Needles, Moabi Regional Park in particular, to attract more recreational income and travelers.

RECOMMENDATION

03-15 THE COUNTY ECONOMIC DEVELOPMENT DEPARTMENT AND THE FIRST DISTRICT COUNTY SUPERVISOR FOLLOW UP ON THE FIVE-YEAR STRATEGIC PLAN THAT HAS BEEN PUT IN MOTION, AND DETERMINE WHAT PROGRESS IS BEING MADE.

COUNTY FIRE DEPARTMENT

BACKGROUND

The mission of the San Bernardino County Fire Department is to provide a community-based all-risk emergency services organization dedicated to the health and well being of the citizens of San Bernardino County, through a balance of regionalized services delivery and accountability to the local communities.

All-risk emergency services are provided to 64 communities/cities as well as the sparsely populated areas within the department's 16,255 square miles of protection responsibility.

The term "all-risk" is used because the department is responsible for not only the traditional fire suppression duties, but also for emergency medical services, ambulance transportation, hazardous materials response/mitigation, specialized technical rescue, as well as disaster preparedness, fire prevention and code enforcement duties.

FINDINGS

On May 29, 2002 the County Fire Department (CFD) released a report on the status of the Baker Fire Station. In the past, additional personnel were available from the Baker Correctional Facility to satisfy OSHA safety requirements. While the correctional facility has recently been reopened, the Fire Department feels that the permanence of the facility's resources cannot be relied upon. In addition, there is no permanent facility to house fire and emergency vehicles and emergency personnel. Initially, fire suppression and protection, rescue, and emergency medical services relied heavily on support from the Harvard Fire Station, which is a distance of about 40 miles.

On December 10, 2002 the Board of Supervisors approved an allocation of \$122,650 from the County General Fund for the operation of Baker's fire and rescue services from January 1, 2003 through June 30, 2003. County Fire is staffing the operation with a paid-call captain (40 hours per week), a paid-call engineer, and fire fighter on a 24-hour 7-days a week basis, plus 3-4 prisoners from the correctional institution. The

allocation includes monies to pay for motel lodging in Baker for the department's personnel during this period. The fire engine is parked in the Baker Community Services District's trash truck facility, and the fire patrol unit remains with the crew at the motel.

The Sheriff's Aviation Division was visited and the Grand Jury was advised that this division would be willing and able to station a Sheriff's helicopter in the high desert to assist the County Fire Department in its rescue operations during high profile periods.

The CFD has submitted a request to the Board of Supervisors to increase their budget in order to build a permanent fire station in Baker at a cost of \$1.2 million, and to house a crew of four that would include a fire captain, an engineer and two fire fighters. However, due to the current status of the budget these funds are not available. County Fire has funded the site acquisition from the Bureau of Land Management, and the architectural engineering design, plan and specifications are in the final stages of completion. The difficulty in funding this project is that there is no tax-based revenue as the land in the area is owned by the Federal government and generates no income.

Baker is a very small town with a population of 600 people, according to the Automobile Club of Southern California. However, Interstate 15 (a Federally-owned highway) is a very heavily traveled route for all of Southern California; hence, the need for emergency services. In 2001 the Highway Patrol responded to 990 collisions, of which 44 were fatal, 407 collisions involving 892 injuries, and 552 property damage only collisions. In that same year the Fire Department responded to 962 calls in the same area. The situation in this area may continue to get worse. In the year 2010, semi-trucks with spent fuel rods will utilize this highway en route to the Yucca Mountain radioactive waste disposal site in Nevada.

RECOMMENDATIONS

- 03-16 THE BOARD OF SUPERVISORS, THROUGH LEGISLATIVE REPRESENTATIVES, URGE THE FEDERAL GOVERNMENT ACCEPT ITS RESPONSIBILITY TO ASSIST WITH THE FUNDING FOR A FULL-TIME STAFFED FIRE STATION IN THE BAKER AREA. IN ADDITION, EXPLORE ANY FURTHER SOURCES OF FUNDING.

03-17 COUNTY FIRE DEPARTMENT WORK WITH THE SHERIFF'S DEPARTMENT TO STATION A RESCUE HELICOPTER IN THE HIGH DESERT DURING HIGH PROFILE TIMES.

DEPARTMENT OF PUBLIC WORKS

REGIONAL PARKS DIVISION HYUNDAI PAVILION

BACKGROUND

In 1993 the County of San Bernardino entered into a 25-year lease agreement with Amphitheater Entertainment Corporation to operate an entertainment pavilion at Glen Helen Regional Park. Construction of the amphitheater and related infrastructure improvements was financed by floating three series of Certificates of Participation, totaling \$26 million. The lease for the amphitheater has been amended several times to reflect changes of lessees. The current lessee and operator of the amphitheater is Clear Channel Communications.

The amphitheater has been a topic of controversy in the County since its inception, and the 2002-2003 Grand Jury decided to revisit the issue.

FINDINGS

The Grand Jury's investigation into the Pavilion was hampered by the apparent lack of centralized management or oversight over the project by County staff. No one we interviewed had a clear and complete understanding of all aspects of the Pavilion project. We attribute this both to turnover among senior County staff and the multifaceted nature of the County's involvement. Additionally, many County employees seemed resigned to the fact that the County has and will continue to lose money on this project for the foreseeable future, and there is nothing that can be done about it.

The Board of Supervisors approved the lease agreement for the amphitheater in October of 1992. It grants the lessee use of the facility in return for payment of either a minimum annual rent (\$850,000 for the 2001-2002 season) or 7.75 percent of the net ticket sales for the year, whichever is greater. In addition, the operator must pay 25 percent of the gross of "other revenue" received from such things as concession sales and parking over and above an established threshold (\$3.66 million for the 2001-2002 season).

In the history of the Pavilion, however, the minimum annual rent payment has been exceeded in only two of its ten years of operation. Payments for "other revenue" exceeding the annual threshold have only been received in three years. Excepting two lump-sum payments for two million dollars received under the terms of the lease in 1993 and 1995, the County has suffered a loss from the project in nine of the last ten years (1994) after debt service payments are considered.

The County estimates that the Certificates of Participation (COP) used to finance the construction of the amphitheater will be paid off in 2024. Payments on these COPs will total more than \$40 million over the next 20 years. Estimated revenue over the next 20 years, however, will total only \$29 million. Barring significant increases in revenue, the County will continue to lose approximately one-half million dollars each year it retains ownership of the amphitheater.

The County relies entirely on the operator, Clear Channel Communications, to promote the amphitheater and book performances.

Ticket sales for the 2001-2002 season were almost one-half of that for the 2000-2001 season.

The County does not foresee improvements in revenue from this project.

According to the terms of the lease agreement, the County is entitled to 58 tickets to each and every performance. Twenty (20) of these tickets are given to members of the Board of Supervisors; the remainder are given to County employees on a first-come first-served basis. The 58 tickets per performance constitute a valuable County-owned asset considering that the average ticket price for the 2001-2002 concert season was \$39.20. We estimate the value of the County's tickets to be at least \$20-\$25,000 annually.

The lease agreement also permits the County's use of the Pavilion on any day in which the operator has not already scheduled an event. This means that the County is free to use the facility for a large variety of events for which it currently rents other venues; for instance, Sheriff's Academy graduations.

The Pavilion is currently used for a number of events such as high school graduations and Easter services. However, the number of these events held every year is relatively small.

RECOMMENDATIONS

- 03-18 THE COUNTY PAY NEW OWNERS TO TAKE OVER THE PAVILION AND THE ASSOCIATED DEBT, TO MINIMIZE THE ESTIMATED \$11 MILLION LOSS OVER THE NEXT 21 YEARS.

- 03-19 THE COUNTY IMPLEMENT AN INDEPENDENT ADVERTISING CAMPAIGN TO IMPROVE SALES AT THE HYUNDAI PAVILION.

- 03-20 THE COUNTY AUCTION THE 58 TICKETS FOR EACH PERFORMANCE TO HELP PAY THE DEBT SERVICE.

- 03-21 THE COUNTY MAKE USE OF THE PAVILION FOR EVENTS FOR WHICH IT CURRENTLY PAYS TO RENT OTHER VENUES.

- 03-22 THE COUNTY APPOINT ONE COUNTY DEPARTMENT OR EMPLOYEE TO OVERSEE THE COUNTY'S ROLE IN THE AMPHITHEATER PROJECT, TO INCLUDE: MAINTAINING ALL RECORDS, COMMUNICATIONS WITH THE OPERATOR, DISTRIBUTION OF THE 58 TICKETS, AND KEEPING INFORMED ABOUT SUCH ISSUES AS FINANCING.

REGISTRAR OF VOTERS

BACKGROUND

Conducting free, fair and open elections is a fundamental duty of government in a democracy. In San Bernardino County, the Registrar of Voters is tasked with conducting elections throughout the county. Aside from the primary and general elections conducted countywide in even-numbered years, the Registrar of Voters also conducts dozens of smaller local elections, as they are required. In addition, the Registrar of Voters maintains the list of the County's over 650,000 registered voters.

Throughout the history of elections, unethical people have always sought ways to undermine the will of the electorate. From stuffing ballot boxes and paying voters to vote for certain candidates to party bosses intimidating election officials, the art of fixing elections has a long and ugly history even in this country. In the public waiting area of the Registrar's office, a series of photographs of old voting machines are hung on the wall, most with a caption stating that due to the ease of fraudulent manipulation, the system's use was discontinued.

During the November 2001 election conducted by the Registrar of Voters, a "computer error" caused the publication of flawed election results on election night. Although the problem was noticed quickly and eventually resolved via a hand recount, the situation caused many people throughout the County to question the integrity of the electoral system in the County, particularly in the wake of several local corruption scandals and serious election problems elsewhere in the country during the 2000 presidential election.

In July of 2001, in reaction to numerous reports from around the country regarding problems with punch-card style voting machines during the 2000 elections, the California Secretary of State decertified all punch-card voting systems in the state, including the County's Pollstar system, which had been in use since 1991, effective January of 2006. A successful lawsuit by the ACLU changed the decertification deadline to March of 2004.

FINDINGS

In July of 2002, the Board of Supervisors approved the implementation of a Direct Recording Electronic (DRE) voting system (also known as a “touch screen” or “electronic” voting system). The Board had been delaying the decision for over a year, as the result of concerns that the electronic voting systems approved for use by the Secretary of State did not provide printouts of each voter’s vote. At the time, the Secretary of State had not certified any electronic voting systems that included an immediate and voter-verifiable paper ballot.

In August of 2002, the Board of Supervisors approved a Request for Proposal (RFP) concerning the eventual purchase of an electronic voting system. Among the seven requirements that a vendor would have to satisfy to be awarded the contract was the *“Ability to provide a printed ballot for voter verification”*.

Nine electronic voting system vendors replied to the County’s RFP. From these nine, six were eliminated as unsuitable and three were selected for further consideration and review. These three systems are substantially the same; none provide a voter-verifiable paper ballot feature at this time, as required by the RFP.

Before a local election authority can use a voting system, state and federal authorities must first certify it. These authorities are the Secretary of State and the Federal Elections Commission (FEC), respectively.

Many experts in the field of computer science point out that, although the use of electronic voting systems eliminates many traditional avenues of election fraud, it also creates many new ones. Unlike traditional election fraud involving the use of paper ballots, however, it is possible for someone with the knowledge, ability and opportunity to commit certain types of fraud in electronic voting systems to eliminate all evidence of the fraud if there is no separate audit trail.

Intentional fraud is not the only concern with unauditible electronic voting systems. Unintentional programming errors, hardware failures, user error, administrative inefficiency and inadequate training were all cited as causes of serious electronic voting system errors in the 2002 Florida primary election, according to a report by the California Secretary of State.

The use of voter-verifiable paper ballots has been championed by many people throughout the country as a means of mitigating, but not eliminating, the threat of fraud or unintentional error. Hundreds of experts in the field of computer science have signed the “Dill resolution on Electronic Voting” (verify.stanford.edu/evote.html), which states, in part, that, *“Computerized voting equipment is inherently subject to programming error, equipment malfunction and malicious tampering. It is therefore crucial that voting equipment provide a voter-verifiable audit trail, by which we mean a permanent record of each vote that can be checked for accuracy...”*

After it was discovered that the results from the November 7, 2001 election were inaccurate due to computer error, the County conducted a recount. If the County had employed an electronic voting system without a voter-verifiable ballot in that election, a recount would have been an impossibility; the true will of the electorate would have been lost.

It is absolutely crucial for any electronic voting system used in the County to include a voter-verifiable paper ballot for audit and security purposes.

RECOMMENDATIONS

- 03-23 THE COUNTY REQUIRE THE DIRECT RECORDING ELECTRONIC (DRE) SYSTEM VENDOR TO UPGRADE ITS SYSTEM TO INCLUDE A VOTER-VERIFIABLE PAPER RECORD OF EACH VOTE CAST AND OBTAIN THE RELEVANT REQUIRED CERTIFICATIONS FOR SUCH AN UPGRADE, AS REQUIRED BY THE RFP.

- 03-24 THE COUNTY WITHHOLD PAYMENT ON THE ELECTRONIC VOTING SYSTEM UNTIL THE VENDOR COMPLIES WITH ALL THE REQUIREMENTS OF THE REQUEST FOR PROPOSAL, SPECIFICALLY THE REQUIREMENT “TO PROVIDE A PRINTED BALLOT FOR VOTER VERIFICATION”.