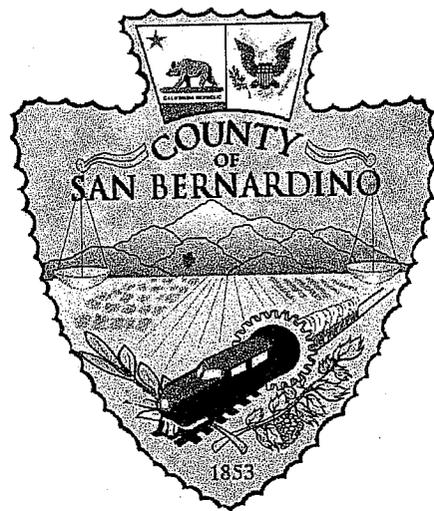


**County of San Bernardino Response to the
2009-2010 San Bernardino County
Grand Jury Final Report**



**Adopted by the
San Bernardino County Board of Supervisors
September 14, 2010**

"Board of Supervisors Discretionary Funds"

FINDINGS

The County agrees with findings 1, 2, 4, 8, 9 and 10.

Finding 3: *"For the Final 2009-2010 Budget, the five Supervisors transferred \$2,671,810.00 from their Priority Policy Needs Allocations to fund additional staffing in their Districts."*

The County partially disagrees with this finding. Funding was transferred to fund staffing. However, the sum cited by the Grand Jury is simply the amount the Board had budgeted for transfer for staffing as well as other costs. It was not the actual amount transferred. At the end of Fiscal 2009-10, the actual amount transferred was 11 percent less than what was budgeted. This was the result of salary savings attributable to positions that the Board left vacant in order to reduce costs.

Finding 5: *"Funding for the Board of Supervisors' additional staffing taken from the 'Priority Policy Needs' allocations appear with the code 'Budgeted PPN Offset.' It is difficult to know this line is for Supervisors' staff."*

It should be pointed out that the spreadsheet referenced by the Grand Jury is a document used by the County for internal tracking. It was not prepared as a public document and therefore did not contain information that would be clear to the public. The 2009-10 Final Budget, a document prepared for the public, states on page 96 in regard to the Board's operational (staffing) budget that "Reimbursements of \$3,163,826 represent transfers from the priority policy needs budget unit and other departments for legislative advocacy services."

Finding 6: *"One District transferred \$765,499.00 from the 2009-2010 Budget to fund additional staff, which is \$15,499.00 more than the amount the District was allocated from the Priority Policy Needs budget."*

The County disagrees with the majority of this finding. The district in question did not transfer the sum cited by the Grand Jury. It budgeted that amount, but ended up transferring 9 percent less than what was budgeted.

Finding 7: *"Since the 2003-2004 Budget, the number of Supervisor's budgeted staff has increased from 39.5 to 65 in 2009-2010, a 63.5% increase."*

The County partially disagrees with this finding. Board of Supervisors staffing has increased. However, the Grand Jury stated that Board of Supervisors budgeted staff had increased 63.5 percent since the 2003-04 budget. In fact, Board of Supervisors budgeted staff increased by only 40 percent between the 2003-04 budget and the date the Grand Jury's finding was published.

Finding 11: *"For the 2009-2010 Budget year, the Districts' budgeted staff size, including the Supervisor, are:*

District 1, 16

District 2, 11

District 3, 13

District 4, 17

District 5, 10

Currently, District 1 has one vacancy and District 4 has four vacancies, so there are only 62 staff and Supervisors."

The County partially disagrees with this finding. At the time the finding was published, budgeted staffing in the Fourth District was 13, not the 17 reported by the Grand Jury. The county also believes the Grand Jury should have pointed out that some of the Board positions are part-time.

Finding 12: *"With the current state of the economy and the County facing a \$90 million budget shortfall for the 2010-2011 budget, the County will undoubtedly have to make considerable cutbacks in all departments and services."*

It should be noted that prior to the release of this finding the County closed an \$89.4 million shortfall without making considerable cutbacks in services.

RECOMMENDATIONS

10-01: *"Transfer remaining balance from both Priority Policy Needs and Board Elective Projects discretionary funding back into the County general fund for the next couple of years to help offset the County budget shortfall, and especially to help fund necessary improvements."*

This was accomplished prior to the release of the Grand Jury final report. The 2010-11 Final Budget consolidated Priority Policy Needs and Board Elective Projects into a single Board Discretionary Fund, which is part of the General Fund. It should also be noted here that the Board of Supervisors reduced its budget by \$1 million in one-time funding and \$1.5 million in ongoing funding to help the County balance the budget and preserve funding for other vital public services and projects.

10-02: *"Budgeting for all Board of Supervisors' staffing should be included in the general budget and coded the same as all county personnel costs."*

All Board of Supervisors staffing has always been included in what the Grand Jury seemed to define as "the general budget" and "coded the same as all county personnel costs." The 2009-10 Final Budget showed all Board salary and benefit costs within the Board's operating budget and stated that Priority Policy Needs funding was being used to reimburse some Board staffing costs. It should also be noted that for Fiscal 2010-11, County Policy 02-18 pertaining to Board Discretionary funds was revised to state the following:

"It is the policy of the Board of Supervisors to work with community partners through Supervisorial staff services and contractual agreements to identify programs..." and that "Allocations may also be utilized to reimburse salaries and benefits of Supervisorial staff members."

"Sensitive Property"

FINDINGS

The county agrees with findings 2, 5, 7, 8, 9 and 10.

Finding 1: *"The County has no specific "Policy" to maintain control of sensitive property; it only has a Standard Practice Procedure."*

The County disagrees with this finding. County Policy 11-04, Procurement of Goods, Supplies and Equipment, states the policy exists to place responsibility for goods, supplies and equipment at the appropriate levels where the primary concern is performance of the task, and also that "it promotes economy by consolidating requirements and by setting up material standards for inventories".

Finding 3: *"The Standard Practice 11-04 SP3, Equipment Control, has no named regulator to enforce compliance."*, and **Finding 4:** *"The Standard Practice does not specify a due date for filing the sensitive property lists."*

The County partially disagrees with these findings. It is true an oversight/compliance office is not named in the Standard Practice. However Standard Practice 3 does establish departments as the parties with the authority, responsibility and requirement for maintaining control.

Finding 6: *"Disasters of any nature could destroy equipment and/or records of equipment. There would be no records of equipment less than \$5,000."*

The County disagrees with this finding. Original purchase and department receipt records exist in various locations and, depending on the nature of the disaster, records would still exist.

Finding 11: *"There were no on-site inventory lists of sensitive property at offices that were randomly audited."*

The County agrees with this finding, but it should be noted the Grand Jury's random audit was conducted at field offices, and several of the field offices that were reviewed maintained the lists in question at their administrative offices. The Assessor's Office and Environmental Health Services both maintain sensitive equipment logs at their administrative office in San Bernardino and the Board of Supervisors maintained a partial list at the Government Center. This list has since been completed and provided to the Auditor-Controller.

RECOMMENDATIONS

10-03: *"Generate a mandatory 'County Policy' regarding sensitive property Control"* and **10-06:** *"Enhance Standard Practice 11-04 SP3, Equipment Control Procedure, to be clear and concise."*

The County will amend the existing Policy 11-04 to include specific reference to sensitive equipment and will review Standard Practice 11-04 SP3 to determine if it can be made more clear and concise.

10-04: *"The County Administrative Officer generates and distributes an Interoffice Memorandum each year, to each department head, regarding the annual reporting of sensitive equipment"* and **10-05:** *"Designate a department to oversee and implement the Policy and Procedure."*

The Grand Jury's Report brought to light that an annual memo does not guarantee compliance from all departments. The CAO will work with the ACR to request a list of submitting departments from the County Clerk each year to assist the CAO in following-up with departments that have not met the policy and SP guidelines.

10-07: *"Assign a property tag number and issue to the respective department to be placed on the identified sensitive equipment."*

The vast majority of sensitive equipment is tagged and inventoried by the County's Information Services Department. The County will conduct a review to ensure that all appropriate equipment is tagged.

10-08: *"Conduct an annual physical inventory before filing an updated list with the County Clerk."*

SP3 already requires departments to update inventory annually and submit results to the Clerk (SP3, #4). The County will conduct a review to ensure departments are in compliance with this mandate.

10-09: *"Implement policy for inventory of equipment that has a unit value of less than \$1,000 in Standard Practice 11-04 SP3."*

The Grand Jury Report brought to light the existing SP3 defines sensitive equipment as items between \$1,000 and \$5,000 in value, leaving many items under \$1000 without an inventory procedure. The County will amend SP3 to define sensitive items as those items with a value of under \$5000.

10-10: *"Create a spreadsheet with headings that list the necessary information for the control of equipment. The spreadsheet must be utilized by all departments when filing their sensitive equipment report to the Recorder/County Clerk"* and **10-11:** *"Establish a sensitive equipment list for departments to use as a guideline of equipment that must be reported."*

The County will leave spreadsheet creation to the department's discretion. Example items considered to fit the definition of "sensitive equipment" will be listed on amended SP3.

10-12: *"Ensure that each department maintains an on-site inventory list of sensitive property at each satellite office."*

The County will leave the location of the inventory log to the discretion of the department. In many cases, the administrative office for the agency or department is better equipped to maintain the department's equipment logs and can provide electronic copies to field offices as needed.

10-13: *"Include an annual due date on Standard Practice 11-04 SP3 for filing the sensitive property lists with the Recorder/County Clerk"* and **10-14:** *"Mandate all County departments and elected official's offices update and reconcile their current holdings and provide current inventories of sensitive properties at the end of each Fiscal Year and submit to the County Recorder's Office by an assigned due date."*

The County will include the annual due date of June 30 on the amended SP3.

"County Library Cash Controls Audit Report"

FINDINGS

The County agrees with Finding 4.

RECOMMENDATIONS

10-31: *"The Board of Supervisors and the County Administrative Office enforce the implementation of ACR audit recommendations by overseeing and following-up on compliance."*

The Board of Supervisors and CAO will implement this recommendation.

"Barstow Cemetery District DBA Mountain View Memorial Park"

FINDINGS

The County agrees with Finding 7.

RECOMMENDATIONS

10-32: *"LAFCO, Special Districts and the ACR's office need to set up a meeting with the Cemetery Supervisor and the Board of Directors and provide them with understandable guidelines and rules they are to follow."*

Special Districts is not in a position to impose rules upon the Barstow Cemetery District as it is an independent district not governed by the County Board of Supervisors. However, the department will participate at the invitation of LAFCO, ACR and/or the cemetery district in any meeting that is arranged.

10-33: *"Special Districts needs to look into taking over the Cemetery and determining what changes would have to be made in order for the Cemetery to afford this change over."*

Special Districts does not have the legal authority to "take over" the Barstow Cemetery District against the will of the district or without a determination by LAFCO as it is an independent district not governed by the County Board of Supervisors. If either the district or LAFCO expresses an interest in Special Districts control of the cemetery district, Special Districts can conduct an analysis and make a determination as to the

feasibility of Special Districts administering the district either as a Board governed special district or under contract with the existing self governed district.

“Department of Aging and Adult Services”

FINDINGS

The County agrees with the findings.

“Facilities Management Department”

FINDINGS

The County agrees with the findings.

“Senior Home Repair Program”

FINDINGS

The County agrees with the findings.

**AUDITOR-CONTROLLER/RECORDER
TREASURER/TAX COLLECTOR
COUNTY CLERK**



COUNTY OF SAN BERNARDINO

AUDITOR-CONTROLLER • 222 West Hospitality Lane, Fourth Floor
San Bernardino, CA 92415-0018 • (909) 387-8322 • Fax (909) 386-8830
RECORDER • COUNTY CLERK • 222 West Hospitality Lane, First Floor
San Bernardino, CA 92415-0022 • (909) 387-8306 • Fax (909) 386-8940
TREASURER/TAX COLLECTOR • 172 West Third Street, First Floor
San Bernardino, CA 92415-0360 • (909) 387-8308 • Fax (909) 386-6716

Reply to:



LARRY WALKER
Auditor-Controller/Recorder
Treasurer/Tax Collector
County Clerk

September 30, 2010

Honorable Douglas M. Elwell, Presiding Judge
Superior Court of California, County of California
Court Executive Office
303 West Third, Fourth Floor
San Bernardino CA 92415-0302

**SUBJECT: RESPONSE TO 2009-2010 SAN BERNARDINO COUNTY GRAND JURY
REPORT**

In response to the Grand Jury Final Report 2009-2010, the Auditor-
Controller/Recorder/Treasurer/Tax Collector (ATC) offers the following comments:

10-29

10-30

Finding: Language used throughout the ICCM is more “advisory” than “directory” with no presence of giving command resulting in varied response from management to the findings of the auditors. The 2008-2009 Grand Jury had recommended that the language in the ICCM Manual be revised. Ambiguous language results in differing interpretations and therefore differing responses. The ACR had agreed with the recommendation with the changes scheduled to be included in the next revision of the Manual in June 2010. An introductory paragraph would also be included stressing that the Manual is not a guide, but a requirement that must be followed.

Response: ATC accepts the recommendation.

On Wednesday, June 30, 2010, ATC published the June 2010 revised ICCM with both an introductory paragraph and revised terminology. County management and fiscal staff were notified via email of the ICCM revision and its availability on the same date.

Local Cost Impact: None

10-32

Finding 1: The Cemetery management claims they have never been informed of the requirements regarding submitting monthly financials and annual budgets.

Response: ATC partially agrees with the recommendation and offers the following comments.

1. ATC will meet with Barstow Cemetery District (District) representatives and provide guidelines in conjunction with Recommendation 10-34.
2. ATC does not require submission of monthly financials from independent special districts.
3. Responsibility for the annual submission of budget information to ATC as required by California Government Code section 53901 and Health & Safety Code section 9070 rests with the District's board of trustees.
4. ATC will develop and implement a process to notify local agencies of their budget submission obligations and to make the budget information available for public inspection.

Local Cost Impact: \$50,000 in the first year, and \$20,000 thereafter in ongoing local cost.

Thank you for the opportunity to respond and for the effort expended by the Grand Jury this year.

Sincerely,



Larry Walker
Auditor-Controller/Recorder/Treasurer/Tax Collector

LDW:wds

cc: Chairman of the Board of Supervisors
Honorable Members of the Board of Supervisors
County Administrative Officer

**AUDITOR-CONTROLLER/RECORDER
TREASURER/TAX COLLECTOR
COUNTY CLERK**



COUNTY OF SAN BERNARDINO

AUDITOR-CONTROLLER • 222 West Hospitality Lane, Fourth Floor
San Bernardino, CA 92415-0018 • (909) 387-8322 • Fax (909) 386-8830
RECORDER • COUNTY CLERK • 222 West Hospitality Lane, First Floor
San Bernardino, CA 92415-0022 • (909) 387-8306 • Fax (909) 386-8940
TREASURER/TAX COLLECTOR • 172 West Third Street, First Floor
San Bernardino, CA 92415-0360 • (909) 387-8308 • Fax (909) 386-6716

Reply to:



LARRY WALKER
Auditor-Controller/Recorder
Treasurer/Tax Collector
County Clerk

September 30, 2010

Honorable Douglas M. Elwell, Presiding Judge
Superior Court of California, County of California
Court Executive Office
303 West Third, Fourth Floor
San Bernardino CA 92415-0302

**SUBJECT: RESPONSE TO 2009-2010 SAN BERNARDINO COUNTY GRAND JURY
REPORT**

In response to the Grand Jury Final Report 2009-2010, the Auditor-
Controller/Recorder/Treasurer/Tax Collector (ATC) offers the following comments:

10-29

10-30

Finding: Language used throughout the ICCM is more “advisory” than “directory” with no presence of giving command resulting in varied response from management to the findings of the auditors. The 2008-2009 Grand Jury had recommended that the language in the ICCM Manual be revised. Ambiguous language results in differing interpretations and therefore differing responses. The ACR had agreed with the recommendation with the changes scheduled to be included in the next revision of the Manual in June 2010. An introductory paragraph would also be included stressing that the Manual is not a guide, but a requirement that must be followed.

Response: ATC accepts the recommendation.

On Wednesday, June 30, 2010, ATC published the June 2010 revised ICCM with both an introductory paragraph and revised terminology. County management and fiscal staff were notified via email of the ICCM revision and its availability on the same date.

Local Cost Impact: None

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

September 14, 2010

**FROM: GREGORY C. DEVEREAUX, County Administrative Officer
County Administrative Office**

SUBJECT: 2009-10 GRAND JURY FINAL REPORT – PROPOSED RESPONSE

RECOMMENDATION(S):

1. Approve the proposed Response to the 2009-10 Grand Jury Final Report and direct publication and filing with the Presiding Judge of the Superior Court, the Clerk of the Board of Supervisors and the County Clerk.
2. Direct the Clerk of the Board of Supervisors to forward a copy of the Response to the 2009-10 Grand Jury Final Report to the State of California Archivist in accordance with SB 90 mandates.

(Affected Districts: All

(Presenter: David Wert, Public Information Officer, 387-4717)

BACKGROUND INFORMATION

California Penal Code 933(c) states that the Board of Supervisors shall comment on the findings and recommendations of the Grand Jury that pertain to county government matters under the control of the Board of Supervisors. These comments are to be submitted to the Presiding Judge of the Superior Court, who empanels the Grand Jury, with copies filed with the Clerk of the Board and the County Clerk.

FINANCIAL IMPACT

There is no financial impact associated with this item.

REVIEW BY OTHERS

The County Administrative Office compiled the proposed response from information contributed by County Departments and agencies in response to the 2009-10 Grand Jury Final Report.

Page 1 of 1

cc: CAO-Devereaux & Wert
Grand Jury-Vartanian
State of CA Archivist w/Response
Presiding Judge w/Response c/o
Superior Court Admin
County Clerk-w/Response
File - 2009-10 Grand Jury w/Response
ml 09/27/10

ITEM 38

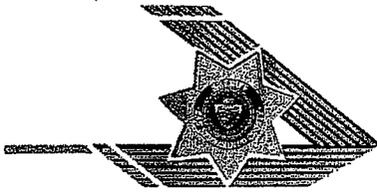
Record of Action of the Board of Supervisors
APPROVED (CONSENT CALENDAR)
COUNTY OF SAN BERNARDINO
Board of Supervisors

MOTION	AYE	SECOND	AYE	AYE	MOVE
	1	3	4	5	

LAURA H. WELCH, CLERK OF THE BOARD

BY _____

DATED: September 14, 2010



ROD HOOPS, SHERIFF - CORONER

July 28, 2010

Honorable Douglas M. Elwell, Presiding Judge of the Superior Court
303 West Third Street, 4th Floor
San Bernardino, California 92415-0302

Dear Judge Elwell:

Pursuant to California Penal Code Section 933.05, please accept the following responses to the findings and recommendations for the 2009-10 San Bernardino County Grand Jury's Final Report that was presented to your office on or about July 1, 2010.

As you know, the Grand Jury's Law & Justice SID subcommittee interviewed personnel from within our Department on two occasions, subsequently listing some three findings and making four recommendations for change. My staff has reviewed their Final Report and offer responses to the recommendations made for the following operational area:

- Scientific Investigations Division

Please let me know if there is any additional information you may need for clarification on our position. An informational copy of our responses is being provided to the County's Board of Supervisors, as required by law.

Best Regards,

Rod Hoops, Sheriff-Coroner

cc: County Board of Supervisors
Enclosures

**2009-10 GRAND JURY REPORT
RESPONSE FORM**

GROUP Law & Justice DATE July 16, 2010
DEPARTMENT Sheriff – Coroner RECOMMENDATION NO. 10-25/26/27/28
SUBMITTED BY Rod Hoops PAGE 38/39

FINDING – AGREE/DISAGREE (If disagree, explain why)

The respondent **agrees** with the findings and recommendations (10-25 and 10-28) to expand the Scientific Investigations Division (SID) facility to alleviate overcrowded working conditions.

The respondent also **agrees** with the findings and recommendations (10-26 and 10-27) to increase staffing in the laboratory and to provide office space and equipment for these new employees. The space available in the current facility is marginally acceptable and cannot accommodate any additional staff members.

**2009-10 GRAND JURY REPORT
RESPONSE FORM**

GROUP Law & Justice DATE July 16, 2010
DEPARTMENT Sheriff - Coroner RECOMMENDATION NO. 10-25/26/27/28
SUBMITTED BY Rod Hoops PAGE 38/39

RESPONSE

In response to recommendations 10-25 and 10-28, the Board of Supervisors has recently approved the purchase of the 120,000 square foot Hallmark building in northern San Bernardino. The property is currently in escrow and SID staff has met with personnel from Architecture and Engineering to discuss the steps needed to modify the building to meet the laboratory's analysis and storage needs.

In response to recommendations 10-26 and 10-27, SID has developed a list of proposed additional positions needed to meet current and anticipated workload demands. Due to the lack of space, these additional employees cannot be accommodated in the current facility. Once a schedule is developed for the renovation of the Hallmark Building, SID will reevaluate the list of new positions and submit budget requests for any needed staffing increases.

10 PJ
8/4

City of Adelanto



Charley B. Glasper, Mayor

Gene Piehé, Mayor Pro Tem

Council Members:

Ed Camargo

Trinidad Perez

Cari Thomas

City Manager:

D. James Hart, Ph.D.

July 28, 2010

Honorable Presiding Judge Douglas M. Elwell
C/O San Bernardino County Grand Jury
351 North Arrowhead Avenue, Room 200
San Bernardino, CA 92415

Dear Judge Elwell:

On behalf of the City of Adelanto, I am responding to the Grand Jury Report dated June 25, 2010 and released on June 29, 2010.

In a letter dated April 6, 2010, to Ken Fogleman, Foreman for the Grand Jury, I responded to the recommendations in the audit report. A copy of the letter is attached and incorporated as part of this formal response and this letter serves to update you on any action that has taken place and any action that will be taken in regard to the recommendations.

Following is a response/update to each of the recommendations:

Recommendation

1.1 Direct the City Manager to produce audited comprehensive annual financial reports for the years ending June 30, 2008 and 2009 by no later than July 31, 2010.

Response

As you are aware, the City has made tremendous strides in the past several months to have all City and related subsidiary audits completed. The City will have the comprehensive annual financial reports for years ending June 30, 2008 and 2009 completed by July 31, 2010.

July 2010 Update: The final draft June 30, 2008 audit will be provided to the City by the end of July 2010 and preliminary work on the June 30, 2009 has begun. The final draft of the June 30, 2009 audit is scheduled to be provided to the City by September 15, 2010.

Recommendation

1.2 Direct the City Manager to produce the audited comprehensive annual financial report for the year ended June 30, 2010, by no later than September 30, 2010.

Response

Completion by September 30, 2010 is a very aggressive schedule. The City contracts with an independent audit firm to conduct the annual audits and their workload will help dictate the schedule for completion of this audit. The City is indicating that the June 30, 2010, audited comprehensive annual financial report will be completed by November 30, 2010, which is within the parameters set forth by the Governmental Accounting standards for completion of audits. We would be happy to provide a copy of the completed audited comprehensive annual financial report once the work is complete and accepted by the City Council.

July 2010 Update: The completed audit for June 30, 2010 will be complete by December 31, 2010 which is in accordance with generally accepted Governmental Accounting Standards which call for audits to be complete within six months from the close of the Fiscal Year.

Recommendation

1.3 Direct the City Manager to develop and present a five-year financial projection and plan for resolving the City's structural deficit by no later than July 31, 2010.

Response

Completion by July 31, 2010 is an aggressive date due to the need for Finance staff to be focused on preparing the City's records for the comprehensive annual financial report audit for year end June 30, 2010. Additionally, for a more representative five-year plan, and the ability to review revenue and expenditure trends, the audited numbers for June 30, 2010 become critical as they set the base for moving forward five years. Therefore, the City commits to completing the five-year projection by December 31, 2010.

July 2010 Update: The City's Fiscal Year 2010/11 budget was adopted by the City Council on June 9, 2010. As part of that budget adoption and presentation to the City Council and public was a 5 year analysis of City revenues and expenditures. A more refined analysis will be conducted once the Fiscal Year 2009/10 audit is complete. The commitment to complete this by December 31, 2010 is unchanged.

Recommendation

1.4 Immediately enter into negotiations with the County Sheriff and the County Fire Department to further reduce the cost of services that it purchases for public safety purposes. This could include reductions in the number of hours that fire stations are manned, based on call volume and activity, as well as, the number of hours that patrol deputies are on duty.

Response

Discussions with both the Sheriff's Department and the County Fire Department will begin by May 2010.

July 2010 Update: Discussions occurred and reductions in costs were achieved.

Recommendation

1.5 As soon as practical, convene a public workshop to evaluate the current and long-term financial condition of the City and to explore solutions to the structural deficit. This process should be designed to obtain input directly from Adelanto taxpayers.



City of Adelanto

Charley B. Glasper, Mayor

Gene Plehé, Mayor Pro Tem

Council Members:

Ed Camargo

Trinidad Perez

Cari Thomas

City Manager:

D. James Hart, Ph.D.

April 6, 2010

Kent Fogleman, Foreman
Duane Mellinger, Jury Member
San Bernardino County Grand Jury
351 N. Arrowhead Ave., Room 200
San Bernardino, CA 92415-0243

Dear Foreman Fogleman and Jury Member Mellinger,

I want to thank you for the opportunity to meet with you, discuss how positive changes have been made in Adelanto and to provide a response to the recommendations in the report prepared by Steve Foti with Harvey M. Rose Associates. We are pleased that the positive changes in governance at the City Council and City Management level in Adelanto were recognized through this review and we look forward to sustaining this change that has already begun for the long term betterment of the City.

Following is a response to each of the Recommendations found on page 17 of the report.

Recommendation

1.1 Direct the City Manager to produce audited comprehensive annual financial reports for the years ending June 30, 2008 and 2009 by no later than July 31, 2010.

Response

As you are aware, the City has made tremendous strides in the past several months to have all City and related subsidiary audits completed. The City will have the comprehensive annual financial reports for years ending June 30, 2008 and 2009 completed by July 31, 2010.

Recommendation

1.2 Direct the City Manager to produce the audited comprehensive annual financial report for the year ended June 30, 2010, by no later than September 30, 2010.

Response

Completion by September 30, 2010 is a very aggressive schedule. The City contracts with an independent audit firm to conduct the annual audits and their workload will help dictate the schedule for completion of

this audit. The City is indicating that the June 30, 2010, audited comprehensive annual financial report will be completed by November 30, 2010, which is within the parameters set forth by the Governmental Accounting standards for completion of audits. We would be happy to provide a copy of the completed audited comprehensive annual financial report once the work is complete and accepted by the City Council.

Recommendation

1.3 Direct the City Manager to develop and present a five-year financial projection and plan for resolving the City's structural deficit by no later than July 31, 2010.

Response

Completion by July 31, 2010 is an aggressive date due to the need for Finance staff to be focused on preparing the City's records for the comprehensive annual financial report audit for year end June 30, 2010. Additionally, for a more representative five-year plan, and the ability to review revenue and expenditure trends, the audited numbers for June 30, 2010 become critical as they set the base for moving forward five years. Therefore, the City commits to completing the five-year projection by December 31, 2010.

Recommendation

1.4 Immediately enter into negotiations with the County Sheriff and the County Fire Department to further reduce the cost of services that it purchases for public safety purposes. This could include reductions in the number of hours that fire stations are manned, based on call volume and activity, as well as, the number of hours that patrol deputies are on duty.

Response

Discussions with both the Sheriff's Department and the County Fire Department will begin by May 2010.

Recommendation

1.5 As soon as practical, convene a public workshop to evaluate the current and long-term financial condition of the City and to explore solutions to the structural deficit. This process should be designed to obtain input directly from Adelanto taxpayers.

Response

The City agrees and once all the financial information is completed via the audits, a public workshop will be convened.

Recommendation

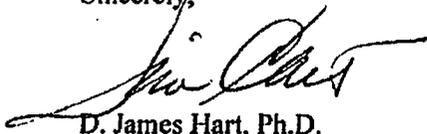
1.6 Proceed with negotiations with the County to modify the terms of the RDA settlement agreement to permit long-term debt relief, which could include the exchange of property owned by the RDA.

Response

Discussions with Supervisor Mitzelfelt's office have been on-going for several months. The first meeting with the County Chief Administrative Officer (CAO), Greg Devereaux, is scheduled for April 15, 2010. City of Adelanto staff expects to continue discussions with both the Supervisors office and the CAO's office until a resolution is found.

Again, we appreciate the opportunity to respond. If you have any questions, please contact me at (760) 246-2300 ext. 3016 or by email at jhart@ci.adelanto.ca.us

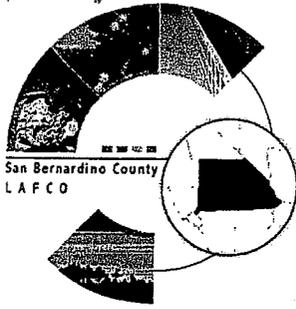
Sincerely,

A handwritten signature in black ink, appearing to read "D. James Hart". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

D. James Hart, Ph.D.
City Manager

COPY

Rec'd 9/21 TO DME 9/21/10



LOCAL AGENCY FORMATION COMMISSION

215 North "D" Street, Suite 204 • San Bernardino, CA 92415-0490
(909) 383-9900 • Fax (909) 383-9901
E-mail: lafco@lafco.sbcounty.gov • www.sbclafco.org

Established by the State of California to serve the Citizens, Cities, Special Districts and the County of San Bernardino

September 16, 2010

COMMISSIONERS

JIM BAGLEY
Public Member

PAUL BIANE
Board of Supervisors

GINGER COLEMAN
City Member

KIMBERLY COX
Special District

JAMES V. CURATALO, Vice Chair
Special District

LARRY McCALLÓN
City Member

BRAD MITZELFELT, Chair
Board of Supervisors

Honorable Douglas M. Elwell, Presiding Judge
San Bernardino County Grand Jury
351 N. Arrowhead Avenue, Room 200
San Bernardino, CA 92415-0243

RE: Response to 2009-10 San Bernardino Grand Jury Report

Dear Honorable Judge Elwell:

In response to the *2009-10 San Bernardino County Final Grand Jury Report*, the Local Agency Formation Commission for San Bernardino County (LAFCO) offers the following:

ALTERNATES

BOB COLVEN
Public Member

NEIL DERRY
Board of Supervisors

ROBERT W. SMITH
Special District

DIANE WILLIAMS
City Member

Finding 1: "The Cemetery management claims they have never been informed of the requirements regarding submitting monthly financial and annual budgets."

Recommendation 10-32: "LAFCO, Special Districts and the ACR's office need to set up a meeting with the Cemetery Supervisor and the Board of Directors and provide them with understandable guidelines and rules they are to follow. (Finding 1)"

STAFF

KATHLEEN ROLLINGS-McDONALD
Executive Officer

SAMUEL MARTINEZ
Senior LAFCO Analyst

MICHAEL TUERPE
LAFCO Analyst

Vacant
Clerk to the Commission

ANGELA M. SCHELL
Deputy Clerk to the Commission

REBECCA LOWERY
Deputy Clerk to the Commission

Response: The requirements of Finding #1 relate to operational activities any public agency is required to perform as set forth by State statute and the principal act for the District and are not specific requirements of LAFCO, Special Districts, or the Auditor. However, LAFCO has directed its staff to comply with Recommendation 10-32 of the Grand Jury in an effort to assist the agency address deficiencies in its operation. To that end, management staffs of LAFCO and County Special Districts Department are currently scheduled to attend the District's November 10 meeting at the District office in Barstow. Specifically for LAFCO, the Executive Officer will discuss and provide the District with guidelines outlined in Public Cemetery District Law and the Government Code.

LEGAL COUNSEL

CLARK H. ALSOP

At present, County Auditor-Controller/Recorder/Treasurer/Tax Collector management staff has indicated to LAFCO staff that it will not be attending the District's November 10 meeting in Barstow and will set its own schedule to meet with the District. LAFCO has expressed to County Auditor-Controller/Recorder/Treasurer/Tax Collector management staff its

willingness to participate in any future meetings with the District regarding this matter that it would schedule.

Should you have any questions regarding this response or LAFCO actions related to the District, please contact me at the phone number or address listed above.

Sincerely,



KATHLEEN ROLLINGS-McDONALD
Executive Officer

KRM/MT

cc: David Wert, Public Information Officer, County of San Bernardino
Larry Walker, Auditor-Controller/Recorder/Treasurer/Tax Collector
Mark Cousineau, Chief Deputy Auditor,
Auditor-Controller/Recorder/Treasurer/Tax Collector
Jeff Rigney, Director, Special Districts Department



City of Rialto

CALIFORNIA

October 13, 2010

Mr. Robert Dunlap
Foreperson
San Bernardino County Grand Jury
351 N. Arrowhead Ave., Room 200, Courthouse
San Bernardino, CA 92415-0243

Re: City of Rialto's Response to 2009-2010 Grand Jury Final Report

Dear Mr. Dunlap:

Pursuant to Penal Code section 933.05, below please find Respondent City of Rialto's ("City" or "Respondent") responses to the 2009-2010 Grand Jury Final Report.

I. Responses to Findings

Finding No. 1

The City's Worker's Compensation Procedures Manual implemented in August 1991 as follows:

Permanent Disability is a handicap resulting from the effects of illness/injury. This means that the employee may return to work with medical restrictions that do not prevent the employee from performing his/her usual and customary duties (e.g., no repeated lifting over fifty pounds). Restrictions are guidelines prescribed by a doctor relative to limiting an employee's job activities. Information regarding medical restrictions may appear on the doctor's release and return-to-work slip. In addition, the risk manager may review any medical restrictions with the supervisor. The department head is responsible for (1) ensuring that the employee is not assigned tasks that are in conflict with the medical restrictions, (2) instructing the supervisor of the employee's medical restrictions, and (3) monitoring the return-to-work performance of the employee.

California Government Code 21157 states that "The governing body of a contracting agency shall make its determination within six months of the date of receipt by the contracting agency of the request by the board pursuant to Section 21154 for a determination with respect to a local safety member. A local safety member may waive the requirement of this section."

Response to Finding No. 1

The Respondent agrees with the finding.

Finding No. 2

The City of Rialto ("City") has a Modified Duty Program which assigns injured sworn officers to non-law enforcement duties.

Response to Finding No. 2

The Respondent disagrees with the finding in part. The Respondent agrees with the finding that the City has a Modified Duty Program. The officers who participate in the Modified Duty Program continue to perform law enforcement duties in non-patrol positions with the Police Department.

Finding No. 3

The City does not allow the police department to replace these officers taken off patrol or other street assignments, thereby reducing the deployment of officers available for patrol duties. A city with a similar program does replace the officers lost to street duty.

Response to Finding No. 3

The Respondent disagrees with the finding in part. The officers who participate in the Modified Duty Program continue to perform law enforcement duties in non-patrol positions with the Police Department. The Respondent avers that the City's Police Department adequately deploys its police officers for patrol duties as necessary. Further, there is no general prohibition on hiring additional patrol officers to the extent the budget allows. The Respondent does not have information as to the finding of what an unidentified City does.

Finding No. 4

The City's Human Resources Department is not involved in the process. Instead, all the injury claims are processed through the City's Payroll/Finance Department.

Response to Finding No. 4

The Respondent disagrees with the finding in part. The City's Risk Management Department, which is part of the City's Finance Department, is involved in handling the

processing of injury claims. The City's Human Resources Department is also involved in the process.

Finding No. 5

The governing body has not complied with the time limit in Government code Section 21157. The Public Employees Retirement System (PERS) has sent the City letters regarding its noncompliance with this Government Code section. This delay leaves the officers uncertain about their return to work status and lengthens the time officers are off regular duty.

Response to Finding No. 5

The Respondent disagrees with the finding in part. It is not uncommon for the governing bodies of agencies to not be able to make a determination regarding an application within the six month time limit set forth in Section 21157. Nor is it uncommon for PERS to send letters regarding noncompliance to agencies. The finding is vague and ambiguous because it does not specify employees or applications whereby the City purportedly did not comply with Section 21157.

Finding No. 6

A review of officer injury claim files indicate that the City has failed to approve, in a timely manner, continuing and follow-up treatment or therapy for claimants.

Response to Finding No. 6

The Respondent disagrees with the finding in part. The finding is vague and ambiguous because it does not specify the claim files or employees pertaining to the purported failure by the City to timely approve continuing and follow-up treatment.

Finding No. 7

The Permanent Modified Duty program pays injured officers full safety officers' salary while they work in low level positions that normally have been filled by civilian personnel, cadets, or volunteers.

Response to Finding No. 7

The Respondent disagrees with the finding in part. The officers who participate in the Modified Duty Program continue to perform law enforcement duties in non-patrol positions with the Police Department. The Respondent avers that term "low level" with respect to describing a position of employment is vague and ambiguous. Civilians have often performed these duties. Performance of such duties does not make the positions "low level."

Finding No. 8

Officers who have injuries and are deemed "Permanent and Stationary" have been placed on Administrative Leave with full pay, effective April 13, 2010, pending disability retirement. Certification or retirement has not been filed by the City as of May 13, 2010.

Response to Finding No. 8

The Respondent agrees with the finding. Officers were placed on Administrative Leave with full pay, effective April 13, 2010 and were not retired as of May 13, 2010 because the City was conducting an assessment of its modified duty program.

Finding No. 9

Currently, there are six (6) officers working permanent modified duty assignments. The monthly payroll for these six is \$40,892. This averages to \$6,560 per officer each month. If these positions were filled with full time civilian employees with a pay of \$15 per hour the monthly costs would be \$15,840; thus saving the tax payers \$25,052 per month.

Some of these officers do not perform forty hours a week of work, further reducing the need for civilian employees.

Response to Finding No. 9

The Respondent disagrees with the finding in part. The Respondent is not aware of officers working in permanent modified duty assignments performing less than 40 scheduled hours a week of work. With regards to potential tax savings and the potential need for and pay of equivalent civilian employees, the Respondent avers that such findings are speculative.

Finding No. 10

The Finance Department provided the cost of retiring the six officers on "Permanent and Stationary" status. The cost of retiring the officers amortized over 30 years would total \$2,457,991. In contrast, the annual cost of paying the salaries of these six officers, excluding benefits, at an average salary of \$6,560 per month totals \$472,320. The cost of continuing the Modified Duty Plan would exceed the cost of retiring the officers within six years, assuming the six officers remain employed by the City.

Response to Finding No. 10

The Respondent disagrees with the finding in part. Respondent avers that with respect to the purported cost of retiring the officers and the cost of continuing the modified duty plan, such findings are speculative.

Finding No. 11

Departments within the City are reviewing the City of Long Beach's Alternate Dispute Resolution Program for possible future adoption.

Response to Finding No. 11

The Respondent has commenced the review process.

II. Responses to Recommendations

Recommendation No. 10-19

Make disability retirement determinations within the time limit required by Government Code Section 21157. (Finding 6)

Response to Recommendation No. 10-19

On October 4, 2010, the City served Notices of Intent to Grant Industrial Disability Retirements and Invitations to Interactive Process Meeting on four police officers who are presently employed in permanent modified duty positions. The interactive process meetings for these four officers are scheduled for October 25, 2010. After the interactive process meetings, the City can appropriately make disability retirement determinations with respect to each officer.

Recommendation No. 10-20

Assign modified duty only for officers whose injuries are not classified as "Permanent Stationary." (Finding 2, 6)

Response to Recommendation No. 10-20

The recommendation is being assessed and must be examined in light of budgetary and operational concerns.

Recommendation No. 10-21

Continue the Meet and Confer process with the Police and Fire Benefit Association on the issue of Modified Duty Policy. (Finding 2)

Response to Recommendation No. 10-21

Such meetings shall occur to the extent required by the Meyers-Milias-Brown Act.

Recommendation No. 10-22

Adopt an alternate dispute resolution program patterned after the program adopted by the City of Long Beach. (Finding 3, 11)

Response to Recommendation No. 10-22

The recommendation requires further analysis. The City and the Police Officers Association intend to address the issues related to this recommendation in accordance with the Grand Jury findings within six months.

Recommendation No. 10-23

Provide medical services immediately to prevent further injury and to shorten off duty time. (Finding 3)

Response to Recommendation No. 10-23

The City provides medical services to prevent further injury as authorized.

Recommendation No. 10-24

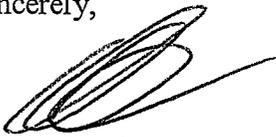
Retire officers deemed "Permanent and Stationary" who are unable to perform regular police duties. (Finding 1, 9)

Response to Recommendation No. 10-24

As noted above, on October 4, 2010, the City served Notices of Intent to Grant Industrial Disability Retirements and Invitations to Interactive Process Meeting on four police officers who are presently employed in permanent modified duty positions. The interactive process meetings for these four officers are scheduled for October 25, 2010. After the interactive process meetings, the City can appropriately make disability retirement determinations with respect to each officer.

If the Grand Jury has any further inquiries, please do not hesitate to contact me.

Sincerely,



Henry Garcia
City Administrator

BARSTOW CEMETERY DISTRICT
(dba. Mtn. View Memorial Park)

BOARD OF DIRECTORS
Vincent I. Wright
Marian P. Bell

37067 IRWIN ROAD
P.O. BOX 1033
Barstow, CA 92311
760.256.2797
bcdmtn@Juno.com

Ernest J. McMichael, Jr.
Ed Hignett

September 27, 2010

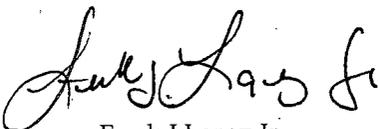
Honorable Douglas M. Elwell
Presiding Judge, Superior Court of California
Court Executive Office
303 West Third, Fourth Floor
San Bernardino, CA 92415.0302

SUBJECT: RESPONSE TO 2009/2010 SAN BERNARDINO COUNTY
GRAND JURY REPORT

In response to the Grand Jury Final Report 2009/2010, the Barstow Cemetery District offers the following comments:

- 10-34 The Barstow Cemetery District has a scheduled meeting with LAFCO, the ACR and Special Districts at the Regular Board Meeting of the Barstow Cemetery District Board of Directors on Wednesday, November 10, 2010 at 5:00 p.m.
- 10-35 The Barstow Cemetery District currently receives a FAS statement from the ACR on a monthly basis with which they generate a Monthly Cash Flow Statement that identifies cash received and disbursed. An internal cash in/cash out report is used for operational evaluations. We do provide a budget to ACR every year.
- 10-36 Considering the facts regarding the Auditor, The Barstow Cemetery District has decided not to change Auditors at this time, the Barstow Cemetery District staff will diligently work with supplying requested information in a timely manner to the Auditor so he can prepare and complete Final Audit Report in a timely manner.
- 10-37 The Barstow Cemetery District has currently prepared the annual budget and forwarded it to the ACR for input into FAS and will consider modifications throughout the year to stay within the fiscal resources.
- 10-38 The Barstow Cemetery is currently looking into the possibility of drilling it's own well, but before we can dig a new well need to contact the Mojave Basin Water Master to research possible water rights. The District at this time is financially unable to pay for the drilling of the well, the outer structure of such well and the water pipeline to connect to the existing pump house. The District will apply for grant funding for this project.
- 10-39 The Barstow Cemetery District is looking into the possibility of joining the California Association of Special Districts to obtain health insurance and workers comp and shopping other providers at a reduced rate for the next policy period.

Sincerely,



Frank J Lopez Jr.
Superintendent

- 10-34 The Barstow Cemetery needs to contact LAFCO, the ACR and Special Districts and ask for help. (Findings 1, 2, 3)
- 10-35 The Barstow Cemetery needs to arrange for someone to become their bookkeeper and keep monthly financial statements and do an annual budget. (Findings 1, 2, 3)
- 10-36 The Barstow Cemetery needs to consider finding a new auditing firm. There is no reason it should take two-plus years to do an audit on this small of an operation. (Finding 2)
- 10-37 The Barstow Cemetery needs to start budgeting so they can operate the cemetery without losing money. (Findings 2, 3, 4)
- 10-38 The Barstow Cemetery needs to again look into the possibility of drilling its own well for water. (Finding 6)
- 10-39 The Barstow Cemetery needs to contact the California Association of Special Districts and consider joining so they can obtain health insurance and workers compensation at a considerable savings. (Finding 5)

RESPONDING AGENCY	RECOMMENDATIONS	DATE
LAFCO	10-32	09-30-2010
Special Districts	10-32 through 10-33	09-30-2010
Auditor Controller/Recorder	10-32	09-30-2010
Barstow Cemetery	10-34 through 10-39	09-30-2010